Proposed Rule Change by Philadelphia Stock Exchange

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial Amendment Withdrawal

Section 19(b)(2) ☐ ☑ ☐
Section 19(b)(3)(A) ☑ ☐ ☐
Section 19(b)(3)(B) ☐ ☐ ☐

Rule

Pilot Extension of Time Period for Commission Action Date Expires

☑ 19b-4(f)(1) ☐ 19b-4(f)(2)
☐ 19b-4(f)(2) ☑ 19b-4(f)(5)
☐ 19b-4(f)(3) ☐ 19b-4(f)(6)

Description

Provide a brief description of the proposed rule change (limit 250 characters).

Contact Information

Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name Cynthia Last Name Hoekstra
Title Director
E-mail cynthia.hoekstra@phlx.com
Telephone (215) 496-5066 Fax (215) 496-6729

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 04/03/2006
By Cynthia Hoekstra Director

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Cynthia Hoekstra,
If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.
Partial Amendment

The Exchange proposes to make non-substantive changes to the rule text in SR-Phlx-2006-15 Amendment No. 1 to reflect additions to and deletions from the previous filing.

The Exchange also proposes to amend the Purpose Section of SR-Phlx-2006-15 Amendment No. 1 to clarify that upon receipt of the approved fingerprint cards, the Exchange sends this information to the member or participant organization, as applicable, and keeps a copy for its records.

The amended rule text is set forth below:

New text is underlined; deleted text is bracketed

Rule 600. Registration

(a) No Change.

(b) Each member and participant organization shall register with the Exchange, on such form or forms as may from time to time be required by the Admissions Committee or by the Membership Services Department. Registration forms shall include, but not be limited to, (i) the name and address of the individual member having qualified such member or participant organization in accordance with Article XIII of the By-Laws and (ii) the name and address of the Member Organization Representative designated by such member or participant organization in accordance with Rule 921(b).

(c) Each member organization and member organization applicant that is a registered broker or dealer pursuant to Section 15 of the Securities Exchange Act of 1934 shall complete a Uniform Application for Broker-Dealer Registration, Form BD, and keep its Form BD current by promptly completing any amendments to its Form BD, not later than thirty (30) days after the filer knew or should have known of the facts which gave rise to the amendment. Member and participant organizations shall promptly electronically submit Form BD and any amendments by utilizing the National Association of Securities Dealers, Inc.’s Web Central Registration Depository (“CRD”) as the mechanism for such submissions.

Rule 604. Registration and Termination of Registered Persons

(a) Every qualified Registered Representative of a member or participant organization must be registered with and approved by the Exchange. All member and participant organizations must use the National Association of Securities Dealers, Inc.’s Web Central Registration Depository (“CRD”) to submit Form U4 filings on behalf of Registered Representatives not later than thirty (30) days after the filer knew or should have known of the facts which gave rise to the amendment. No member [organization] or participant organization shall permit any natural persons to conduct a public business or duties customarily performed by a [r]egistered [r]epresentative unless such person is
registered and qualified as a Registered Representative, except in accordance with Rule 1024.

(i) To satisfy the registration requirement of this Rule, qualified Registered Representatives must be registered as a "PHLX" registrant on Form U[-]4, Uniform Application for Securities Industry Registration or Transfer [(Section 10), with the National Association of Securities Dealers, Inc. (NASD) for entry into the Central Registration Depository (CRD)].

(ii) No Change.

(b) [Members and] [m]Member and participant organizations [whose Designated Examining Authority ("DEA") is the Exchange shall immediately file a] must use the National Association of Securities Dealers, Inc.'s Web Central Registration Depository ("CRD") to submit on behalf of the qualified Registered Representative Form U[-]5, Uniform Termination Notice for Securities Industry Registration [Representatives and/or Agents] and any amendments [with the Exchange] upon termination of any associated person not later than thirty (30) days after the filer knew or should have known of the facts which gave rise to the amendment. [Members and member organizations whose DEA is not the Exchange shall file Form U-5 with the CRD.]

(c) Limited Registration/Floor Members. Any member or employee of a member, or member [organization] or participant organization that conducts a public business limited to accepting orders directly from professional customers for execution on the trading floor must: (i) register and receive approval from the Exchange[.]; and (ii) submit hard copy fingerprint cards or results of processed cards to the National Association of Securities Dealers, Inc. for processing. Such limited registration also requires the successful completion of the appropriate examination, in addition to any other floor member qualification examination required by the Exchange.

(i) No Change.

(ii) No Change.

(d) Every person who is compensated directly or indirectly by a member or participant organization for which the Exchange is the Designated Examining Authority ("DEA") for the solicitation or handling of business in securities, including trading securities for the account of the member or participant organization, whether such securities are those dealt in on the Exchange or those dealt in over-the-counter, who is not otherwise required to register with the Exchange by paragraph (a) of this rule or another rule shall file Form U[-]4, Uniform Application for Securities Industry Registration or Transfer, in a manner prescribed by [with] the Exchange.

(e)(i) No Change
(ii) The requirement to successfully complete the Series 7 examination applies to current off-floor traders as well as future off-floor traders who affiliate with members at a later date. [Off-floor traders currently engaged in off-floor trading activity at the time of approval of this rule must successfully complete the Series 7 examination within six (6) months of notification by the Exchange.]

(iii) No Change.

**Rule 620. Trading Floor Registration**

(a) Trading Floor Member Registration - Each Floor Broker, Specialist and Registered Options Trader on any Exchange trading floor must register as such with the Exchange [by completing the appropriate form(s) (with periodic updates submitted by the member or participant organization, as determined by the Exchange) and] The member or participant organization should utilize the National Association of Securities Dealers, Inc.'s Web Central Registration Depository (“CRD”) to submit Form U4 and any amendments on behalf of the Floor Broker, Specialist or Registered Options Trader not later than thirty (30) days after the filer knew or should have known of the facts which gave rise to the amendment. In addition, each Floor Broker, Specialist and Registered Options Trader must successfully complete the appropriate floor trading examination(s), if prescribed by the Exchange, in addition to requirements imposed by other Exchange rules. The Exchange may also require periodic examinations due to changes in trading rules, products or automated systems. Following the termination of, or the initiation of a change in the trading status of any such member/participant who has been issued an Exchange access card and a trading floor badge, the appropriate Exchange form must be completed, approved and dated by a firm principal, officer, or member of the firm with authority to do so, and submitted to the appropriate Exchange department as soon as possible, but no later than 9:30 A.M. the next business day by the member/participant organization employer. Every effort should be made to obtain the person's access card and trading floor badge and to submit these to the appropriate Exchange department.

(b) Non-member/Clerk Registration-All trading floor personnel, including clerks, interns, stock execution clerks and any other associated persons, of a member or participant organization[s] not required to register pursuant to Rule 620(a) must: (i) register as such with the Exchange by completing the appropriate form(s) for non-registered persons (with periodic updates submitted by the member or participant organization, as determined by the Exchange)[.]; and (ii) submit hard copy fingerprint cards or results of processed cards to the National Association of Securities Dealers, Inc. for processing. Further, the Exchange may require successful completion of an examination, in addition to requirements imposed by other Exchange rules. The Exchange may also require periodic examinations due to changes in trading rules, products or automated systems. Following the termination of, or the initiation of a change in the status of any such personnel of a member/participant organization who has been issued an Exchange access card and a trading floor badge, the appropriate Exchange form must be completed, approved and dated by a member or participant organization principal, officer, or member
of the member or participant organization with authority to do so, and submitted to the appropriate Exchange department as soon as possible, but no later than 9:30 A.M. the next business day by the member/participant organization employer. Every effort should be made to obtain the person's access card and trading floor badge and to submit these to the appropriate Exchange department.

**Rule 623. Fingerprinting**

Members, and member and participant organizations are required to comply with Section 17(f) of the Securities Exchange Act of 1934 respecting the fingerprinting of required employees. Applicants for a permit must also be fingerprinted. Such fingerprints must be submitted to the [Exchange] National Association of Securities Dealers, Inc. for identification and appropriate processing prior to any employee performing the functions listed in SEC Rule 17f-2.

**Rule 1024. Conduct of Accounts for Options Trading**

(a) Registration of Options Principals.

(i) [No member organization shall transact any business with the public in option contracts unless those persons engaged in the management of the member organization's business pertaining to option contracts are registered with and approved by the Exchange as Options Principals. No individual member shall transact any business directly with the public in option contracts unless he is registered with and approved by the Exchange as an Options Principal. In connection with their registration, Options Principals shall file an application with the Membership Services Department of the Exchange on a form prescribed by the Exchange and shall successfully complete an examination prescribed by the Exchange for the purpose of demonstrating an adequate knowledge of options trading generally, the Rules of the Exchange applicable to trading of option contracts and the Rules of the Options Clearing Corporation. In the event the employment of any Registered Options Principal is terminated or any Registered Options Principal ceases to act in such capacity, such fact shall be reported promptly to the Membership Services Department of the Exchange together with a brief statement of the reason therefor.] No member or participant organization shall be approved to transact options business with the public or shall transact any business with the public in option contracts until those persons associated with it, who are designated as Options Principals, have been approved by and registered with the Exchange. Persons engaged in the management of the member or participant organization's business pertaining to option contracts shall be designated as Options Principals. In connection with their registration, Options Principals shall promptly electronically submit Form U4 and any amendments by utilizing the National Association of Securities Dealers, Inc.’s Web Central Registration Depository (“CRD”) as the mechanism for such submissions and shall successfully complete an examination prescribed by the Exchange. Such amendments to Form U4 shall be submitted not later than thirty (30) days after the filer knew or should have
known of the facts which gave rise to the amendment.

(ii) Foreign Currency Options-Qualified Customer Personnel –[No account executive] Registered Representatives of a member or participant organization may solicit or accept customer['s] orders for foreign currency options [unless such account executive has successfully completed an examination prescribed by the Exchange for the purpose of demonstrating an adequate knowledge of foreign currency options and of the markets for the underlying foreign currencies]. Otherwise, an Application for Waiver of Series 7 Examination may be submitted describing and certifying at least six months of options-related experience. Such waiver is not automatic, but is subject to approval based on the information contained in the application.

(b) and (c) No Change.

Commentary ...

.01 - .05 No Change.

[.06 Account Executives of member and/or participant organizations registered as a Series 7 General Securities Representative may be deemed by the Exchange as demonstrating an adequate knowledge of foreign currency options and the markets for the underlying foreign currencies for purposes of Rule 1024(a)(ii) if approved by the Exchange's Director of Examinations. An Application for Waiver of Series 15 Examination must be submitted describing and certifying at least six months of options-related experience. Such waiver is not automatic, but is subject to approval based on the information contained in the application.]

Equity Floor Procedure Advices and Order and Decorum Regulations

F-25  Fingerprinting Floor Personnel

Members, and member and participant organizations are required to comply with Section 17(f) of the Securities Exchange Act of 1934 respecting the fingerprinting of required employees. Applicants for membership must also be fingerprinted. Such fingerprints must be submitted to the [Exchange] National Association of Securities Dealers, Inc. for identification and appropriate processing prior to any employee performing the functions listed in SEC Rule 17f-2.

FINE SCHEDULE – No Change.

F-34  Failure to Timely Submit Amendments to Form U4, Form U5 and Form BD

Any member or participant organization that is required to file Form U4, Form U5 or Form BD pursuant to Exchange Rules 600, 604, or 620, or the Securities Exchange Act of 1934 and the rules promulgated thereunder, is required to amend the applicable Form
U4, Form U5 or Form BD to keep such forms current at all times. Such amendments to Form U4, Form U5 or Form BD shall be filed not later than thirty (30) days after the filer knew or should have known of the facts which gave rise to the amendment.

FINE SCHEDULE  (Implemented on a running 12 month period)

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Options Floor Procedure Advices and Order and Decorum Regulations

F-25  Fingerprinting Floor Personnel

Members, and member and participant organizations are required to comply with Section 17(f) of the Securities Exchange Act of 1934 respecting the fingerprinting of required employees. Applicants for membership must also be fingerprinted. Such fingerprints must be submitted to the [Exchange] National Association of Securities Dealers, Inc. for identification and appropriate processing prior to any employee performing the functions listed in SEC Rule 17f-2.

FINE SCHEDULE – No Change.

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Any member or participant organization that is required to file Form U4, Form U5 or Form BD pursuant to Exchange Rules 600, 604, or 620, or the Securities Exchange Act of 1934 and the rules promulgated thereunder, is required to amend the applicable Form U4, Form U5 or Form BD to keep such forms current at all times. Such amendments to Form U4, Form U5 or Form BD shall be filed not later than thirty (30) days after the filer knew or should have known of the facts which gave rise to the amendment.

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