

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-51873; File No. SR-Amex-2005-033)

June 17, 2005

Self-Regulatory Organizations; American Stock Exchange LLC; Order Approving Proposed Rule Change and Amendment No. 1 Thereto to Amend Rule 918 – ANTE(a)(4) Regarding Closing Rotations

On March 17, 2005, the American Stock Exchange LLC (“Amex” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² to amend Amex Rule 918 - ANTE(a)(4) to eliminate the requirement that a closing rotation be held in every option series at the end of every trading day. The Amex submitted an amendment to the proposal on April 14, 2005.³ The proposed rule change, as amended, was published for comment in the Federal Register on May 13, 2005.⁴ The Commission received no comments on the proposal, as amended.

After careful review, the Commission finds that the proposal, 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 proposed rule change, as amended, is consistent with Section 6(b)(5) of the Act,⁶ because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade,

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Form 19b-4 dated April 14, 2005 (“Amendment No. 1), replacing the original filing in its entirety.

⁴ See Securities Exchange Act Release No. 51671 (May 9, 2005), 70 FR 25629.

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. See 15 U.S.C. 78c(f).

⁶ 15 U.S.C. 78f(b)(5).

to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to and facilitating transactions in securities, 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.

Specifically, the Commission believes that the proposal to eliminate the requirement that a closing rotation be held in every option series at the end of every trading day is reasonable given the Exchange's representations that use of the ANTE System during the last eleven months has shown closing rotation to be unnecessary when no market-on-close or limit-on-close orders have been submitted. Accordingly, the Commission believes it is appropriate for the Exchange to revise Amex Rule 918 - ANTE(a)(4) to provide that closing rotations shall only occur in those options series in which market-on-close and limit-on-close orders have been submitted.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change, as amended, (SR-Amex-2005-033) be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland
Deputy Secretary

⁷ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(12).