

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-56483; File No. SR-Phlx-2007-27)

September 20, 2007

Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Order Approving Proposed Rule Change to Standardize Certain Options Rules for Equity, Index, and ETF Options

On March 21, 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 Phlx Rule 1014(c)(i)(A) relating to quote spread parameters (bid/ask differentials) and Phlx Rule 1014(g)(i)(B) relating to the purchase or sale priority for orders of 100 contracts or more, such that the rules would apply equally to options on equities, options on exchange-traded fund (“ETF”) shares, and index options. On July 25, 2007, the Exchange filed Amendment No. 1 to the proposed rule change. The proposed rule change, as amended, was published for comment in the Federal Register on August 21, 2007.³ The Commission received no comment letters on the proposal.

The Commission finds that the proposed rule change is consistent with Section 6(b) of the Act,⁴ in general, and with Section 6(b)(5) of the Act,⁵ in particular, because it serves to ease and clarify the application of the Exchange’s rules relating to quote spread parameters and priority in purchase or sale for orders of 100 contracts or more. The Commission believes that it is reasonable to make no distinction among options on equities, ETFs, and indexes, with respect

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 56249 (August 14, 2007), 72 FR 46697.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

to the aforementioned rules, and that by applying them in the same manner to all such option types, the proposed rule change should help obviate confusion among customers and Exchange members.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁶ that the proposed rule change (SR-Phlx-2007-27), as amended, 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. 78f(b)(5).

⁷ 17 CFR 200.30-3(a)(12).