

proposal raises no new issues of regulatory concern. Waiving the operative delay will allow the proposal to become effective simultaneously with Amex's proposal to establish ABCs, which we are approving separately today.¹⁵ Therefore, the Commission has determined to waive the 30-day delay and allow the proposed rule change to become operative immediately.¹⁶

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.

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. Please include File No. SR-Amex-2006-67 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-2007-122. 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, 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 Exchange. 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-2007-122 and should be submitted on or before January 2, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56901; File No. SR-Amex-2007-20]

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto Related To Amending Complex Orders Procedures

December 5, 2007.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 15, 2007, 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. On November 28, 2007, the Exchange filed Amendment No. 1 to the proposed rule change. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

The Exchange proposes to amend complex orders procedures to allow the adjustment of the options leg of the order if market conditions prevent the execution of the non-option leg at the price agreed upon.

The text of the proposed rule change is available at <http://www.amex.com>, at the Exchange'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 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

Amendment No. 1 makes revisions to the 19b-4, as originally filed, and replaces and supersedes the original filing in its entirety.

Complex orders involving orders consisting of stock or securities futures and option legs are effective hedging strategies that would permit Members to initially offset the risk of price movements in an option position, with a corresponding purchase or sale of stock underlying the option position or securities futures. The Exchange recently adopted language to allow for the execution of stock-option orders and security future-option orders.³ These rules currently provide that complex orders consisting of stock or security futures and options legs that fall within their proposed definition will be afforded the same priorities as spread, straddle, ratio, and combination orders.⁴

Amex Rule 953-ANTE provides the execution procedures for stock-option orders and security future-options orders. Currently, under Amex Rule 953-ANTE, if the security or security

¹⁵ See Securities Exchange Act Release No. 56804 (November 16, 2007) (order approving SR-Amex-2006-107).

¹⁶ For purposes only of waiving the operative delay of this proposal, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Exchange Act Release No. 53588 (April 3, 2006), 71 FR 18122 (April 10, 2006).

⁴ See Commentary .01 to Rule 950-ANTE(d).

futures leg of the order cannot be executed at the price(s) agreed upon due to market conditions, a trade representing the execution of the options leg of the transaction may be cancelled at the request of any member that is a party to that trade.

The Exchange proposes to amend Rule 953—ANTE (b)(ii) to provide that if the security or security futures leg of the order cannot be executed at the price agreed upon due to market conditions, the price of a trade representing the execution of the options leg of the transaction may be adjusted to be consistent with the net debit or credit price⁵ of the original order, if market conditions in any of the non-Exchange markets prevent the execution of the non-option leg at the price agreed upon.

For example, a floor broker walks into the ABC options crowd to sell 20 November ABC calls at \$2.00 against 1000 shares of ABC stock at \$50.00, the price where the stock is presently trading. The net debit price for this transaction would be \$46,000.⁶ A member/members agrees to the trade. The broker then goes to cross the stock at \$50.00, but is unable to because of movement in the stock price, and crosses it at \$50.10. The price of the options would be adjusted and the broker would print the options at \$2.05 to maintain the net debit or credit price of the original order.⁷

The Exchange notes that the orders are presented as crosses and the counterparty acknowledges the adjustment. When agreeing to the trade, the counterparty is aware that the price of the trade representing the options leg of the transaction may be adjusted. Lastly, the Exchange notes that the repricing of the options leg must be consistent with the Amex's priority and parity rules.⁸ If the transaction does not satisfy the Exchange's priority and parity rules by the end of the trading day, then the transaction would be cancelled.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act

⁵ The net debit or credit will remain the same. The calculation of the net debit or credit is not subject to interpretation.

⁶ The original net price for the transaction: 1000 shares at \$50.00 (\$50,000) less 20 calls at \$2.00 (\$4,000) equals a net price of \$46,000.

⁷ The adjusted net price for the transaction: 1000 shares at \$50.10 (\$50,100) less 20 calls at \$2.05 (\$4,100) equals a net price of \$46,000.

⁸ See Commentary .01 and .02 to Rule 950—ANTE(c). As noted in the aforementioned example, if there was a public customer order on the book for \$2.05 at the time of the trade, the member would not be permitted to trade through the customer's order.

and the rules and regulations under the Act applicable to a national securities exchange and, in particular, the requirements of section 6(b)⁹ of the Act. Specifically, the Exchange believes the proposed rule change is consistent with the requirements of section 6(b)(5)¹⁰ of the Act 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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding, or (ii) as to which the Amex consents, the Commission will:

A. By order approve such proposed rule change; or

B. Institute proceedings to determine whether the proposed rule change should be disapproved.

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

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- Send an e-mail to rule-comments@sec.gov. Please include File Number SR—Amex—2007—20 on the subject line.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

Paper Comments

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

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

Florence E. Harmon,

Deputy Secretary.

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¹¹ 17 CFR 200.30-3(a)(12).