

amended, were published for comment in the **Federal Register** on October 4, 2007.<sup>4</sup> The Commission received no comments on the proposed rule changes. This order approves the proposed rule changes, as amended.

## II. Description of the Proposals

Under section 8(c)(iii)(G) of the Plan for the Purpose of Creating and Operating an Intermarket Option Linkage ("Linkage Plan"),<sup>5</sup> the Linkage Plan participants ("Participants") may amend the definition of the term "complex trade" from time to time. The Participants have agreed to change the definition of "complex trade" to extend the associated trade-through liability exemption to cover certain stock-option trades. Accordingly, each of the Exchanges has submitted a proposal that would amend each such Exchange's definition of "complex trade," set forth in the Exchange's respective rules pertaining to the Linkage, to include the execution of a stock-option order to buy or sell a stated number of units of an underlying stock or a security convertible into the underlying stock ("convertible security") coupled with the purchase or sale of option contract(s) on the opposite side of the market representing either (A) the same number of units of the underlying stock or convertible security, or (B) the number of units of the underlying stock or convertible security necessary to create a delta neutral position, but in no case in a ratio greater than eight option contracts per unit of trading of the underlying stock or convertible security established for that series by the Options Clearing Corporation.<sup>6</sup>

<sup>4</sup> Securities Exchange Act Release No. 56555 (September 27, 2007), 72 FR 56814.

<sup>5</sup> On July 28, 2000, the Commission approved a national market system plan for the purpose of creating and operating the Linkage proposed by Amex, CBOE, and ISE. See Securities Exchange Act Release No. 43086 (July 28, 2000), 65 FR 48023 (August 4, 2000). Subsequently, the Philadelphia Stock Exchange, Inc. ("Phlx"), Pacific Exchange, Inc. (n/k/a NYSE Arca, Inc.), and BSE joined the Linkage Plan. See Securities Exchange Act Release Nos. 43573 (November 16, 2000), 65 FR 70851 (November 28, 2000); 43574 (November 16, 2000), 65 FR 70850 (November 28, 2000); and 49198 (February 5, 2004), 69 FR 7029 (February 12, 2004).

<sup>6</sup> The Exchanges propose to amend their respective rules that define "complex trade" for Linkage purposes, namely Amex Rule 940(b)(3), Boston Options Exchange Rule Chapter XII, Section 1(c), CBOE Rule 6.80(4), ISE Rule 1900(3), and NYSE Arca Rule 6.92(a)(4).

The Phlx filed a proposed rule change with the Commission to amend its definitions of "synthetic option" and "complex trade" to conform such definitions with the related "stock option" and "complex trade" definitions of the Exchanges. See Securities Exchange Act Release No. 56608 (October 3, 2007), 72 FR 57985 (October 11, 2007) (SR-Phlx-2007-40). The Commission is approving proposed rule change SR-Phlx-2007-40 in a separate order

## III. Discussion

After careful review, the Commission finds that the proposed rule changes, as amended, are consistent with the requirements of the Act and the rules and regulations thereunder applicable to national securities exchanges.<sup>7</sup> In particular, the Commission finds that the proposed rule changes, as amended, are consistent with the provisions of section 6(b)(5) of the Act,<sup>8</sup> which requires, among other things, that national securities exchanges' rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and to 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 by amending the definition of "complex trade" to include certain stock-option orders as described above, and by providing a consistent definition of "complex trade" in the rules of the Exchanges, the proposals may facilitate the execution of such complex orders.

## IV. Conclusion

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act,<sup>9</sup> that the proposed rule changes (SR-Amex-2007-65; SR-BSE-2007-45; SR-CBOE-2007-64; SR-ISE-2007-44; SR-NYSEArca-2007-65), as amended, are approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>10</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

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today. See Securities Exchange Act Release No. 56760 (November 7, 2007).

<sup>7</sup> In approving these proposals, the Commission has considered the proposed rules' impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

<sup>9</sup> 15 U.S.C. 78s(b)(2).

<sup>10</sup> 17 CFR 200.30-3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56764; File No. SR-Amex-2007-113]

### Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Delete Previously Approved Rules Relating To a New Class of Off-Floor Market Maker Called Designated Amex Remote Traders

November 7, 2007.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 25, 2007, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission the proposed rule change as described in Items I and II below, which Items have been substantially prepared by the Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> 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

The Amex proposes to delete the recently approved changes to its rules establishing a new class of off-floor market makers known as Designated Amex Remote Traders, or "DARTs."<sup>5</sup>

The text of the proposed rule change is available on the Amex's Web site at <http://www.amex.com>, the Amex's principal office, and at the Commission's Public Reference Room.

#### 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 Exchange 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 Exchange has prepared summaries, set

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

<sup>5</sup> See Securities Exchange Act Release No. 56446 (Sept. 17, 2007), 72 FR 54303 (Sept. 24, 2007) (approving SR-Amex-2007-85).

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 the Statutory Basis for, the Proposed Rule Change*

(1) Purpose

The Exchange proposes to delete the recently approved changes to its rules establishing a new class of off-floor market makers known as Designated Amex Remote Traders, or "DARTs." The Exchange plans to refile the proposed rule change with some revisions and subject to a new comment period. The Exchange is taking this action to facilitate the Commission's addressing, to the extent still germane, the substance of comments it previously received on the original filing.<sup>6</sup>

(2) Statutory Basis

The proposed rule change is consistent with section 6(b) of the Act,<sup>7</sup> in general, and furthers the objectives of section 6(b)(5),<sup>8</sup> 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.

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

The proposed rule change does not impose any 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**

Because the foregoing rule does not (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the

Commission may designate if consistent with the protection of investors and the public interest, it has become effective pursuant to section 19(b)(3)(A) of the Act<sup>9</sup> and Rule 19b-4(f)(6) thereunder.<sup>10</sup>

The Exchange has requested that the Commission waive the 30-day pre-operative period, so that the proposal may become operative as of the date of filing. The Commission hereby grants the Exchange's request. The Commission believes that such action is consistent with the protection of investors and the public interest, because the Exchange will be able to submit the revised DART proposal without delay and interested parties will have the benefit of a notice-and-comment period on the new proposal.<sup>11</sup>

**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:

*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](mailto:rule-comments@sec.gov). Please include File Number SR-Amex-2007-113 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-2007-113. 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

<sup>9</sup> 15 U.S.C. 78s(b)(3)(a).

<sup>10</sup> 17 CFR 240.19b-4(f)(6). In addition, the self-regulatory organization must give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Commission has determined to waive the five-day pre-filing notice period in this case.

<sup>11</sup> For purposes only of waiving the 30-day operative delay of this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such 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-2007-113 and should be submitted on or before December 5, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-56762; File No. SR-CBOE-2007-129]

**Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing of Proposed Rule Change Regarding the CBSX Floor Post**

November 7, 2007.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November 2, 2007, the Chicago Board Options Exchange, Incorporated ("CBOE" 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 Exchange. The Commission is publishing this notice to solicit comments on the

<sup>12</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>6</sup> See E-mail from William Love, Vice President and Associate General Counsel, Amex, to Michael Gaw, Assistant Director, and Sonia Trocchio, Special Counsel, Division of Market Regulation, Commission (Nov. 5, 2007).

<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).