SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-57531; File No. SR-Amex-2008-24)  

March 19, 2008

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Additional Options Classes in the Options Penny Quoting Pilot Program

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”), and Rule 19b-4 thereunder, notice is hereby given that on March 17, 2008, the American Stock Exchange LLC (“Amex” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by the Amex. The Exchange has designated this proposal as one constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule under Section 19(b)(3)(A)(i) of the Act and Rule 19b-4(f)(1) thereunder, which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

Amex proposes to identify the additional options classes that will be subject to the current pilot program for the quoting of options classes in pennies (the “Penny Quoting Pilot Program” or “Pilot Program”).

The text of the proposed rule change is available on the Exchange’s Web site

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II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Amex included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Amex has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Amex proposes to identify for market participants the additional options classes that will be included in the current Penny Quoting Pilot Program.\(^5\) The Exchange believes that this proposal is necessary in order to adequately notify market participants regarding the upcoming addition of options classes that will be included in the current Pilot Program.

The current Penny Quoting Pilot Program includes thirty-five (35) options classes. As set forth in the September 2007 Order, the expansion of the Pilot Program is to occur in two (2) phases. Under the first phase, which began on September 28, 2007, the Exchange expanded the Pilot Program to include an additional twenty-two (22) options classes. These consisted of the most actively-traded options classes (excluding Google (GOOG), Nasdaq-100 Index (NDX) and

the Russell 2000 Index (RUT)). The thirty-five (35) current options classes included in the Penny Quoting Pilot Program represent approximately 35% of total industry options volume.

The second phase, which is scheduled to commence on March 28, 2008, will add twenty-eight (28) additional option classes. The Commission in the September 2007 Order previously approved this expansion of twenty-eight additional options classes, however, at that time, the actual identity of the options classes to be included in the Pilot Program was undecided. Accordingly, the instant proposal identifies these twenty-eight (28) additional options classes for phase two of the Pilot Program. Attached as Exhibit 2 to the filing is a draft Regulatory Circular setting forth the list of additional options classes to be included in the Pilot Program. The Pilot Program will then consist of sixty-three (63) options classes representing approximately 50% of total industry options volume.

The current Penny Quoting Pilot Program will terminate, unless extended, on March 27, 2009.

The Exchange continues to believe that the additional options classes that may quote in pennies under the Pilot Program is reasonable given the system capacity constraints and quote mitigation strategies in place at the Amex as well as the other options exchanges.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act\textsuperscript{6} in general and furthers the objectives of Section 6(b)(5),\textsuperscript{7} in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to 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 Exchange

\textsuperscript{6} 15 U.S.C. 78f(b).

\textsuperscript{7} 15 U.S.C. 78f(b)(5).
believes that the identity of the additional options classes in this filing will provide market participants adequate notification of future changes to the Pilot Program.

B. **Self-Regulatory Organization’s Statement on Burden on Competition**

The proposed rule change will impose no burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. **Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others**

No written comments were solicited or received with respect to the proposed rule change.

III. **Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The proposed rule change has become effective pursuant to Section 19(b)(3)(A)(i) of the Act\(^8\) and Rule 19b-4(f)(1) thereunder,\(^9\) because it constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the Amex.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.\(^10\)

IV. **Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

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Electronic comments:

- Use the Commission’s Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-Amex-2008-24 on the subject line.

Paper comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-Amex-2008-24. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s Internet Web site (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission’s Public Reference Room, on official business days between the hours of 10:00 am and 3:00 pm. Copies of the filing also will be available for inspection and copying at the principal office of the Amex. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available
publicly. All submissions should refer to File Number SR-Amex-2008-24 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.11

Florence E. Harmon
Deputy Secretary