

the waiver will be passed through to the Portfolio.

11. With respect to Registered Separate Accounts that invest in a Portfolio, no sales load will be charged at the Portfolio level or at the Underlying Fund level. Other sales charges and service fees, as defined in NASD Conduct Rule 2830, if any, will only be charged at the Portfolio level or at the Underlying Fund level, not both. With respect to other investment in a Portfolio, any sales charges and/or service fees charged with respect to shares of the Portfolio will not exceed the limits applicable to a funds of funds set forth in NASD Conduct Rule 2830.

12. No Underlying Fund will acquire securities of any other investment company or company relying on section 3(c)(1) or 3(c)(7) of the Act in excess of the limits contained in section 12(d)(1)(A) of the Act, except to the extent that such Underlying Fund: (a) Receives securities of another investment company as a dividend or as a result of a plan of reorganization of a company (other than a plan devised for the purpose of evading section 12(d)(1) of the Act); or (b) acquires (or is deemed to have acquired) securities of another investment company pursuant to exemptive relief from the Commission permitting such Underlying Fund to: (i) Acquire securities of one or more affiliated investment companies for short-term cash management purposes, or (ii) engage in interfund borrowing and lending transactions.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Florence E. Harmon,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57248; File No. SR-Amex-2007-25]

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

January 31, 2008.

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"),¹ and Rule 19b-4 thereunder,² 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, 2007.³ The proposed rule change, as modified by Amendment No. 1, was published for comment in the **Federal Register** on December 28, 2007.⁴ 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 during a calendar year.⁵ 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.⁶ 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.⁷ In particular, the Commission finds that the proposal is consistent with section 6(b)(5) of the Act,⁸ which requires, among other things, that the rules of a national securities exchange be 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 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,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.¹⁰

Florence E. Harmon,
Deputy Secretary.

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¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Amendment No. 1 supersedes and replaces the original filing in its entirety.

⁴ See Securities Exchange Act Release No. 57011 (December 20, 2007), 72 FR 73910.

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).

⁸ 15 U.S.C. 78f(b)(5).

⁹ 15 U.S.C. 78s(b)(2).

¹⁰ 17 CFR 200.30-3(a)(12).