

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>16</sup>

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-53688; File No. SR-Phlx-2006-24]

### Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto Relating to Fees Associated With Participation in the Web Central Registration Depository

April 20, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 7, 2006, 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 Items have been prepared by the Phlx. On April 18, 2006, the Phlx filed Amendment No. 1 to the proposed rule change.<sup>3</sup> The Phlx has designated this proposal as one establishing or changing a due, fee, or other charge imposed by the Phlx under Section 19(b)(3)(A)(ii) of the Act,<sup>4</sup> and Rule 19b-4(f)(2) thereunder,<sup>5</sup> which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

The Phlx proposes to: (1) Adopt fees associated with the implementation of

an electronic registration process through the National Association of Securities Dealers, Inc. (“NASD”) Web Central Registration Depository (“Web CRD”);<sup>6</sup> and (2) amend the Exchange’s fee schedule to reflect various changes to Registered Representative Registration fees in connection with the implementation of Web CRD.

Specifically, the Exchange proposes to adopt the following NASD fees that will be imposed in connection with participation in Web CRD: (a) An NASD CRD Processing Fee of \$85.00; (b) an NASD Disclosure Processing Fee of \$95.00; (c) an NASD Annual System Processing Fee of \$30.00; and (d) fingerprinting fees which vary depending on the submission: for a first card submission the fee will be \$35.00; for a second card submission the fee will be \$13.00; for a third card submission the fee will be \$35.00; and for processing fingerprint results where the member had prints processed through a self-regulatory organization and not the NASD, the fee will be \$13.00. The NASD will process the fingerprint cards and will make the results available to the Exchange, its members, and member and participant organizations via Web CRD.

The Exchange is also proposing to assess its fees that are currently referred to on the Exchange’s fee schedule as Registered Representative Registration<sup>7</sup> fees to certain Exchange members designated on Form U4, Uniform Application for Securities Industry Registration or Transfer, as Member Exchange<sup>8</sup> and to Off-Floor Traders.<sup>9</sup> Therefore, the initial fee of \$55.00, the renewal fee of \$55.00 annually, the transfer fee of \$55.00 and the termination fee of \$30.00 will be assessed on Registered Representatives,

Member Exchange and Off-Floor Traders.<sup>10</sup>

In connection with the above-referenced fees, the Exchange is proposing to make minor, technical changes to Appendix A of its fee schedule for purposes of clarity. The Examinations Fee is being relocated on Appendix A of the fee schedule to group this fee with similar fees and the categories of Member Exchange and Off-Floor Traders are being added to the currently named Registered Representative Registration fee.

The text of the proposed rule change is available on the Phlx’s Web site (<http://www.phlx.com>), at the Phlx’s Office of the Secretary, and at the Commission’s Public Reference Room.

#### 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 Phlx 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

###### 1. Purpose

The purpose of the proposed rule change is to adopt fees associated with the implementation of an electronic registration process through NASD’s Web CRD,<sup>11</sup> which should, in turn,

<sup>10</sup> The \$55.00 initial registration fee and annual renewal fee are charged once per registered individual and are not charged per individual registration category. For example, if a person works for a member organization and requests to be registered as an ME and a Series 7 general securities registered representative, the NASD will collect only one Phlx initial registration fee of \$55.00. Further, a person registered in multiple categories with a single member organization will be charged a single Phlx annual \$55.00 renewal fee and not \$55.00 per registration category.

<sup>11</sup> The Commission has approved a proposed rule change filed by the Exchange to use the NASD’s Web CRD system as the mechanism for submitting required Forms U4, Uniform Application for Securities Industry Registration or Transfer, and Forms U5, Uniform Termination Notice for Securities Industry Registration. The period from April 10, 2006 to May 11, 2006 has been designated as a phase-in period, which will permit manual filing in case there is a problem with filing via Web CRD. On May 12, 2006, the use of Web CRD will become mandatory. See Securities Exchange Act Release No. 53612 (April 6, 2006), 71 FR 18798 (April 12, 2006) (SR-Phlx-2006-15).

<sup>16</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> In Amendment No. 1, the Exchange made clarifying changes to the proposal, including the rule text. The effective date of the original proposed rule change is April 7, 2006, and the effective date of the amendment is April 18, 2006. For purposes of calculating the 60-day period within which the Commission may summarily abrogate the proposed rule change, as amended, under Section 19(b)(3)(C) of the Act, the Commission considers the period to commence on April 18, 2006, the date on which the Exchange submitted Amendment No. 1. See 15 U.S.C. 78s(b)(3)(C).

<sup>4</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>5</sup> 17 CFR 240.19b-4(f)(2).

<sup>6</sup> The Exchange notified the members regarding the migration to Web CRD on February 21, 2006, March 7, 2006, March 27, 2006 and April 10, 2006.

<sup>7</sup> Registered Representative categories include registered options principals, general securities representatives, general securities sales supervisors and United Kingdom limited general securities registered representatives but do not include “off-floor” traders, as defined in Phlx Rule 604(e). See also Exchange Rule 604(a) and (d).

<sup>8</sup> The Member Exchange category refers to Exchange permit holders.

<sup>9</sup> Every person who is compensated directly or indirectly by a member or participant organization for which the Exchange is the Designated Examining Authority or any other associated person of such member or participant organization, and who executes, makes trading decisions with respect to, or otherwise engages in proprietary or agency trading of securities, including, but not limited to, equities, preferred securities, convertible debt securities or options off the floor of the Exchange (“Off-Floor Traders”), must successfully complete the Uniform Registered Representative Examination Series 7. See Exchange Rule 604.

create a more efficient registration process by migrating from a manual paper-based Exchange procedure for registration to a web-based registration process that is operated by the NASD. The proposed fees are similar to those fees charged by other Self-Regulatory Organizations that use NASD's Web CRD.<sup>12</sup>

The purpose of adopting the Member Exchange and Off-Floor Trader fees is to help offset the Exchange's increased costs relating to its regulatory oversight and enforcement programs.

Members and member and participant organizations will be instructed to pay the NASD fees associated with Web CRD as well as any Registered Representative/Member Exchange/Off-Floor Trader Registration fees directly to the NASD through Web CRD. NASD will retain the NASD fees and remit the Registered Representative/Member Exchange/Off-Floor Trader Registration fees it collects to Phlx.

Finally, additional modifications are being made to the fee schedule to group similar fees together for ease of reference.

## 2. Statutory Basis

The Exchange believes that its proposal to amend its schedule of fees is consistent with Section 6(b) of the Act<sup>13</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act<sup>14</sup> in particular, in that it is an equitable allocation of reasonable fees among Exchange members.

### 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

No written comments were either solicited or received.

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

Because the foregoing rule change establishes or changes a due, fee, or other charge imposed by the Exchange,

<sup>12</sup> See Securities Exchange Act Release Nos. 51641 (May 2, 2005), 70 FR 24155 (May 6, 2005) (SR-PCX-2005-49); 48066 (June 19, 2003), 68 FR 38409 (June 27, 2003) (SR-AMEX-2003-49); and 45112 (November 28, 2001), 66 FR 63086 (December 4, 2001) (SR-NYSE-2001-47).

<sup>13</sup> 15 U.S.C. 78f(b).

<sup>14</sup> 15 U.S.C. 78f(b)(4).

it has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>15</sup> and paragraph (f)(2) of Rule 19b-4 thereunder.<sup>16</sup>

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.<sup>17</sup>

## IV. Solicitation of Comments

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

### Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-Phlx-2006-24 on the subject line.

### Paper Comments

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

All submissions should refer to File Number SR-Phlx-2006-24. 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 inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the Phlx. All comments received will be posted

<sup>15</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>16</sup> 17 CFR 240.19b-4(f)(2).

<sup>17</sup> See *supra* note 3.

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-Phlx-2006-24 and should be submitted on or before May 18, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>18</sup>

J. Lynn Taylor,

Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-53692; File No. SR-Phlx-2005-62]

### Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Order Granting Accelerated Approval of Proposed Rule Change and Amendment No. 1 Thereto and Notice of Filing and Order Granting Accelerated Approval to Amendment Nos. 2 and 3 to the Proposed Rule Change Relating to Amending Exchange Delisting Rules To Conform to Recent Amendments to Commission Rules Regarding Removal From Listing and Withdrawal From Registrations

April 20, 2006.

## I. Introduction

On October 25, 2005, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend Exchange delisting rules to conform to recent amendments to Commission rules regarding removal from listing and withdrawal from registration. On January 4, 2006, Phlx filed Amendment No. 1 to the proposed rule change.<sup>3</sup> The proposed rule change, as amended, was published for comment in the **Federal Register** on

<sup>18</sup> 17 CFR 200.30-3(a)(12).

<sup>15</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> In Amendment No. 1, Phlx amended its rule text and the purpose section of the Exchange's Form 19b-4 to clarify the effective date of the proposed rule change and revised Phlx Rule 809 to state that an issuer proposing to withdraw a security from listing on the Exchange must provide a copy of Form 25 to the Exchange upon filing with the Commission.