

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is 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

Written comments on the proposed rule change were neither solicited nor received.

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

The proposed rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act⁹ and subparagraph (f)(2) of Rule 19b-4¹⁰ thereunder, because it establishes or changes a due, fee, or other charge imposed by the Exchange. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate 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 proposal is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. 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 inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the PCX. All submissions should refer to file number SR-PCX-2003-53 and should be submitted by November 18, 2003.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48673; File No. SR-Phlx-2003-69]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. To Temporarily Waive Membership Transfer Fees

October 21, 2003.

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 2, 2003, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which the Exchange has prepared. 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

The Phlx proposes to amend its schedule of dues, fees and charges to adopt the following temporary actions respecting fees that would ordinarily be imposed on transfers of memberships:³ (1) Waive the transfer fee of \$500⁴ in connection with memberships that are transferred from a member who holds legal title to more than one regular

membership⁵ to an existing member or new member; (2) waive the application fee of \$350⁶ in connection with the transfer of a membership from a member who holds legal title to more than one regular membership to a new member;⁷ (3) refund the initiation fee of \$1,500⁸ incurred in connection with the transfer of a membership from a member who holds legal title to more than one regular membership to a new member, when such transfer occurred during the time period from October 1, 2003 until the record date for the Special Member Meeting;⁹ and (4) waive the transfer fee of \$500 in connection with transfers of memberships back to the prior legal title holder (who held legal title to more than one regular membership and transferred it to an existing member or new member from October 1, 2003 to the record date for the Special Member Meeting) within 60 days after the record date. The text of the proposed rule change is available at the Phlx and at the Commission.

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

In its filing with the Commission, the Phlx 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. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

⁵ See Phlx Certificate of Incorporation, Article Fifth.

⁶ In general, the application fee is charged in connection with applications handled by the Exchange's Membership Services Department, including applications for Exchange membership. See Securities Exchange Act Release No. 47383 (February 20, 2003), 68 FR 8956 (February 26, 2003) (SR-Phlx-2002-79).

⁷ The waivers for the application fee and transfer fee as described in items one and two would be in effect from October 1, 2003 until the record date for the Special Member Meeting. The record date has currently been set for October 21, 2003.

⁸ The initiation fee is imposed upon members upon election. See Securities Exchange Act Release No. 26468 (January 18, 1989), 54 FR 3713 (January 23, 1989) (SR-Phlx-88-45). See also Phlx Article XII, Section 12-8.

⁹ The Exchange intends to refund these initiation fees in the billing cycle following the date of the transfer of the membership.

⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁰ 17 CFR 240.19b-4(f)(2).

¹¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ This proposal does not apply to memberships in non-participating status ("NPS"). Any transfer of memberships in NPS must abide by the requirements set forth in Phlx Article XII, Section 12-1. The Phlx notes, however, that members who change the status of their membership from NPS to participating status before the record date for the special meeting concerning demutualization ("Special Member Meeting") can take full advantage of the waivers described herein. Telephone conversation between Cynthia Hoekstra, Counsel, Phlx, and Ian K. Patel, Attorney, Division of Market Regulation, Commission on October 20, 2003.

⁴ The transfer fee is imposed on the transferee at the time of the transfer of legal or equitable title to any Phlx regular membership. See Securities Exchange Act Release No. 38394 (March 12, 1997), 62 FR 13204 (March 19, 1997) (SR-Phlx-97-09).