

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-56331; File No. SR-Amex-2007-93)

August 28, 2007

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Options Directed Order Participant Transaction Charge Rebate Program

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 August 20, 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 Exchange. Amex has designated this proposal as one establishing or changing a due, fee, or other charge imposed by Amex under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposal 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 extend the transaction charge rebates currently applicable to supplemental registered options traders (“SROT”) to all Directed Order Participants. The text of the proposed rule change is available at the Exchange, the Commission’s Public Reference Room, and www.amex.com.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

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. Amex has substantially 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

The Exchange proposes to extend the options transaction charge⁵ rebates currently applicable to SROTs⁶ to all Directed Order Participants (including SROTs) that provide liquidity to the Exchange and receive electronic directed customer orders (the "Directed Order Fee Rebate Program"). This Directed Order Fee Rebate Program would provide fee rebates to Directed Order Participants that provide order flow to the Exchange from an order flow provider firm.⁷

⁵ The options transaction charge is the collective of the Options Transaction Fee, the Options Comparison Fee, and the Options Floor Brokerage fee, as noted on the Options Fee Schedule.

⁶ See Securities Exchange Act Release No. 56002 (July 2, 2007), 72 FR 37548 (July 10, 2007) (SR-Amex 2007-55).

⁷ See Securities Exchange Act Release No. 56269 (August 15, 2007), 72 FR 47086 (August 22, 2007) (Notice of Filing and Order Granting Accelerated Approval of SR-Amex 2007-75). Generally, for purposes of the Directed Order Flow Program, a directed order is deemed to be an electronic customer order from an order flow provider that is directed to a specific specialist, registered options trader ("ROT"), SROT, or remote registered options trader ("RROT").

This proposal would allow the Exchange to provide Directed Order Participants with options transaction charge rebates for the number of options contracts that are electronically directed to them and executed on the Exchange. The following rebate schedule is proposed:

Monthly Directed Order Volume (in contracts)	Rebate per Contract
0 – 1,000,000	\$0.05
1,000,001 – 2,000,000	\$.10
2,000,001 – 3,000,000	\$.125
3,000,001 and up	\$.15

Rebates would be capped at 100% of transaction charges so that once a Directed Order Participant's transaction charges reach zero, the Exchange would not pay out any additional credits.⁸

The Exchange notes that Directed Order Participants are entitled to the options transaction charge rebate, which is separate and apart from the Exchange's Payment for Order Flow Plan.⁹ The proposed options transaction charge rebate, which is provided to Directed Order Participants, will not come from the marketing fees collected on those transactions.

⁸ For example, a Directed Order Participant which pays \$100,000 in transaction charges per month, could not receive more than a \$100,000 rebate.

⁹ See supra note 7.

