SECURITIES AND EXCHANGE COMMISSION

January 31, 2008

Self-Regulatory Organizations; American Stock Exchange LLC; Order Approving a Proposed
Rule Change, as Modified by Amendment No. 1, to Allow Register Options Traders to Submit
Electronic Quotations and Orders From Off the Amex’s Trading Floor on a Limited Basis

I. Introduction

On February 27, 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”), and Rule 19b-4 thereunder, a proposal to amend its rules to allow registered options traders to submit electronic quotations and orders from off the Amex’s trading floor on a limited basis. The Amex filed Amendment No. 1 to the proposal on December 13, 2007. The proposed rule change, as modified by Amendment No. 1, was published for comment in the Federal Register on December 28, 2007. The Commission received no comments regarding the proposed rule change, as amended. This order approves the proposed rule change, as modified by Amendment No. 1.

II. Description of the Proposal

The Amex proposes to amend Amex Rule 958—ANTE, “Options Transactions of Registered Options Traders and Supplemental Registered Options Traders and Remote Registered Options Traders,” to allow registered options traders to submit electronic quotations and orders from off the Amex’s trading floor on a temporary basis for a maximum of 20 days.

---

3 Amendment No. 1 supersedes and replaces the original filing in its entirety.
during a calendar year. According to the Amex, the proposal is designed to accommodate registered options traders when they are temporarily unable to be present on the Amex’s physical trading floor. For purposes of the “in-person” requirements set forth in Amex Rule 958—ANTE, a registered options trader’s transactions through this limited remote quoting program will be deemed to occur on the floor.

A registered options trader must notify the Amex’s Division of Regulation and Compliance immediately following the day or days during which he or she submits quotes from off the floor. The Amex notes that it has an independent means to monitor when a register options trader is off the floor because all members must scan in.

The Amex states that it will use its existing surveillance procedures to monitor registered options traders’ temporary off-floor trading. In addition, the Amex represents that it will be able to monitor for compliance with the Amex’s trading rules and the federal securities laws and the rules and regulations thereunder.

III. Discussion

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. In particular, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act, which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to

---

5 See Amex Rule 958—ANTE, Commentary .01(c). Under the proposal, quoting and submitting orders from off the trading floor for less than an entire day would qualify as one day.

6 See Amex Rule 958—ANTE, Commentary .01(c).

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

promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

The Commission believes that the proposal is designed to provide registered options traders with the flexibility to trade from off the Amex’s floor on a limited basis when they are temporarily unable to be present on the floor. The Commission notes that the Amex has stated that it will use its existing surveillance procedures to monitor the off-floor trading permitted under the proposal, and that the Amex has represented that it will be able to monitor for compliance with the Amex’s trading rules and the federal securities laws and the rules and regulations thereunder.

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,\textsuperscript{9} that the proposed rule change (SR-Amex-2007-25), as modified by Amendment No. 1, is approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.\textsuperscript{10}

Florence E. Harmon
Deputy Secretary

\textsuperscript{10} 17 CFR 200.30-3(a)(12).