SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-57181; File No. SR-Amex-2007-132)  

January 22, 2008  

Self-Regulatory Organizations; American Stock Exchange LLC; Order Approving a Proposed Rule Change as Modified by Amendment No. 1 Thereto to Include Volume Executed by Remote Quoting Towards the Earning of Remote Quoting Rights  

On November 30, 2007, the American Stock Exchange LLC (“Amex” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)\(^1\) and Rule 19b-4 thereunder,\(^2\) a proposed rule change to amend Amex Rule 994-ANTE to include the volume executed remotely by specialists and registered options traders (“ROTs) towards the earning of remote quoting rights in the Exchange’s remote registered options trader (“RROT”) program (“RROT Program”). On December 13, 2007, Amex filed Amendment No. 1 to the proposed rule change. The proposed rule change, as amended, was published for comment in the Federal Register on December 21, 2007.\(^3\) The Commission received no comments on the proposal. This order approves the proposed rule change, as amended.  

The Exchange’s RROT Program currently allows members or member organizations designated by the Exchange to be awarded remote quoting rights to enter bids and offers electronically from locations other than the trading crowd where the applicable options class is traded on the Exchange’s physical trading floor.\(^4\) ROTs and specialists are currently awarded remote quoting rights based on quantitative criteria set forth in Amex Rule 994-ANTE.  

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Specifically, specialists are awarded remote quoting rights based on Exchange floor volume
executed, and their percentage of industry market share in the options in which they specialize.
ROTs are awarded remote quoting rights based solely on floor volume executed.

Currently, volume executed as a result of quoting remotely is not included in the
calculation of remote quoting rights in Rule 994-ANTE. However, according to the Exchange,
since the implementation of the RROT Program in May of 2006, volume is increasingly
executed as a result of remote quotes entered by ROTs and specialists. The Exchange believes it
is appropriate to reward those ROTs and specialists for the volume they execute as a result of
quoting remotely, by including such volume towards the earning of additional remote quoting
rights.

The Commission finds that the proposed rule change, as amended, is consistent with the
requirements of the Act and the rules and regulations thereunder applicable to a national
securities exchange.5 In particular, the Commission finds that the proposal is consistent with
Section 6(b)(5) of the Act,6 which requires, among other things, that the rules of an exchange be
designed to promote just and equitable principles of trade, remove impediments to and perfect
the mechanism of a free and open market and a national market system, and, in general, protect
investors and the public interest. Volume executed as a result of quoting remotely, as well as
volume executed on the floor, contributes to liquidity in a class. The Commission therefore
believes that it is appropriate and consistent with the Act for the Exchange to include volume

5  In approving this proposed rule change, the Commission notes that it has considered the
proposed rule’s impact on efficiency, competition, and capital formation. 15 U.S.C.
78c(f).

executed remotely by specialists and ROTs in the calculation of remote quoting rights on the Exchange.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,\(^7\) that the proposed rule change (SR-Amex-2007-132), as modified by Amendment No. 1 thereto, is approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.\(^8\)

Florence E. Harmon
Deputy Secretary

\(^8\) 17 CFR 200.30-3(a)(12).