111) is hereby approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[12]

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. E5–66 Filed 1–11–05; 8:45 am]

BILLING CODE 8010–01–P

[12] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–50970; File No. SR–Amex–2004–110]

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Extend the Suspension of the Specialist's and Registered Traders' Transaction Charges for the Trading of Nasdaq-100 Index Tracking Stock®

January 6, 2005.

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 December 28, 2004, 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, III below, which items have been prepared by the Exchange. The Amex has designated the proposed rule change as ''establishing or changing a due, fee, or other charge'' under section 19(b)(3)(A) of the Act,[3] 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 Amex proposes to amend the Amex Equity and Exchange Traded Funds and Trust Issued Receipts Fee Schedules (''Amex Fee Schedules'') to extend the temporary suspension of the specialist's and registered traders' transaction charges for the trading of Nasdaq-100 Index Tracking Stock® (Symbol: QQQQ) pursuant to the Nasdaq Unlisted Trading Privileges Plan. The text of the proposed rule change is available at the Office of the Secretary, Amex, and at the Commission.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A).

[4] 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, 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. The 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

Effective December 1, 2004, the Nasdaq-100 Index Tracking Stock® listed on the Nasdaq Stock Market, Inc. It trades on Nasdaq under the symbol QQQQ. The Amex trades the QQQQ on an unlisted trading privileges basis. The transaction charges for the specialist and registered traders are $0.0037 ($0.37 per 100 shares) and $0.0038 ($0.38 per 100 shares) respectively. These transaction charges are also subject to a $300 per trade maximum. The Amex, however, has suspended these charges through December 31, 2004. The Amex now proposes to amend the Amex Fee Schedules to suspend the transaction charges for the specialist and registered traders until January 31, 2005. The Exchange believes that this fee suspension would encourage competition among markets trading QQQQ and enhance the Amex's competitiveness in trading this security.

2. Statutory Basis

The Amex believes the proposed rule change is consistent with section 6(b) of the Act,[5] in general, and furthers the objectives of section 6(b)(4) of the Act,[6] in particular, in that it is intended to provide for the equitable allocation of reasonable dues, fees and other charges among its members and issuers and other persons using its facilities.[7]

[5] 15 U.S.C. 78f(b).

[6] 15 U.S.C. 78f(b)(4).

[7] The Commission changed this sentence to reflect statutory basis for the proposed rule change pursuant to Section 6(b)(4) of the Act, rather than Section 6(b)(5). Telephone conversation between Claire P. McGrath, Senior Vice President and Deputy General Counsel, Amex, and Ted Venuti, Attorney, Division of Market Regulation, Commission (January 4, 2005).

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

The Exchange does not believe that the proposed rule change will impose any burden on competition.

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

The foregoing rule change establishes or changes a due, fee, or other charge imposed by the Exchange, and, therefore, has become effective pursuant to section 19(b)(3)(A)(ii) of the Act[8] and subparagraph (f)(2) of Rule 19b–4 thereunder.[9] At any time within 60 days of the filing of the 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 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.* Please include File Number SR–Amex–2004–110 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549–0609.

All submissions should refer to File Number SR–Amex–2004–110. 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/*

[8] 15 U.S.C. 78s(b)(3)(A)(ii).

[9] 17 CFR 240.19b–4(f)(2).

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, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the 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–2004–110 and should be submitted on or before February 2, 2005.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[10]

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. E5–74 Filed 1–11–05; 8:45 am]

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[10] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–50972; File No. SR–Amex–2004–25]

Self-Regulatory Organizations; Order Approving a Proposed Rule Change and Amendments No. 1 and No. 2 Thereto by the American Stock Exchange LLC Relating to Revisions to Amex Rule 111

January 6, 2005.

I. Introduction

On April 28, 2004, the American Stock Exchange LLC (''Amex'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission''), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] a proposed rule change to amend Amex Rule 111. On May 10, 2004, the Exchange submitted Amendment No. 1 to the proposed rule change.[3] On June 8, 2004, the Exchange submitted Amendment No. 2 to the proposed rule change.[4] The proposed rule change and Amendments Nos. 1 and 2 were published for comment in the **Federal Register** on October 25, 2004.[5] No comments were received on the amended proposal. This order approves the proposed rule change, as amended.

II. Description

A. Background

The original Act gave the Commission the authority to regulate ''floor trading'' [6] by members of national securities exchanges.[7] In 1964, the Commission exercised this authority by adopting SEC Rule 11a–1—''Regulation of Floor Trading.'' [8] Rule 11a–1 provided, with certain exceptions, that no member of a national securities exchange, while on the floor of such exchange, could initiate any transaction in any security admitted to trading on the exchange, for an account in which such member had an interest. One of the exceptions permitted member transactions for their own account if such transactions were executed in conformity with a Commission-approved exchange plan designed to eliminate floor trading activities that were not beneficial to the market.

Shortly after the adoption of SEC Rule 11a–1, the Exchange submitted a floor trading plan (''Plan'').[9] As part of the Plan, the Exchange proposed Amex Rules 110, 111, and 112, which (1) created a registered equity trader program, and (2) incorporated the trading exemptions found in SEC Rule 11a–1(b)(1) through (b)(6). On July 23, 1964, the Commission approved the Exchange's Plan,[10] together with revisions to the Plan that exempted from the prohibitions contained in SEC Rule 11a–1 and the Plan: (1) Transactions in bonds, (2) hedging transactions by rights specialists in the underlying security, and (3) certain block transactions.[11]

Generally, Amex Rule 110 prohibits any member from initiating transactions while on the floor for an account in which such member has an interest unless such member is registered as a ''Registered Trader.'' Registered Traders are limited in the transactions they may initiate on the floor under Amex Rule 111. For example, Registered Traders must meet stabilization tests, may not act as a broker for off-floor orders in stocks in which such Registered Trader has initiated transactions for his own account, and may not retain priority over off-floor orders when establishing or increasing positions in his own account. Amex Rule 111(f)(1) through (6) exempts certain member transactions from the Registered Trader requirements set forth in Amex Rules 110 and 111 and reflects the exemptions from Rule 11a–1(b)(1) through (6). For example, transactions by registered specialists in their specialty stock, transactions by odd-lot dealers, and bona fide arbitrage transactions of members are not subject to the restrictions set forth in Amex Rules 110 and 111.

In 1975, Congress substantially amended Section 11(a) of the Act [12] by extending the general prohibition on member floor trading embodied in SEC Rule 11a-1 [13] to off-floor member trading. Specifically, section 11(a) of the Act prohibits, subject to certain

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Letter from Bill Floyd-Jones, Counsel, Exchange, to Nancy Sanow, Assistant Director, Division of Market Regulation (''Division''), Commission, dated May 7, 2004 (''Amendment No. 1''). In Amendment No. 1, the Exchange clarified the proposed rule language, and provided additional explanation in the purpose section of the proposed rule change.

[4] *See* Letter from Bill Floyd-Jones, Counsel, Exchange, to Nancy Sanow, Assistant Director, Division, Commission, dated June 7, 2004 (''Amendment No. 2''). In Amendment No. 2, the Exchange added a definition of ''bona fide hedge'' to the text of the proposed rule change. In Amendment No. 2, the Exchange also reprinted pages 33—35 of Securities Exchange Act Release No. 15533 (January 29, 1979) as proposed Commentary .13 to the text of the proposed rule change.

[5] *See* Securities Exchange Act Release No. 50552 (October 15, 2004), 69 FR 62308.

[6] The Commission has defined ''floor trading'' as trading by members of national securities exchanges for their own account while personally present on the trading floor of an exchange. *See* Securities Exchange Act Release No. 7290 (April 9, 1964), 29 FR 5168 (April 15, 1964).

[7] As originally adopted, section 11(a) of the Act provided:

The Commission shall prescribe such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors, (1) to regulate or prevent floor trading by members of national securities exchanges, directly or indirectly for their own account or for discretionary accounts, and (2) to prevent such excessive trading on the exchange but off the floor by members, directly or indirectly for their own account, as the Commission may deem detrimental to the maintenance of a fair and orderly market. It shall be unlawful for a member to effect any transaction in a security in contravention of such rules and regulations, but such rules and regulations may make such exemptions for arbitrage transactions, for transactions in exempted securities, and within the limitations of subsection (b) of this section, for transactions by odd-lot dealers and specialists, as the Commission may deem necessary or appropriate in the public interest or for the protection of investors.

[8] *See* Securities Exchange Act Release No. 7330 (June 2, 1964), 29 FR 7380 (June 6, 1964).

[9] Securities Exchange Act Release No. 7359 (June 30, 1964), 29 FR 9344 (July 8, 1964).

[10] Securities Exchange Act Release No. 7374, 29 FR 10632 (July 30, 1964).

[11] Securities Exchange Act Release No. 7375 (July 23, 1964), 29 FR 10632 (July 30, 1964).

[12] *See* 15 U.S.C. 78k(a).

[13] 17 CFR 240.11a–1.