

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-55479; File No. SR-Amex-2006-114)

March 15, 2007

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing of a Proposed Rule Change and Amendment No. 1 Thereto Clarifying the Continued Listing Standards for Units

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on December 4, 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, II, and III below, which Items have been prepared substantially by Amex. On February 22, 2007, Amex 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 (1) amend Section 1003(g) of the Amex Company Guide to strengthen the procedures applicable to units when their components fall below continued listing standards and clarify the application of continued listing standards to individual components comprising units once some (but not all) of the units have separated into their component parts and (2) make minor, technical changes to Sections 1003(a), (c), (d) and (f) of the Amex Company Guide. The text of the proposal is available at Amex, at the Commission’s Public Reference Room, and on Amex’s Web site at www.amex.com.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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, and the most significant aspects of such statements are set forth in Sections A, B, and C below.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Section 1003(g) of the Amex Company Guide currently provides that the Exchange will “normally consider” suspending or delisting units if any of their component parts do not meet the applicable continued listing standards. However, if one or more of the components is otherwise qualified for listing, such component may remain listed. For example, a unit comprised of both a common stock component and a debt component would face suspension or delisting procedures if either the common stock or the debt component no longer met its applicable continued listing standards. As a result, if the debt component failed to meet the continued listing standards for bonds, both the unit and such debt component would be subject to suspension or delisting procedures, but the common stock component could independently remain listed and continue to trade on the Exchange, provided such common stock component met the continued listing standards for equity securities.

The Exchange proposes to strengthen Section 1003(g) of the Amex Company Guide so that in the event a component of a unit does not meet its continued listing standards, the Exchange would no longer “consider” suspending or delisting the unit, but would commence a

formal, continued listing evaluation of such component and unit in accordance with Section 1009 of the Amex Company Guide. Section 1009 sets forth the suspension and delisting procedures, timelines, and requirements applicable to issuers identified as being below certain continued listing standards. For example, an issuer of particular securities that receives notification from the Exchange that it is below the continued listing criteria for such securities must publicly announce receipt of such notification and the policies and standards upon which the determination is based.³

The Exchange also proposes to add language to Section 1003(g) to clarify the applicability of certain continued listing standards relating to components of units that have separated. When units in good standing begin to separate into their component securities, the remaining units that are still intact and the components of those units which have separated may all be separately listed and continue to trade, provided that they meet the applicable continued listing standards. The proposal specifies that, in determining whether a particular component meets the continued listing distribution standards set forth in Section 1003(b) of the Company Guide, the distribution values for units that are intact and freely separable into their component parts and for separately-traded components will be aggregated. For example, if 120,000 shares of common stock are publicly held after their separation from their units, and 210,000 intact and freely separable units are publicly held, the common stock will be credited with having 330,000 shares publicly held, enabling it to satisfy one of the distribution standards for common stock, which requires at least 200,000 shares of common stock to be publicly held.⁴ If the units cease to exist or are no longer freely separable and/or listed on the Exchange, the separately-traded

³ See Section 1009(j) of the Amex Company Guide.

⁴ See Section 1003(b)(i)(A) of the Amex Company Guide.

components will still be required to meet their applicable continued listing standards, but the distribution values will not be aggregated.⁵

The Exchange will also consider suspending trading in, or removing from listing, an individual component or unit if the distribution values of such component or unit become so reduced as to make continued listing inadvisable and despite the fact that the aggregated distribution values satisfy the continued listing distribution standards. In its review of the advisability of the continued listing of an individual component or unit under such circumstances, the Exchange proposes to take into account the trading characteristics of the component or unit and whether it would be in the public interest for trading in such component or unit to continue. The Exchange believes that this proposal will enhance the transparency of its continued listing standards.

The Exchange also proposes to make technical revisions to Sections 1003(a), (c), (d) and (f) in order to consistently use the term “issuer” as opposed to “company.”

2. Statutory Basis

The proposed rule change is consistent with Section 6 of the Act,⁶ in general, and furthers the objectives of Section 6(b)(5),⁷ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade,

⁵ See proposed Section 1003(g) of the Amex Company Guide. The Commission notes that under proposed Section 1003(g), if in the above example the units are no longer freely separable into common stock, there would be no aggregation of units with the common stock for purposes of evaluating whether the units and common stock meet the continued listing standards.

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(5).

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 Exchange does not believe that the proposed rule change would 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

The Exchange did not receive any written comments on 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 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:

- Use the Commission's Internet comment form (www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-Amex-2006-114 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-2006-114. 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 (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. Copies of the 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-2006-114 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Florence E. Harmon
Deputy Secretary

⁸ 17 CFR 200.30-3(a)(12).