

**SECURITIES AND EXCHANGE  
COMMISSION**
**Sunshine Act Meeting**

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold the following meeting during the week of October 2, 2006:

A Closed Meeting will be held on Thursday, October 5, 2006 at 2:30 p.m.

Commissioners, Counsels to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(4), (5), (7), (8), (9)(B) and (10) and 17 CFR 200.402(a) (4), (5), (7), (8), (9)(ii), and (10) permit consideration of the scheduled matters at the Closed Meeting.

Commissioner Casey, as duty officer, voted to consider the items listed for the closed meeting in closed session, and determined that no earlier notice thereof was possible.

The subject matters of the Closed Meeting scheduled for Thursday, October 5, 2006 will be:

- Formal orders of investigation;
- Institution and settlement of injunctive actions;
- Institution and settlement of administrative proceedings of an enforcement nature;
- Adjudicatory matters;
- Regulatory matters regarding financial institutions; and
- Resolution of litigation matters.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 551-5400.

Dated: September 29, 2006.

**Nancy M. Morris,**  
Secretary.

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**SECURITIES AND EXCHANGE  
COMMISSION**

[Release No. 34-54509; File No. SR-Amex-2006-70]

**Self-Regulatory Organizations;  
American Stock Exchange LLC; Order  
Approving Proposed Rule Change and  
Amendment No. 1 Thereto To Apply  
Certain Provisions of Its Minor Rule  
Violation Plan to Registered Options  
Traders, Supplemental Registered  
Options Traders, and Remote  
Registered Options Traders**

September 26, 2006.

On July 31, 2006, 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")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend Amex Rule 590, which applies certain provisions the Exchange's Minor Rule Violation Plan to Registered Options Traders ("ROTs"), Supplemental Registered Options Traders ("SROTs"), and Remote Registered Options Traders ("RROTs").<sup>3</sup> These provisions relate to quoting obligations and restrictions on quoting outside of assigned classes. On August 14, 2006, the Exchange filed Amendment No. 1 to the proposed rule change. The proposed rule change, as amended, was published for comment in the **Federal Register** on August 21, 2006.<sup>4</sup> The Commission received no comments regarding the proposal.

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.<sup>5</sup> In particular, the Commission believes that the proposal is consistent with section 6(b)(5) of the Act<sup>6</sup> because a proposed rule change that is reasonably designed to promote compliance by ROTs, SROTs, and RROTs with applicable quoting obligations and restrictions should help protect investors and the public interest.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Amex recently created these new classes of market participants. See Securities Exchange Act Release Nos. 53635 (April 12, 2006), 71 FR 20144 (April 19, 2006) (creating the SROT class) and 53652 (April 13, 2006), 71 FR 20422 (April 20, 2006) (creating the RROT class).

<sup>4</sup> See Securities Exchange Act Release No. 54317 (August 15, 2006), 71 FR 48566.

<sup>5</sup> In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>6</sup> 15 U.S.C. 78f(b)(5).

The Commission further believes that handling violations of these quoting rules pursuant to Amex's Minor Rule Violation Plan is consistent with sections 6(b)(1) and 6(b)(6) of the Act,<sup>7</sup> which require that the rules of an exchange enforce compliance with, and provide appropriate discipline for, violations of Commission and Exchange rules. In addition, because existing Amex Rule 590 provides procedural rights to a person fined for any violation of an Exchange rule that is determined to be minor in nature to contest the fine and permits disciplinary proceedings on the matter, the Commission believes Amex Rule 590, as amended by this proposal, provides a fair procedure for the disciplining of members and persons associated with members, consistent with sections 6(b)(7) and 6(d)(1) of the Act.<sup>8</sup>

Finally, the Commission finds that the proposal is consistent with the public interest, the protection of investors, or otherwise in furtherance of the purposes of the Act, as required by Rule 19d-1(c)(2) under the Act<sup>9</sup> which governs minor rule violation plans. The Commission believes that the proposed change to Amex Rule 590 will strengthen the Exchange's ability to carry out its oversight and enforcement responsibilities as a self-regulatory organization in cases where full disciplinary proceedings are unsuitable in view of the minor nature of the particular violation.

In approving this proposed rule change, the Commission in no way minimizes the importance of compliance with Amex rules and all other rules subject to the imposition of fines under the minor rule violation plan of the Exchange. The Commission believes that the violation of any self-regulatory organization's rules, as well as Commission rules, is a serious matter. However, the Exchange's minor rule violation plan under Amex Rule 590 provides a reasonable means of addressing rule violations that do not rise to the level of requiring formal disciplinary proceedings, while providing greater flexibility in handling certain violations. The Commission expects that Amex will continue to conduct surveillance with due diligence and make a determination based on its findings, on a case-by-case basis, whether a fine of more or less than the recommended amount is appropriate for a violation under the minor rule violation plan or whether a violation requires formal disciplinary action.

<sup>7</sup> 15 U.S.C. 78f(b)(1) and 78f(b)(6).

<sup>8</sup> 15 U.S.C. 78f(b)(7) and 78f(d)(1).

<sup>9</sup> 17 CFR 240.19d-1(c)(2).