



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
MARKET REGULATION

January 30, 2007

Claire P. McGrath
Senior Vice President and General Counsel
American Stock Exchange
86 Trinity Place
New York, NY 10006

**Re: Extension of the Exemptions for Initial Version of the American Stock Exchange's
AEMI Hybrid Market Trading Platform**

Dear Ms. McGrath:

On November 3, 2006, the Commission granted to the American Stock Exchange LLC ("Amex" or "Exchange") exemptions pursuant to Rule 608(e) under the Securities Exchange Act of 1934 ("Act")¹ from certain trade-through provisions of the ITS Plan, in connection with implementation of an initial version of the Exchange's new "AEMI" hybrid market trading platform ("AEMI-One").² Specifically, the Commission granted the exemptions from Section 8(d)(i) (Trade-Throughs; Locked Markets) of the ITS Plan in connection with the use of intermarket sweep orders ("ISOs"), execution of which by AEMI could violate Section 8(d) of the ITS Plan. In addition, the Commission granted Amex an exemption from the obligation under the ITS Plan to route orders through the ITS electronic communications network.³

The Commission granted the exemptions through February 5, 2007, the established Trading Phase Date for Regulation NMS.⁴ On January 24, 2007, the Commission extended the

¹ 17 C.F.R. § 242.608(e). Rule 608(c) requires each participant in a national market system plan to comply, and enforce compliance with, the plan by its members and their associated persons. Rule 608(e) establishes the Commission's authority to exempt any self-regulatory organization ("SRO") or SRO member from the requirements of the Rule.

² See Securities Exchange Act Release No. 54709 (Nov. 3, 2006), 71 FR 65847 (Nov. 9, 2006) (approving AEMI-One).

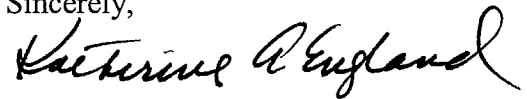
³ See letter from David Shillman, Associate Director, Division of Market Regulation, Commission, to Claire P. McGrath, Senior Vice President and General Counsel, Amex, dated November 3, 2006.

⁴ Trading Phase Date is the required date for full operation of Regulation NMS-compliant trading systems of all automated trading centers that intend to qualify their quotations for trade-through protection under Rule 611. See Securities Exchange Act Release No. 53829 (May 18, 2006), 71 FR 30038 (May 24, 2006).

Trading Phase Date.⁵ Accordingly, the Commission hereby extends the previously granted exemptions to Amex, effective February 6, 2007 up to the Trading Phase Date. These exemptions are subject to modification or revocation at any time, however, if the Commission determines that such action is necessary or appropriate to further the purposes of the Act.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Sincerely,



Katherine A. England
Assistant Director

⁵ See Securities Exchange Act Release No. 55160 (January 24, 2007) (extending the Trading Phase Date until March 5, 2007).

⁶ See 17 CFR § 200.30-3(a)(27).



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Senior Vice President and General Counsel
American Stock Exchange
86 Trinity Place
New York, NY 10006

Dear Ms. McGrath:

On November 3, 2006, the Commission granted to American Stock Exchange LLC ("Amex" or "Exchange"), a limited exemption¹ pursuant to Rule 608(e) under the Securities Exchange Act of 1934 ("Act")² from certain trade-through provisions of the ITS Plan, in connection with implementation of an initial version of the Exchange's "AEMI" hybrid market trading platform ("AEMI-One"). Specifically, the Commission granted an exemption from Section 8(d)(i) (Trade-Throughs; Locked Markets) of the ITS Plan in connection with the use of intermarket sweep orders ("ISOs") as defined in Regulation NMS, and relief from the obligation under the ITS Plan to route orders through the ITS electronic communications network.

In addition, on November 3, 2006, the staff of the Division of Market Regulation issued a letter stating that it would not recommend enforcement action to the Commission under Section 19(g)(1) of the Act if Amex did not enforce compliance with Amex Rule 236 adopted pursuant to Section 8 (d) of the ITS Plan with respect to the use of ISOs and private linkages.³

The Commission granted the exemptions through February 4, 2007, one day before the established Trading Phase Date for Regulation NMS.⁴ On January 24, 2007, the Commission

¹ See letter from David Shillman, Associate Director, Division of Market Regulation ("Division"), Commission, to Claire P. McGrath, Senior Vice President and General Counsel, Amex, dated November 3, 2006.

² 17 C.F.R. § 242.608(e). Rule 608(c) requires each participant in a national market system plan to comply, and enforce compliance with, the plan by its members and their associated persons. Rule 608(e) establishes the Commission's authority to exempt any self-regulatory organization ("SRO") or SRO member from the requirements of the Rule.

³ See letter from David Shillman, Associate Director, Division, Commission, to Claire P. McGrath, Senior Vice President and General Counsel, Amex, dated November 3, 2006.

⁴ Trading Phase Date is the required date for full operation of Regulation NMS-compliant trading systems of all automated trading centers that intend to qualify their quotations for trade-through protection under Rule 611. See Securities Exchange Act Release No. 53829 (May 18, 2006), 71 FR 30038 (May 24, 2006).

extended the Trading Phase Date.⁵ Accordingly, the staff of the Division of Market Regulation is hereby extending up to the Trading Phase Date the time period during which it will not recommend enforcement action to the Commission under Section 19(g)(1) of the Act if Amex does not enforce compliance with Amex Rule 236 adopted pursuant to Section 8 (d) of the ITS Plan with respect to the use of ISOs and private linkages:

This staff position is limited to enforcement action under Section 19(g)(1) of the Act and does not purport to express any legal conclusions with respect to the applicability of the statutory or regulatory provisions of the federal securities laws. The Staff's position is subject to modification or revocation at any time if the Commission or the Staff determines that such action is necessary or appropriate, in furtherance of the purposes of the Act.

Sincerely,

A handwritten signature in black ink that reads "Katherine A. England". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Katherine A. England
Assistant Director

⁵ See Securities Exchange Act Release No. 55160 (January 24, 2007), 72 FR 4202 (January 30, 2007) (extending the Trading Phase Date until March 5, 2007).