Proposed Rule Change by Philadelphia Stock Exchange

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

<table>
<thead>
<tr>
<th>Initial</th>
<th>Amendment</th>
<th>Withdrawal</th>
<th>Section 19(b)(2)</th>
<th>Section 19(b)(3)(A)</th>
<th>Section 19(b)(3)(B)</th>
<th>Rule</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔️</td>
<td></td>
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<td>✔️</td>
</tr>
</tbody>
</table>

Pilot Extension of Time Period for Commission Action Date Expires


Description

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

Web CRD Fingerprinting Changes

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.

<table>
<thead>
<tr>
<th>First Name</th>
<th>Last Name</th>
<th>Title</th>
<th>E-mail</th>
<th>Telephone</th>
<th>Fax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cynthia</td>
<td>Hoekstra</td>
<td>Vice President</td>
<td><a href="mailto:cynthia.hoekstra@phlx.com">cynthia.hoekstra@phlx.com</a></td>
<td>(215) 496-5066</td>
<td>(215) 496-6729</td>
</tr>
</tbody>
</table>

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 officer.

Date 10/01/2007

By Cynthia Hoekstra

Vice President

(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.)
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<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>
</tbody>
</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 amend the fingerprinting fees, which appear on Appendix A of the Exchange’s fee schedule, so that the charge for the first and third submission of a fingerprint card will be lowered from $35.00 to $30.25. The Exchange also proposes to replace references to “NASD” on the Exchange’s fee schedules with “FINRA.”

The reduction in the fingerprint card processing fee is scheduled to be implemented beginning on October 1, 2007.\(^3\)

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, a copy of the Exchange’s XLE Fee Schedule is attached hereto as Exhibit 5A, and a copy of Appendix A of the Exchange’s Fee Schedule is attached hereto as Exhibit 5B.

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 September 21, 2007.

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.

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\(^3\) See FINRA Information Notice titled “Fingerprint Processing Fees” dated September 20, 2007.
3. **Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

   a. **Purpose**

   Currently, the Exchange’s fee schedule includes fees that are imposed in connection with participation in the National Association of Securities Dealers, Inc. ("NASD," n/k/a/ the Financial Industry Regulatory Authority "FINRA") Web Central Registration Depository ("Web CRD"). These fees include fingerprinting fees, which vary depending on the submission: for a first card submission, the fee is $35.00; for a second card submission the fee is $13.00; for a third card submission the fee is $35.00; and for processing fingerprint results where the member had prints processed through a self-regulatory organization and not FINRA, the fee is $13.00. The fingerprinting fees are paid directly to FINRA.

   FINRA intends to amend the fingerprinting fees effective for fingerprints processed on or after October 1, 2007, so that the charge for the first and third submission of a fingerprint card will be lowered from $35.00 to $30.25. The fees for processing a second fingerprint card submission and for processing fingerprint cards where the member had prints processed through a self-regulatory organization and not FINRA will remain at $13.00.

   The purpose of this proposal is to amend the Exchange’s fee schedule to reflect the reduction by FINRA of the applicable Web CRD fingerprinting fees and to update the fee schedule to reflect that the NASD is now known as FINRA.
b. **Statutory Basis**

The Exchange believes that its proposal to amend its schedule of fees is consistent with Section 6(b) of the Act\(^4\) in general, and furthers the objectives of Section 6(b)(4) of the Act\(^5\) in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members. This proposal is equitable and reasonable in that it will reflect FINRA’s reduction for the first and third submission of a fingerprint card from $35.00 to $30.25.

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 foregoing proposed rule change establishes or changes a due, fee, or other charge applicable only to a member pursuant to Section 19(b)(3)(A)(ii) of the Act\(^6\) and


Rule 19b-4(f)(2)\textsuperscript{7} thereunder. Accordingly, the proposal will take effect upon filing with the Commission. 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.

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

The proposed rule change is based on FINRA’s fee reductions for first and third submissions of fingerprint cards, effective October 1, 2007.\textsuperscript{8}

9. **Exhibits**

   1. Notice of proposed rule for publication in the Federal Register.

   5A. Exchange’s XLE Fee Schedule.

   5B. Appendix A of the Exchange’s Fee Schedule.

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\textsuperscript{7} 17 CFR 240.19b-4(f)(2).

\textsuperscript{8} See FINRA Information Notice titled “Fingerprint Processing Fees” dated September 20, 2007.
Exhibit 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. ; File No. SR-Phlx-2007-77)

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to Web CRD Fingerprinting Fees

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 ______________________ 2007, 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 Act³ and Rule 19b-4 thereunder,⁴ proposes to amend the fingerprinting fees, which appear on Appendix A of the Exchange’s fee schedule, so that the charge for the first and third submission of a fingerprint card will be lowered from $35.00 to $30.25. The Exchange also proposes to replace references to “NASD” on the Exchange’s fee schedules with “FINRA.”

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The reduction in the fingerprint card processing fee is scheduled to be implemented beginning on October 1, 2007.  


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

Currently, the Exchange’s fee schedule includes fees that are imposed in connection with participation in the National Association of Securities Dealers, Inc. (“NASDAQ,” n/k/a/ the Financial Industry Regulatory Authority “FINRA”) Web Central Registration Depository (“Web CRD”). These fees include fingerprinting fees, which vary depending on the submission: for a first card submission, the fee is $35.00; for a second card submission the fee is $13.00; for a third card submission the fee is $35.00; and for processing fingerprint results where the member had prints processed through a self-regulatory organization and not FINRA, the fee is $13.00. The fingerprinting fees are paid directly to FINRA.

FINRA intends to amend the fingerprinting fees effective for fingerprints processed on or after October 1, 2007, so that the charge for the first and third submission of a fingerprint card will be lowered from $35.00 to $30.25. The fees for processing a second fingerprint card submission and for processing fingerprint cards where the member had prints processed through a self-regulatory organization and not FINRA will remain at $13.00.

The purpose of this proposal is to amend the Exchange’s fee schedule to reflect the reduction by FINRA of the applicable Web CRD fingerprinting fees and to update the fee schedule to reflect that the NASD is now known as FINRA.

2. Statutory Basis

The Exchange believes that its proposal to amend its schedule of fees is consistent with Section 6(b) of the Act in general, and furthers the objectives of Section 6(b)(4) of the Act in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members. This proposal is equitable and reasonable in that it will reflect FINRA’s reduction for the first and third submission of a fingerprint card from $35.00 to $30.25.

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.

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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

The foregoing rule change has become effective pursuant to Section
19(b)(3)(A)(ii) of the Act\(^8\) and paragraph (f)(2) of Rule 19b-4\(^9\) thereunder. 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-
  Phlx-2007-77 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-2007-77. 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-2007-77 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.10

Nancy M. Morris
Secretary

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Miscellaneous Transaction Fees
Execution Fee for all IOC Cross and Mid-Point Cross Orders entered over technology provided by the Phlx, including odd lot IOC and Mid-Point Cross Orders:  
   * For All Tiers – $0.0023 per share per side, maximum charge of $50.00 per trade side

Execution Fee for all other IOC Cross and Mid-Point Cross Orders, including all other odd lot IOC Cross and Mid-Point Cross Orders:  
   * For All Tiers – No Charge

Execution Fee for Single-Sided Odd Lot Orders executed on XLE against an XLE Participant:  
   * For All Tiers – $0.003 per share

Routing Fee for Single-Sided Odd Lot Orders executed at an away market:  
   * For All Tiers – $0.03 per share

* Applicable to orders initially entered as odd-lot orders

Covered Sale Fee
Each member and member organization engaged in executing sale transactions on the Exchange or executing transactions on another exchange or on a Participant in [NASD] FINRA’s Alternative Display Facility (“ADF Participant”), which were routed through the Exchange’s Routing Facility, as described in Rule 185(g), during any computational period shall pay a Covered Sale Fee equal to (i) the Section 31 fee rate multiplied by (ii) the member’s aggregate dollar amount of covered sales.

System Fees
Monthly FIX Computer-to-Computer Interface (CTCI) Port Fee:  
   * $100 per port

Monthly Phlx Systems Fee:  
   * No Charge

Depth of Book Data Feed Fee:  
   * No Charge

Quarterly Market Data Revenue Sharing for Tape A (NYSE), Tape B (Amex and other non-NASDAQ, non-NYSE exchanges), and Tape C (Nasdaq) Securities

50% of gross market data revenue for trades executed on XLE will be shared with the member organization responsible for providing the liquidity portion of the trade. Sponsored Participant trades will be credited to the applicable Sponsoring Member Organization.

1 Per XLE Participant Organization. For purposes of these fees, an XLE Participant Organization refers to a Sponsored Participant, a Sponsoring Member Organization, and a member organization without Sponsored Participant(s). Sponsoring Member Organizations are responsible for the fees generated by their Sponsored Participant(s).

6 Phlx provides optional technology to XLE Participants for the entry of two-sided orders into XLE. Executed volume will not accrete towards the volume tier breakpoint or Maker/Taker classification for each XLE Participant Organization that is a party to the execution.

7 Executed volume will not accrete towards the volume tier breakpoint or Maker/Taker classification of the XLE Participant Organization.

8 Executed volume will accrete towards the volume tier breakpoint and Maker/Taker classification of the XLE Participant Organization.

9 A Sponsoring Member Organization is responsible for the fees generated in connection with its Sponsored Participant’s sale transactions.

10 A port is defined as an IP address assigned by the Exchange for connectivity to XLE.

11 Per device, for use of optional Phlx technology to enter in two-sided orders and related clearing information.

12 The Depth of Book feed will be provided on a subscription basis. The feed will display every order, except the undisplayed portion of a Reserve Order, within XLE at each price level.
**APPENDIX A**

[The NASD] FINRA, on behalf of the Exchange, will bill and collect these fees.

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>[NASD] FINRA CRD Processing Fee8</td>
<td>$85.00</td>
</tr>
<tr>
<td>[NASD] FINRA Disclosure Processing Fee9</td>
<td>$95.00</td>
</tr>
<tr>
<td>[NASD] FINRA Annual System Processing Fee10</td>
<td>$30.00</td>
</tr>
<tr>
<td>[NASD] FINRA Fingerprint Card Processing Fee – 1st Submission11</td>
<td>$3[50.00]25</td>
</tr>
<tr>
<td>[NASD] FINRA Fingerprint Card Processing Fee – 2nd submission12</td>
<td>$13.00</td>
</tr>
<tr>
<td>[NASD] FINRA Fingerprint Card Processing Fee – 3rd submission13</td>
<td>$3[50.00]25</td>
</tr>
<tr>
<td>[NASD] FINRA Processing Fee for Fingerprint Results14</td>
<td>$13.00</td>
</tr>
<tr>
<td>Trading Floor Personnel Registration Fee15</td>
<td>$25.00 monthly</td>
</tr>
<tr>
<td>Fee for Certain Stock Execution Clerks16</td>
<td>$500.00 monthly</td>
</tr>
<tr>
<td>Continuing Education Fee17</td>
<td>$75.00</td>
</tr>
<tr>
<td>Computer Equipment Services, Repairs or Replacements</td>
<td>$100.00 per service call and $75.00 per hour (Two hour min)</td>
</tr>
<tr>
<td>Computer Relocation Requests</td>
<td>$100.00 per service call and $75.00 per person, per hour (Two hour minimum)</td>
</tr>
</tbody>
</table>

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8 The [NASD] FINRA CRD Processing Fee is paid directly to [the NASD] FINRA for all initial, transfer, relicense and dual registration Form U4 filings.
9 The [NASD] FINRA Disclosure Processing Fee, applicable to Form U4, Form U5 and amendments thereto, will be paid directly to [the NASD] FINRA for all registration, transfer or termination filings with new or amended disclosure information or that require certification, as well as any amendment to disclosure information. This fee applies to any filing containing a disclosure that was not previously disclosed on Web CRD.
10 The [NASD] FINRA Annual System Processing Fee is assessed only during renewals and is paid directly to [the NASD] FINRA.
11 The [NASD] FINRA Fingerprint Card Processing Fee is for first card submissions and is paid directly to [the NASD] FINRA.
12 This [NASD] FINRA Fingerprint Card Processing Fee is for second card submissions and is paid directly to [the NASD] FINRA.
13 This [NASD] FINRA Fingerprint Card Processing Fee is for third card submissions and is paid directly to [the NASD] FINRA.
14 The [NASD] FINRA Processing Fee for Fingerprint Results applies to results submitted by other self-regulatory organizations; this fee is paid directly to [the NASD] FINRA.
15 This fee is imposed on member/participant organizations for individuals who are employed by such member/participant organizations and who work on the Exchange’s trading floor, such as clerks, interns, stock execution clerks that handle equity orders that are part of an options contingency order and other associated persons, but who are not registered as members or participants.
16 This fee is imposed on member organizations for individuals who are employed by such member organization, who are not registered as members, and who work on the Exchange’s options trading floor handling stand-alone stock execution orders, such as to hedge traders’ options positions. The monthly $25 Trading Floor Personnel Registration Fee is included in the monthly $500 Fee for Certain Stock Execution Clerks.
17 This fee will be assessed as to each individual who is required to complete the Regulatory Element of the Continuing Education Requirements pursuant to Exchange Rule 640. This fee is paid directly to [the NASD] FINRA.