Proposed Rule Change by Philadelphia Stock Exchange

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

<table>
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<th>Initial</th>
<th>Amendment</th>
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<th>Section 19(b)(2)</th>
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Pilot

Extension of Time Period for Commission Action

Date Expires

Rule

19b-4(f)(1) ❌
19b-4(f)(2) ❌
19b-4(f)(3) ✔️
19b-4(f)(4) ❌
19b-4(f)(5) ❌
19b-4(f)(6) ❌

Description

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

Minor Clarifying Changes Relating to Phlx Rules Governing Registration

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: Vice President
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,

Cynthia Hoekstra, Vice President

Date: 12/06/2006

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.
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<th>Section</th>
<th>Description</th>
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<tr>
<td>Form 19b-4 Information</td>
<td>The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.</td>
</tr>
<tr>
<td>Exhibit 1 - Notice of Proposed Rule Change</td>
<td>The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3).</td>
</tr>
<tr>
<td>Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications</td>
<td>Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.</td>
</tr>
<tr>
<td>Exhibit 3 - Form, Report, or Questionnaire</td>
<td>Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.</td>
</tr>
<tr>
<td>Exhibit 4 - Marked Copies</td>
<td>The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.</td>
</tr>
<tr>
<td>Exhibit 5 - Proposed Rule Text</td>
<td>The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.</td>
</tr>
<tr>
<td>Partial Amendment</td>
<td>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.</td>
</tr>
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</table>
1. **Text of the Proposed Rule Change**

The Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")\(^1\) and Rule 19b-4 thereunder,\(^2\) proposes to make minor clarifying changes to Phlx rules governing registration. The text of the proposed rule change is set forth below.

New text underlined; deleted text bracketed.

**Rules of the Board of Governors**

* * * * *

**Rule 600.**

**Registration**

(a) Each member, and member and participant organization shall register with the Director, Membership Services Department an address where notices may be served. Subsequent changes in address must be provided to the Membership Services Department of the Exchange before the effective date thereof.

(b) Each member, and 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). Members, and member and participant organizations must use the National Association of Securities Dealers, Inc.’s Web Central Registration Depository ("Web CRD") to submit Form U4, Uniform Application for Securities Industry Registration or Transfer registration filings. Members, and member and participant organizations shall amend Form U4 filings not later than thirty (30) days after the filer knew or should have known of the facts which gave rise to the amendment.

(c) Each member and participant organization and member and participant organization applicant that is a registered broker or dealer pursuant to Section 15 of the Securities Exchange Act of 1934 [shall complete] must use Web CRD to submit a Uniform

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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.] Member and participant organizations shall amend Form BD filings not later than thirty (30) days after the filer knew or should have known of the facts which gave rise to the amendment.

*     *      *      *     *

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] Members, and member and participant organizations must use [the National Association of Securities Dealers, Inc.'s Web Central Registration Depository ("Web CRD"}] to submit Form U4, Uniform Application for Securities Industry Registration or Transfer filings on behalf of Registered Representatives. Members, and member and participant organizations shall amend Form U4 filings 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 or participant organization shall permit any natural persons to conduct a public business or duties customarily performed by a Registered Representative 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, a qualified Registered Representative[s] must be registered as a "PHLX" registrant on Form U4[, Uniform Application for Securities Industry Registration or Transfer].

(ii) For the purposes of this Rule, a person is deemed to be a qualified Registered Representative if he or she maintains an effective Series 7 ["Full Registration/]General Securities Registered Representative["] Examination registration or an equivalent predecessor of this examination/registration.

(b) Members, and [M]ember and participant organizations must use [the National Association of Securities Dealers, Inc.'s Web Central Registration Depository (" Web CRD")}] to submit Form U5, Uniform Termination Notice for Securities Industry Registration on behalf of the qualified Registered Representative. [Form U5, Uniform Termination Notice for Securities Industry Registration and any amendments upon termination of any associated person] Members, and member and participant organizations shall amend Form U5 filings not later than thirty (30) days after the filer knew or should have known of the facts which gave rise to the amendment.
(c) and (d) No Change.

(e)(i) Every person who is compensated directly or indirectly by a member or participant organization for which the Exchange is the DEA, or any other associated person of such member or participant organization, and who executes, makes trading decisions with respect to, or otherwise engages in proprietary or agency trading of securities, including, but not limited to, equities, preferred securities, convertible debt securities or options off the floor of the Exchange ("off-floor traders"), must successfully complete the [Uniform] Series 7 General Securities Registered Representative Examination [Series 7].

(ii) and (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. Members, and member and participant organizations [should utilize] must use [the National Association of Securities Dealers, Inc.’s] Web [Central Registration Depository ("CRD") to submit Form U4, Uniform Application for Securities Industry Registration or Transfer filings [and any amendments] on behalf of the Floor Broker, Specialist or Registered Options Trader. Members, and member and participant organizations shall amend Form U4 filings 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) No change.

* * * * *
Options Rules

Rule 1024.

Conduct of Accounts for Options Trading

(a) Registration of Options Principals.

(i) No member, member or participant organization or individual associated with a 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] such 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,] All members, and member and participant organizations must use [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 ("Web CRD") to submit Form U4, Uniform Application for Securities Industry Registration or Transfer filings on behalf of their Options Principals [as the mechanism for such submissions and shall successfully complete an examination prescribed by the Exchange]. Members, and member and participant organizations shall amend [Such amendments to] Form U4 filings [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) No Change.

(b) and (c) No Change.

Commentary No Change.

Equity Floor Procedure Advises

F-25 Fingerprinting 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] a permit must also be fingerprinted. Such fingerprints must be submitted to the 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
F-34 Failure to Timely Submit Amendments to Form U4, Form U5 and Form BD

Any member, and 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. Members, and member and participant organizations shall amend [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)

1st Occurrence $500.00
2nd Occurrence $1,000.00
3rd Occurrence $2,000.00
4th and Thereafter Sanction is discretionary with Business Conduct Committee

* * * * *

Option Floor Procedure Advices

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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] a permit must also be fingerprinted. Such fingerprints must be submitted to the 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 (Implemented on a two-year running calendar basis)
1st Occurrence       $250.00
2nd Occurrence      $500.00
3rd Occurrence       $1,000.00

4th Occurrence and Sanction is discretionary with Business Conduct Committee
Thereafter

*     *      *      *     *

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

Any member, and member [or] and 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.
Members, and member and participant organizations shall amend [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)

1st Occurrence       $500.00
2nd Occurrence      $1,000.00
3rd Occurrence       $2,000.00

4th and Thereafter Sanction is discretionary with Business Conduct Committee

*     *      *      *     *

A notice of the proposed rule change for publication in the Federal Register is
attached hereto as Exhibit 1.

2. Procedures of the Self-Regulatory Organization

The Executive Committee, pursuant to delegated authority, approved the proposal
for filing with the Securities and Exchange Commission ("SEC" or "Commission") on
Questions and comments on the proposed rule change may be directed to Cynthia Hoekstra, Vice President at (215) 496-5066 or Edith Hallahan, Senior Vice President and Deputy General Counsel, at (215) 496-5179.

3. **Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**
   
a. **Purpose**

   The Exchange recently amended Exchange Rules 600, 604, 620, 623, and 1024 and Equity Floor Procedure Advice (“EFPA”) and Option Floor Procedure Advice (“OFPA”) F-25; and adopted EFPA F-34 and OFPA F-34 to create a more efficient, centralized registration process by migrating from a manual paper-based Exchange procedure to the National Association of Securities Dealers, Inc.'s Web Central Registration Depository (“Web CRD”) process for registration and processing of fingerprints.³

   The purpose of this proposed rule change is to further clarify Exchange Rules 600, 604, 620 and 1024 and corresponding EFPAs and OFPAs F-25 and F-34, as they relate to the new Web CRD process. The Exchange believes that the clarifying language should help all members, participants, and member and participant organizations to better understand the rules relating to Web CRD.

b. **Statutory Basis**

   The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁴ in general, and furthers the objectives of Section 6(b)(5) of the Act⁵ in particular, in that

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it is designed to promote just and equitable principles of trade, to remove impediments to
and perfect the mechanism of a free and open market and a national market system and,
in general, to protect investors and the public interest by clarifying Phlx rules and
corresponding EFPAs and OFPAs in connection with providing information to Web
CRD.

4. **Self-Regulatory Organization's Statement on Burden on Competition**

   The Phlx does not believe that the proposed rule change will impose any
burden on competition not necessary or appropriate in furtherance of the purposes of the
Act.

5. **Self-Regulatory Organization's Statement on Comments on the Proposed Rule
   Change Received from Members, Participants, or Others**

   No written comments were either solicited or received.

6. **Extension of Time Period for Commission Action**

   The Exchange does not consent to an extension of the time period for
Commission action.

7. **Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated
   Effectiveness Pursuant to Section 19(b)(2)**

   The Exchange believes that the foregoing proposed rule change may take effect
upon filing with the Commission pursuant to Section 19(b)(3)(A)\(^6\) of the Act and Rule
19b-4(f)(6)(iii)\(^7\) because the foregoing proposed rule change does not: (i) significantly
affect the protection of investors or the public interest; (ii) impose any significant burden

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on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate.

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.

A proposed rule change filed under Rule 19b-4(f)(6) normally may not become operative prior to 30 days after the date of the filing. However, Rule 19b-4(f)(6)(iii) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Phlx provided the Commission with written notice of its intent to file this proposed rule change at least five business days prior to the date of filing of the proposed rule change. In addition, the Phlx has requested that the Commission waive the 30-day operative delay.

The Exchange previously adopted and revised Exchange rules in connection with the implementation of an electronic registration process through Web CRD. This proposal merely further clarifies existing Exchange rules as they relate to the new Web CRD process.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.


9 Id.
9. **Exhibits**

1. Notice of proposed rule for publication in the Federal Register.
SECURITIES AND EXCHANGE COMMISSION
(Release No. ___________; File No. SR-Phlx-2006-83)

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to Minor Clarifying Changes to Phlx Rules Governing Registration

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")\(^1\), and Rule 19b-4\(^2\) thereunder, notice is hereby given that on ______________________ 2006, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Phlx. 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 Phlx, pursuant to Section 19(b)(1) of the Act\(^3\) and Rule 19b-4 thereunder,\(^4\) proposes to make minor clarifying changes to Phlx rules governing registration.


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 Phlx 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 Phlx 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

The Exchange recently amended Exchange Rules 600, 604, 620, 623, and 1024 and Equity Floor Procedure Advice (“EFPA”) and Option Floor Procedure Advice (“OFPA”) F-25; and adopted EFPA-F-34 and OFPA F-34 to create a more efficient, centralized registration process by migrating from a manual paper-based Exchange procedure to the National Association of Securities Dealers, Inc.'s Web Central Registration Depository (“Web CRD”) process for registration and processing of fingerprints.\(^5\)

The purpose of this proposed rule change is to further clarify Exchange Rules 600, 604, 620 and 1024 and corresponding EFPA and OFPAs F-25 and F-34, as they relate to the new Web CRD process. The Exchange believes that the clarifying language should help all members, participants, and member and participant organizations to better understand the rules relating to Web CRD.

2. **Statutory Basis**

The Exchange believes that its proposal is consistent with Section 6(b) of the Act\(^6\) in general, and furthers the objectives of Section 6(b)(5) of the Act\(^7\) in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest by clarifying Phlx rules and corresponding EFPAs and OFPAs in connection with providing information to Web CRD.

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 not necessary or appropriate in furtherance of the purposes of the Act.

C. **Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others**

No written comments were either solicited or received.

III. **Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed,

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\(^7\) 15 U.S.C. 78f(b)(5).
or such shorter time as the Commission may designate, it has become effective pursuant
to Section 19(b)(3)(A) of the Act\textsuperscript{8} and Rule 19b-4(f)(6) thereunder.\textsuperscript{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.

A proposed rule change filed under Rule 19b-4(f)(6) normally may not become
operative prior to 30 days after the date of the filing.\textsuperscript{10} However, Rule 19b-4(f)(6)(iii)\textsuperscript{11}
permits the Commission to designate a shorter time if such action is consistent with the
protection of investors and the public interest. The Phlx provided the Commission with
written notice of its intent to file this proposed rule change at least five business days
prior to the date of filing of the proposed rule change. In addition, the Phlx has requested
that the Commission waive the 30-day operative delay.

The Exchange previously adopted and revised Exchange rules in connection with
the implementation of an electronic registration process through Web CRD. This
proposal merely further clarifies existing Exchange rules as they relate to the new Web
CRD process.

\textsuperscript{9} 17 CFR 240.19b-4(f)(6).
\textsuperscript{11} Id.
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-Phlx-2006-83 on the subject line.

Paper comments:
- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-Phlx-2006-83. 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/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. Copies of the
filing also will be available for inspection and copying at the principal office of the Phlx.

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-Phlx-2006-83 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

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

Nancy M. Morris
Secretary