

Committee's continuance is no longer in the public interest.

The Committee will meet at such intervals as are necessary to carry out its functions. The charter will provide that meetings of the full Committee are expected to occur no more frequently than twelve times per year. Meetings of subcommittees of the full Committee may occur more frequently.

The charter will provide that the duties of the Committee are to be solely advisory. The Commission alone will make any determinations of action to be taken and policy to be expressed with respect to matters within the Commission's authority with respect to which the Committee provides advice or makes recommendations.

The Chairman of the Commission affirms that the establishment of the Committee is necessary and in the public interest.

Furthermore, upon establishment of the Committee, and in accordance with section 10(a) of the Federal Advisory Committee Act, 5 U.S.C. App. 10a, notice is hereby given that the first meeting of the Committee will be held on August 2, 2007 in the Auditorium, room L-002 at the Commission's main offices, 100 F Street, NE., Washington, DC, beginning at 10 a.m. The meeting will be open to the public. The purpose of this meeting will be to discuss general organizational matters, to plan the progression of the Committee's work, and to begin discussions about the sources of unnecessary complexity and the barriers to investor transparency in the U.S. financial reporting system.

By the Commission.

Dated: June 27, 2007.

Nancy M. Morris,

*Committee Management Officer.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55949; File No. SR-Amex-2007-61]

### Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Clarify the Method by Which Specialists Execute Odd-Lot Market Orders in Rule 205—AEMI

June 25, 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 June 21, 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 Amex. Amex has filed this proposal pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(5) thereunder,<sup>4</sup> which renders it 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 adopt clarifying changes to Rule 205—AEMI to specify that a specialist on the Exchange executes unelected odd-lot market orders, along with all other outstanding unexecuted odd-lot market orders on the AEMI book, at the price of the specialist's quote 30 seconds after the later of (i) the entry of such order into AEMI or (ii) the last round-lot election of a previously entered odd-lot market order.

The text of the proposed rule change is available on Exchange's Web site (<http://www.amex.com>), at 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, Amex 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 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, Proposed Rule Change

###### 1. Purpose

Pursuant to its most recent amendment, Rule 205—AEMI(b) currently specifies that, to the extent an odd-lot market order is not elected by a round-lot transaction within 30 seconds of entry into AEMI, such order will be executed against the specialist's quote

30 seconds after entry of the order into AEMI.<sup>5</sup>

The Exchange is now submitting the instant rule change to clarify, more consistently with the way the AEMI system has been configured, that such unelected unexecuted odd-lot market orders are executed, along with all other outstanding unexecuted odd-lot market orders on the AEMI book, at the price of the specialist's quote 30 seconds after the later of (i) the entry of such order into AEMI or (ii) the last round-lot election of a previously entered odd-lot market order.

While the current version of Rule 205—AEMI(b) implies that every odd-lot market order has a unique 30-second timer for execution (if not elected by virtue of an earlier round-lot transaction), the instant rule change is necessary to clarify that, in certain limited scenarios, an unelected odd-lot market order can receive executions in under 30 seconds (where tied to executions of earlier-entered odd-lot market orders)<sup>6</sup> and, in rare circumstances, more than 30 seconds.<sup>7</sup>

###### 2. Statutory Basis

The proposed rule change is designed to be consistent with Section 6(b) of the Act,<sup>8</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>9</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 national market system and, in

<sup>5</sup> See Securities Exchange Act Release No. 55762 (May 15, 2007), 72 FR 28529 (May 21, 2007).

<sup>6</sup> The Exchange estimates that executed odd-lot volume that may fall into this category is less than 15,000 shares per day, or less than 1.5% of all odd-lot executed volume and less than 0.03% of Amex executed volume.

<sup>7</sup> The Exchange estimates that this occurs only several times per day when, within a 30-second window, multiple odd-lot market orders are entered followed by round-lot transactions insufficient in size to elect all of them. In such circumstances, remaining unelected odd-lot market order(s) may take more than 30 seconds after their entry to execute, depending on the timing of subsequent round-lot transactions. For example, if three 50-share market buy orders are entered at :01, :02, and :03 seconds, followed at :29 seconds by execution of a new 100 share order at \$10, the first two market buy orders are both executed against the specialist at \$10 at :29 seconds. Then, the timer in AEMI resets back to zero, and the remaining 50-share market buy order is executed against the specialist upon the earlier of (i) the next round-lot transaction (at the price of said transaction) or (ii) the expiration of 30 seconds (at the price of the specialist's then best offer), resulting in execution anywhere from 26 to 56 seconds after original entry into AEMI.

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

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<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).

<sup>4</sup> 17 CFR 240.19b-4(f)(5).

general, to protect investors and the public interest.

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

The proposed rule change will impose no 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 proposed rule change does not: (1) Significantly affect the protection of investors or the public interest; (2) impose any significant burden on competition; and (3) have the effect of limiting the access to or availability of an existing order entry or trading system of the Exchange, the foregoing rule change has become effective immediately pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>10</sup> and Rule 19b-4(f)(5) thereunder.<sup>11</sup> At any time within 60 days of the filing of such 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 the 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](mailto:rule-comments@sec.gov). Please include File Number SR-Amex-2007-61 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-2007-61. 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 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-2007-61 and should be submitted on or before July 23, 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. 34-55955; File No. SR-Amex-2007-57]**

#### **Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Extension of the Pilot Period Applicable to the Listing and Trading of Options on the iShares MSCI Emerging Markets Index**

June 25, 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>

<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.

notice is hereby given that on June 5, 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. The Exchange filed the proposed rule change as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)<sup>3</sup> of the Act and Rule 19b-4(f)(6) thereunder,<sup>4</sup> 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 pilot period applicable to the listing and trading of options on the iShares MSCI Emerging Markets Index Fund ("Fund Options"). Amex is not proposing any textual changes to its rules.

#### **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 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**

On May 17, 2006, the Commission approved an Amex proposal to list and trade the Fund Options for a 60-day pilot period that expired July 2, 2006 (the "Pilot").<sup>5</sup> The Commission approved 90-day extensions of the Pilot on June 30, 2006<sup>6</sup> and September 29, 2006,<sup>7</sup> respectively. In addition, the Commission on January 3, 2007, approved a 180-day extension to the

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

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

<sup>5</sup> See Securities Exchange Act Release No. 53824 (May 17, 2006), 71 FR 30003 (May 24, 2006).

<sup>6</sup> See Securities Exchange Act Release No. 54081 (June 30, 2006), 71 FR 38911 (July 10, 2006).

<sup>7</sup> See Securities Exchange Act Release No. 54553 (September 29, 2006), 71 FR 59561 (October 10, 2006).

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>11</sup> 17 CFR 240.19b-4(f)(5).