

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-54396)

August 31, 2006

Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Declaration of Effectiveness of the Philadelphia Stock Exchange Fingerprinting Plan

On July 17, 2006, the Philadelphia Stock Exchange, Inc. (“Phlx”) filed with the Securities and Exchange Commission (“Commission”) a fingerprint plan (“Plan”) pursuant to Rule 17f-2(c)¹ under the Securities Exchange Act of 1934 (“Act”).² A copy of the Plan is attached as Exhibit A.

The Phlx believes that the Plan will facilitate compliance by Exchange members with Section 17(f)(2) of the Act and Rule 17f-2 thereunder by providing a facility for the fingerprints of directors, partners, officers and employees of Exchange members to be submitted to the Attorney General of the United States and processed electronically.

Under the Plan, all persons who are seeking registration with the Phlx or are currently registered with the Phlx submit fingerprint cards or fingerprint results to the NASD, which then forwards the fingerprints to the Federal Bureau of Investigation (“FBI”) (the fingerprint processing arm of the Attorney General). The FBI identifies submitted fingerprints, retrieves relevant criminal history information, and returns fingerprint reports to the NASD. Phlx members will be able to view the status and results of fingerprints, including any relevant criminal history information, through the NASD’s Web Central Registration Depository (Web CRD[®]) system after submission to the Attorney General.

¹ 17 CFR 240.17f-2(c).

² 15 U.S.C. 78a et seq.

The Commission has reviewed the procedures detailed in the Plan and believes that the Plan is consistent with the public interest and the protection of investors. Thus, the Commission declares the Plan effective.

The Commission notes that securities industry fingerprinting procedures are in a state of flux due to rapidly advancing technology. In the event that an industry-wide standard is adopted or becomes prevalent and in the event that this Plan substantially differs therefrom, the Commission would expect the Phlx to revise its fingerprint plan to incorporate the industry-wide standard.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.³

Nancy M. Morris
Secretary

³ 17 CFR 200.30-3(a)(17)(iii).

Exhibit A

Philadelphia Stock Exchange Fingerprinting Plan

The Philadelphia Stock Exchange, Inc. (“Phlx” or “Exchange”) submits this amendment to its Fingerprinting Plan (“Amended Fingerprinting Plan”) pursuant to Section 17(f)(2) of the Securities Exchange Act of 1934 (“Act”) and Rule 17f-2(c) thereunder. This Amended Fingerprinting Plan supersedes and replaces the Exchange’s current fingerprinting plan.⁴ The purpose of this Amended Fingerprinting Plan is to facilitate compliance by Exchange Members with Section 17(f)(2) of the Act and Rule 17f-2 thereunder by providing a facility for the fingerprints of directors, partners, officers and employees of Exchange members to be submitted to the Attorney General of the United States and processed electronically.

The Exchange has established an arrangement with the National Association of Securities Dealers, Inc. (“NASD”) to permit all individuals that must be registered or approved by the Exchange (“registered persons”) to be electronically registered with the Exchange through the NASD’s Web Central Registration Depository (“Web CRD”). Web CRD is a Web-based system that provides broker-dealers and their associated persons with “one-stop filing” with the Commission, the NASD and other self-regulatory organizations and regulators. Web CRD is operated by the NASD and is used by participating regulators in connection with registering and licensing broker-dealers and their associated persons. Pursuant to its Memorandum of Understanding with the

⁴ The Exchange’s current fingerprinting plan was approved on a permanent basis by the Securities and Exchange Commission (“Commission”) on December 23, 1976. See Securities Exchange Act Release No. 13105, 42 FR 753 (January 4, 1977).

NASD⁵, all members submit hard copy fingerprint cards or results of processed cards to the NASD.

In connection with the arrangement with the NASD, all persons who are seeking registration with the Exchange or are currently registered with the Exchange, submit fingerprint cards or fingerprint results to the NASD for processing and/or submission to the Attorney General. The Attorney General provides the NASD with fingerprint processing results for persons seeking registration, and the results are provided to the members. The NASD notifies the Exchange if the fingerprint results received by the NASD contain information indicating that the person is subject to a statutory disqualification. In such an instance, the Exchange reviews the fingerprint results to determine the possible existence of a statutory disqualification as defined in Section 3(a)(39) of the Act, and takes appropriate action, if necessary, concerning eligibility or continued eligibility of the individual for employment or association with an Exchange member. Any maintenance of fingerprint records by the Exchange shall be for the Exchange's own administrative purposes, and the Exchange is not undertaking to maintain fingerprint records on behalf of Exchange members pursuant to Rule 17f-2(d)(2). The Exchange advises its members and member applicants of any fees charged in connection with processing of fingerprints pursuant to the Amended Fingerprinting Plan. The Exchange will file any such Exchange member fees with the Commission pursuant to Section 19(b) of the Act.

⁵ The Exchange and NASD executed a Memorandum of Understanding on September 22, 2005.

The Exchange shall not be liable for losses or damages of any kind in connection with the fingerprint services, as a result of a failure to properly follow the procedures described above, or as a result of lost or delayed fingerprint cards, fingerprint records, or fingerprint processing results, or as a result of any action by the Exchange or the Exchange's failure to take action in connection with this Amended Fingerprinting Plan.