

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-56121; File No. SR-Phlx-2007-16)

July 24, 2007

Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Order Granting Approval to a Proposed Rule Change Regarding Rules Pertaining to Training Requirements and Floor Procedure Advices

On May 25, 2007, the Philadelphia Stock Exchange, Inc. (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² a proposed rule change to amend: (a) Rule 625, Training; (b) Equity Floor Procedure Advices and Order & Decorum Regulations, F-30 Training; and (c) Options Floor Procedure Advices and Order & Decorum Regulations, F-30 Options Trading Floor Training, to clarify and expand the Exchange’s training requirements. Specifically, the proposed rule change expanded the category of individuals who are required to attend the mandatory training sessions and the training topics covered. Further, the Exchange set forth mandatory training requirements, which would take place on at least a semi-annual basis, for floor members. The Exchange also proposed changes to the language in Rule 970, Floor Procedure Advices: Violations, Penalties and Procedures, to delete the reference to the now-obsolete Market Surveillance Department and to provide that any authorized official of the Exchange may sign a citation for a floor procedure advice violation. The proposal was published for comment in the Federal Register on June 19, 2007.³ The Commission received no comments on the proposal. This order approves the proposed rule change.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 55729 (June 12, 2007), 72 FR 33797.

After careful review of the proposal, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.⁴ In particular, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,⁵ which requires, among other things that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, 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.

Expanding the Exchange's current mandatory training program should provide a means for keeping members and persons employed by or associated with such members or member organizations, and Participant Authorized Users, informed of and educated about, among other things, current rules and regulations and trading-related Exchange systems, which should enhance member compliance with the federal securities law and Exchange rules. Additionally, updating the language in Exchange Rule 970 should promote efficiency in connection with the issuance of citations.

⁴ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78f(b)(5).

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁶ that the proposed rule change (SR-Phlx-2007-16) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

Florence E. Harmon
Deputy Secretary

⁶ 15 U.S.C. 78s(b)(2).

⁷ 17 CFR 200.30-3(a)(12).