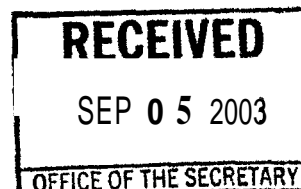


PENN MONT SECURITIES

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September 5, 2003

United States of America
Securities and Exchange Commission
Jonathan G. Katz, Secretary
450 Fifth Street, Northwest
WASHINGTON DC 20549-0609



In re: Proposed Rule Filing - SEC Release No. 34-48314
Philadelphia Stock Exchange, Inc. ("PHLX")
File No. SR-PHLX-2003-49

Dear Sir:

The aforementioned filing was noticed for comment in the Federal Register on August 19, 2003 and requested comments by September 9, 2003.


We feel that it is not in the public interest for the Securities and Exchange Commission ("Commission") to approve the same.

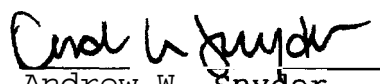
Specifically, the PHLX would amend the Exchange's Certificate of Incorporation Article Fifth, By-Law Articles 111, Sections 3-3(a), 3-7(a), 3-10(c), and 3-13; Article XII, Section 12-1(b) and Article XXII, Sections 22-1 and 22-2.

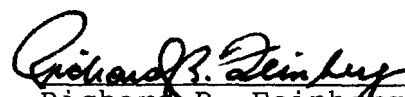
New language proposed by the PHLX (Article 111, Section 3-7(a)) would make it possible for two members owning fifty memberships (10%) to propose independent nominations as opposed to the present fifty member requirement. In the interest of non-frivolous nominations the PHLX originally wrote this section to guarantee that no cabal of a small number of legal titleholders could foist upon the membership a factional candidate. The same language is proposed to be inserted in Section 3-13, where, more importantly, a small number of multiple seat holders could propose self-serving questions to Special Meetings. In the interest of transparency and broad representation, the proposed language should be rejected. Section 22-1 repeats the same spurious logic as well as Section 22-2. In the case of Section 22-2 there is no protection against the legal titleholders from affecting the ownership interest of the equitable titleholders. That would be like the tenants negotiating the ownership deed of the landlord.

For these reasons we respectfully ask the Commission to reject or at least ask the PHLX to modify its rule filing.

Sincerely yours,


Joseph D. Carapico
General Partner


Andrew W. Snyder
General Partner


Richard B. Feinberg
Limited Partner