

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-63268; File No. SR-SCCP-2010-03)

November 8, 2010

Self-Regulatory Organizations; Stock Clearing Corporation of Philadelphia; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Suspension of Certain Provisions Due to Inactivity

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 27, 2010, Stock Clearing Corporation of Philadelphia (“SCCP”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared primarily by SCCP. SCCP filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(3)⁴ so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

SCCP proposes to amend its By-Laws to: (1) suspend certain maintenance and reporting requirements during the period of inactivity of SCCP; (2) remove all references to the Philadelphia Depository Trust Company; (3) remove the requirement to furnish an annual statement of SCCP’s business and affairs; (4) remove references to certain standing committees

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(3).

of NASDAQ OMX PHLX (“PHLX”); (5) reflect the change of the name of The Philadelphia Stock Exchange to NASDAQ OMX PHLX LLC; and (6) make conforming changes to the rules.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, SCCP included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. SCCP has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

SCCP is a wholly owned subsidiary of PHLX and is registered with the Commission as a clearing agency pursuant to Section 17A of the Act.⁵ On July 24, 2008, The NASDAQ OMX Group, Inc. completed an acquisition of The Philadelphia Stock Exchange and renamed it NASDAQ OMX PHLX. Thereafter, a decision was made to cease SCCP operations and on December 31, 2008, SCCP ceased all business operations with the exception of the return of the clearing fund deposits that were provided to SCCP by its members for the purpose of offsetting SCCP’s financial risk while operating a clearing agency for the member. SCCP returned all clearing fund deposits by September 30, 2009; therefore, as of that date SCCP no longer maintains clearing members or any other clearing operations. However, SCCP desires to maintain its registration as a clearing agency for possible active operations in the future.

Currently, SCCP only conducts the administrative operations that are required to maintain its registration, which generally consist of tax and record maintenance obligations, as

⁵ 15 U.S.C. 78q-1.

well as the various maintenance and reporting requirements of a clearing agency. Since SCCP no longer maintains members or conducts clearing business operations, SCCP is requesting that it may suspend certain maintenance and reporting requirements where it makes sense to do so. SCCP believes that it is appropriate under the circumstances of SCCP's inactivity to suspend the following portions of its By-Laws or Rules during any period in which SCCP has suspended its operations and is in an inactive status:

(1) SCCP Article IV Section 2(c) and (d): SCCP proposes to suspend the requirement that the Board of Directors contain at least one participant, and to amend the requirement that at least one of SCCP's directors must be a governor of the Exchange;

(2) SCCP Article IV, Section 8: SCCP proposes to suspend the requirement to maintain Standing Committees;

(3) SCCP Rule 4, Section 1: SCCP proposes to eliminate the need for a Participant Fund and furthermore defines the term "inactive".

(4) SCCP Rule 11, Reserve Fund: SCCP proposes to suspend the requirement for the reserve fund;

(5) SCCP Rule 28: SCCP proposes to suspend the requirement of (a) furnishing annual unconsolidated audited comparative financial statements prepared in accordance with generally accepted accounting principles, (b) accompanied by a report prepared by an independent public accountant; furnishing unaudited quarterly financial statements; and (c) furnishing an annual review of internal control prepared by independent public accountants.

During the time SCCP was active, SCCP's Audit Committee and Finance Committee were also the comparable committees of SCCP's parent, The Philadelphia Stock Exchange. However, PHLX has since eliminated its own Audit Committee and Finance Committee and

allows the function of those committees to be performed by other board committees within its corporate structure. Accordingly, SCCP will amend its rules to provide that, in the event SCCP resumes active operations, it will have its own Audit Committee and Finance Committee.

SCCP also proposes to remove SCCP By-Law Article X regarding the presentation of an annual statement of the corporation at each annual meeting. SCCP believes Article X is not legally required and therefore proposes to remove this language permanently.

SCCP also proposes to make certain administrative changes. Certain SCCP By-Laws and rules reference the Philadelphia Depository Trust Company (“Philadep”), a trust company that was deregistered as a national clearing agency as of December 31, 2002, and dissolved as a trust company in the Commonwealth of Pennsylvania on August 7, 2004. At this time, SCCP proposes to eliminate all references to Philadep. In addition, SCCP proposes to eliminate Rule 4, Section 1, paragraph four, section (ii). This section is duplicative of section (i). Furthermore, SCCP proposes to make clerical changes that are necessary due to the changes contained within this proposed rule change. Finally, SCCP proposes to amend the By-Laws and the Rules to reflect the change of the name of The Philadelphia Stock Exchange to NASDAQ OMX PHLX LLC.

SCCP states that that its proposal is consistent with Section 17A of the Act⁶ in general and furthers the objectives of Section 17A(b)(3)(F) of the Act⁷ in particular in that it is designed to remove impediments to and perfect the mechanism of national market system, and, in general does not impose any burden on competition not necessary or appropriate. SCCP further states that the proposal seeks to suspend maintenance and reporting requirements and make other

⁶ 15 U.S.C. 78q-1.

⁷ 15 U.S.C. 78q-1(b)(3)(F).

administrative changes during the time when SCCP has suspended its business operations. None of these changes affect the investing public but rather are concerned solely with the administration of SCCP.

B. Self-Regulatory Organization's Statement on Burden on Competition

SCCP does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

SCCP has not solicited or received written comments relating to the proposed rule change. SCCP will notify the Commission of any written comments it receives.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act⁸ and Rule 19b-4(f)(3)⁹ because it is concerned solely with the administration of SCCP. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

⁸ Supra note 2.

⁹ Supra note 3.

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-SCCP-2010-03 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-SCCP-2010-02. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing also will be available for inspection and copying at SCCP's principal office and on SCCP's Web site at <http://nasdaqtrader.com/micro.aspx?id=PHLX Rulefilings>. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to

make available publicly. All submissions should refer to File Number SR-SCCP-2010-03 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Florence E. Harmon
Deputy Secretary

¹⁰ 17 CFR 200.30-3(a)(12).