

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-54543; File No. SR-Amex-2006-92)

September 29, 2006

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Exercise Deadline for Quarterly Options Series

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19(b)(4) thereunder,² notice is hereby given that on September 25, 2006, 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 and II below, which Items have substantially been prepared by the Exchange. The Commission has designated this proposed rule change as non-controversial under Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposed rule change 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

The Exchange proposes to amend Amex Rule 980(c) to provide that options holders of quarterly options have until the expiration date to make a decision to exercise or not exercise an expiring option. The text of the proposed rule change is set forth below. Proposed new language is underlined.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

* * * * *

AMERICAN STOCK EXCHANGE LLC

* * * * *

Rule 980. Exercise of Option Contracts

(a) – (b) No change.

(c) Exercise cut-off time. Option holders have until 5:30 p.m. Eastern time ("ET") on the business day immediately prior to the expiration date or, in the case of a Quarterly Options Series, on the expiration date, to make a final decision to exercise or not exercise an expiring option. For customer accounts, members and member organizations may not accept exercise instructions after 5:30 p.m. ET but have until 6:30 p.m. ET to submit a Contrary Exercise Advice. For non-customer accounts, members and member organizations may not accept exercise instructions after 5:30 p.m. ET but have until 6:30 p.m. ET to submit a Contrary Exercise Advice if such member or member organization employs an electronic submission procedure with time stamp for the submission of exercise instructions by option holders. Consistent with Commentary .04, members and member organizations are required to submit a Contrary Exercise Advice by 5:30 p.m. ET for non-customer accounts if such Members and/or member organization do not employ an electronic submission procedure with time stamp for the submission of exercise instructions by option holders.

(d) – (h) No change

* * * * *

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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Amex proposes to amend Amex Rule 980(c) to provide that holders of a Quarterly Options Series⁵ have until 5:30 p.m. Eastern Time ("ET") on the expiration date to make a final decision to exercise or not exercise an expiring option.

Amex Rule 980(c) states that option holders have until 5:30 p.m. ET on the business day immediately prior to the expiration date to make a final decision to exercise or not exercise any expiring option. Because Quarterly Options Series continue to trade on the expiration date, the rule in its current form would require the holder of a Quarterly Option to decide whether to exercise or not exercise and expiring option without the knowledge of what the closing price of the underlying security would be on expiration. Thus, the Exchange proposes to amend Rule 980(c) to permit holders of Quarterly Options Series to make their final decision regarding exercise of such options at any time before 5:30 p.m. ET on the expiration date.

⁵ See Amex Rule 900(b)(45) which defines Quarterly Options Series to mean a series in an options class that is approved for listing and trading on the Exchange in which the series is opened for trading on any business day and that expires at the close of business on the last business day of a calendar quarter.

The Exchange believes that changing the exercise cut-off time for Quarterly Options Series is beneficial to the Exchange and the marketplace because doing so will allow holders of contracts in Quarterly Options Series to take into account trading activity on the expiration day when making a final decision whether to exercise the options.

The Exchange believes that it is appropriate for the Exchange to adopt the proposed rule change, as proposed, in order to permit exercise of a quarterly options series at any time until the close of business on its expiration date.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act⁶ in general, and Section 6(b)(5) of the Act⁷ specifically, in that it is designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and practices, and, in general, to protect investors and the public interest.

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

The Exchange believes that the proposed rule change will 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.

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)⁸ of the Act and subparagraph (f)(6) of Rule 19b-4thereunder.⁹ Because the foregoing proposed rule change (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) does not become operative for 30 days from the date of the filing, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.¹⁰

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30 days after the date of filing. However, Rule 19b-4(f)(6)(iii) permits the Commission to waive the operative delay if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the operative delay to permit the proposed rule change to become effective prior to the 30th day after filing.

The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Waiving the operative delay will allow the Exchange to permit exercise of a Quarterly Options Series at any time until the close of business on its

⁸ 15 U.S.C. Section 78s(b)(3)(A).

⁹ 17 CFR 240.19b-4(f)(6).

¹⁰ Rule 19b-4(f)(6)(iii) requires the Exchange to give written notice to the Commission of its intent to file the proposed rule change five business days prior to filing. The Commission has determined to waive the five-day pre-filing requirement for this proposal.

