Proposed Rule Change by Philadelphia Stock Exchange

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

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<th>Section 19(b)(2)</th>
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Pilot
Extension of Time Period for Commission Action

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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: Richard
Last Name: Rudolph
Title: Vice President and Counsel
E-mail: Richard.Rudolph@phlx.com
Telephone: (215) 496-5074
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: 01/11/2007
By: Richard S. Rudolph
Vice President and Counsel

(Note)

(Please 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.)

Richard Rudolph,
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.
The Philadelphia Stock Exchange, Inc. (“Phlx” or “Exchange”) respectfully submits this Amendment No. 2 to filing SR-Phlx-2006-31. The proposed amended rule text would permit Remote Streaming Quote Traders (“RSQTs”) to submit Immediate or Cancel orders to the limit order book electronically in the same manner as Streaming Quote Traders (“SQTs”).

All other previously submitted proposed rule text is unchanged.

Brackets indicate deletions; underlining indicates new text

Philadelphia Stock Exchange Automated Options Market (AUTOM) and Automatic Execution System (AUTO-X)

Rule 1080. (a) No Change.

(b) Eligible Orders

(i) The following types of orders are eligible for entry into AUTOM:

(A) No Change.

(B) [On-floor o] Orders for the proprietary account(s) of SQTs, RSQTs and non-SQT ROTs and specialists via electronic interface with AUTOM may be entered, subject to the restrictions on order entry set forth in Commentary .04 of this Rule.

(1) The following types of orders for the proprietary account(s) of non-SQT ROTs and specialists with a size of 10 contracts or greater are eligible for entry via electronic interface with AUTOM: GTC, day limit, IOC and simple cancel. Orders for the proprietary account(s) of non-SQT ROTs and specialists with a size of less than 10 contracts shall be submitted as IOC only.

(2) The following types of orders for the proprietary account(s) of SQTs and RSQTs are eligible for entry via electronic interface with AUTOM: IOC.

(C) No Change.

(ii) – (iii) No Change.

(c) – (l) No Change.
Commentary:

.01 - .03 No Change.

.04 ROT Limit Orders. [On-floor o] Orders for the proprietary accounts of SQTs, RSQTs and non-SQT ROTs may be entered for delivery through AUTOM, through the use of Exchange approved proprietary systems to interface with AUTOM (“interface”) to be placed on the limit order book. Such orders shall be for a minimum of one (1) contract[s]. Orders for the proprietary account(s) of non-SQT ROTs and specialists with a size of less than 10 contracts shall be submitted as IOC only. Orders for the proprietary account(s) of SQTs and RSQTs shall be submitted as IOC only.

.05-.07 No Change.