



Memorandum No. 1153-08

Memorandum

To: All Members and Member Organizations

From: Steve Pettibone, Vice President Options Reviews

Date: June 11, 2008

RE: Rule 1063 – Responsibilities of Floor Brokers; and OFPA C-2

This circular summarizes and highlights Philadelphia Stock Exchange's ("PHLX"), Rule 1063 Section (e) (i), and the related Options Floor Procedure Advice (OFPA) C-2.

Brokers are reminded of the critical audit trail role played by appropriate and required use of the Floor Broker Management System (FBMS).

Rule 1063 Responsibilities of Floor Brokers (applicable text):

"(e) (i) *Options Floor Broker Management System*. In order to create an electronic audit trail for equity, equity index and U.S. dollar-settled foreign currency options orders represented by Floor Brokers on the Exchange's Options Floor, a Floor Broker or such Floor Broker's employees shall, contemporaneously upon receipt of an order and prior to the representation of such an order in the trading crowd, record all options orders represented by such Floor Broker onto the electronic Options Floor Broker Management System (as described in Rule 1080, Commentary .06)."

C-2 Options Floor Broker Management System (applicable text):

"Options Floor Broker Management System. In order to create an electronic audit trail for options orders represented by Floor Brokers on the Exchange's Options Floor, a Floor Broker or such Floor Broker's employees shall, contemporaneously upon receipt of an order and prior to the representation of such an order in the trading crowd, record all options orders represented by such Floor Broker onto the electronic Options Floor Broker Management System (as described in Rule 1080, Commentary .06)."

Steve Pettibone

Vice President Options Reviews

Philadelphia Stock Exchange

1900 Market Street

Philadelphia, PA, 19103-3584

Phone: 215-496-5462

