

MEMORANDUM

TO: SCCP Members, Member Organizations, Participants and Participant Organizations

FROM: Office of the Secretary

RE: SCCP Board of Governors Meeting of November 1, 2006

DATE: November 7, 2006

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The Board of Governors of the Stock Clearing Corporation (“SCCP”) convened on November 1, 2006 and approved an amended fee schedule to reflect fees associated with processing equity security transactions through SCCP in connection with the new equity system of the Phlx. Under Phlx XLE<sup>SM</sup>, the Exchange will no longer operate a physical trading floor for equity securities or the Philadelphia Stock Exchange Automated Communication and Execution (“PACE”) system. Consequently, SCCP received approval from its Board to amend its fee schedule, as attached, to: (1) accommodate the trade processing of equity securities on Phlx XLE<sup>SM</sup> as soon as Phlx XLE<sup>SM</sup> is launched; (2) delete any fees that will become obsolete under Phlx XLE<sup>SM</sup>; and (3) make certain other minor technical changes. The Exchange intends to implement the Phlx XLE<sup>SM</sup> fees on November 10, 2006, the scheduled launch date for Phlx XLE<sup>SM</sup>.

**STOCK CLEARING CORPORATION OF PHILADELPHIA FEE SCHEDULE**

**1. ACCOUNT FEES**

Maintenance Fee	\$150.00 per month <u>for RIO accounts with</u> [(120 or fewer trades per month)] \$250.00 per month <u>for RIO accounts with</u> [(over 20 trades per month)] \$650.00 per month <u>for margin accounts</u> [(specialist)]
Additional Suffix	\$32.00 per month per suffix

**2. TRADE RECORDING FEES [(except remote specialists, and QQQ fees) \*\*]**

XLE Trades

[Regular Trades] <u>Blue Tickets</u> <sup>1</sup>	\$ 0.47 per side
[PACE Trades <sup>1</sup> ]	[No Charge]
[Specialist Trades Matching 2,500 With PACE Trades*] excess	[\$0.27 per side for the first trades per month] [\$0.10 per side for trades in of 2,500 per month]
<u>XLE Market Maker</u> [eVWAP <sup>tm</sup> ] Trades <u>Cleared Via a SCCP</u> <u>Margin Account</u> <u>maximum</u>	\$0.30 per <u>trade</u> , [side] \$100,000 per month
<u>Proprietary Trades Cleared Via a SCCP Margin Account</u>	\$0.47 per trade
<u>All Other XLE Trades</u>	<u>No Charge</u>
<u>NON-XLE Trades</u> Yellow Tickets <sup>2</sup>	\$0.47 per side

<sup>1</sup> A Blue ticket refers to a Phlx XLE execution where the clearing information is submitted to SCCP from a source other than XLE. [In connection with PACE trades, trade recording fees and value fees apply where an order, after being delivered to the Philadelphia Stock Exchange, Inc. by the PACE system is executed by way of an outbound ITS commitment, when such outbound ITS commitment reflects the PACE order's clearing information, but do not apply where a PACE trade was executed against an inbound ITS commitment.]

<sup>2</sup> Yellow tickets are used for clearing only transactions, which are non-Phlx XLE executions.

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3. **TRANSACTION [VALUE] FEES [(except remote specialists) \*\*] Blue tickets and Yellow tickets**

R[io]IO Accounts	\$0.0012 per share <u>per side</u>
Margin Accounts[*]	\$0.035 per \$1,000 of contract value <u>per side</u>
[PACE Trades <sup>1</sup> ]	[None]
Maximum Value Charge[*]	\$25.00 per trade per side

4. **[SPECIALIST (OTHER THAN REMOTE SPECIALISTS) DISCOUNTS FOR TRADES CLEARED THROUGH A SCCP MARGIN ACCOUNT<sup>\*2</sup>]**

[Volume Level Discount (including PACE trades)]	[Discount Per side]
[2,501 to 10,000 sides per month]	[\$0.05]
[10,001 to 15,000 sides per month]	[\$0.10]
[15,001 to 20,000 sides per month]	[\$0.15]
[20,001 to 25,000 sides per month]	[\$0.20]
[25,001 to 30,000 sides per month]	[\$0.25]
[30,001 to 35,000 sides per month]	[\$0.30]
[35,001 to 40,000 sides per month]	[\$0.35]
[40,001 and over]	[\$0.40]

[5]. **TREASURY TRANSACTIONS**

Per trade transaction costs)	\$40.00 (plus pass through costs)
Per transfer costs)	\$10.00 (plus pass through costs)

5 [6]. **MARGIN ACCOUNT INTEREST**

Charge on net debit balances rate	½% above bank broker call rate
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[<sup>2</sup> For SCCP participant firms engaged in a merger, acquisition, consolidation or other similar business combination, such firms may combine their respective volumes when determining the applicable discount for the month. SCCP Participants eligible for the combined discounts are required to request the combined volume level discounts within 30 days after the issuance of the SCCP invoice for the month in which such business combination occurs.]

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**6 [7]. RESEARCH FEES**

Per photocopy of input forms	\$4.00
Per microfiche copy	\$4.00
Items less than 90 days old	No charge
Items 1 year old or less	\$15.00 per hour
Items over 1 year old minimum,	\$15.00 per hour, \$25.00 plus archive retrieval costs

**7 [8]. COMPUTER TRANSMISSIONS/TAPES**

Purchase and Sale Trade Data (daily)	\$100.00 per month
Purchase and Sale Trades plus T+2 Settling Trades (daily)	\$150.00 per month
Miscellaneous	\$150.00 per month; includes 6 tapes/transmissions
	\$ 25.00 per additional tape/transmission

**8 [9]. P&L STATEMENT CHARGES**

\$0.01 per line

**9 [10]. BUY-INS**

\$5.00 per item

**[11. ETF FEES - NASDAQ 100 TRUST, SERIES 1 (“QQQ”), and Standard & Poor’s  
Depository Receipts® (SPDRs) and DIAMONDS® Exchange Traded Funds  
 (“DIAMONDS® ”).# \*\*]**

[Non-Specialist]	[\$0.30 per trade side (Non- PACE_Executions; No Charge for PACE Executions)]
[Specialist]	[\$0.50 per trade (for the first 1,000
trades)*]	
subsequent	[\$0.25 per trade (for all
no further volume discounts)*]	trades,

**[STOCK CLEARING CORPORATION OF PHILADELPHIA FEE SCHEDULE]**

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[12.  
(REMOTE

**SCCP TRANSACTION CHARGE**  
[\$0.30/round lot trade per side.]

**SPECIALISTS ONLY) \*\*]**

[\$0.10/odd-lot trade per side.]

[The combination of these fees is capped at \$100,000/month. For purposes of this fee, an odd-lot is defined as a trade under 100 shares, whereas a round-lot is defined as a trade of 100 shares or over. ]

[\$0.15/trade per Program Trading Side.<sup>3</sup>]

[This Fee will be capped at \$10.00 a day per security, provided the total number of Program Trading Sides settled by the remote specialist unit in all specialty securities exceeds 50,000 sides for that month.]

**10 [12]. TRADE[rade] TICKET[icket] ADJUSTMENT[djustment] FEE[ee]**

0 to 5 Trade Ticket adjustments per month	No Charge
6 to 10 Trade Ticket adjustments per month tickets	\$50 per ticket adjustment for 6-10
11 to 15 Trade Ticket adjustments per month tickets	\$100 per ticket adjustment for 11-15
16 to 20 Trade Ticket adjustments per month tickets	\$200 per ticket adjustment for 16-20
21 or more Trade Ticket adjustment per month tickets	\$300 per ticket adjustment for in excess of 20

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[<sup>3</sup> Program Trading Sides are market orders sent by an order flow provider over the course of a day pursuant to the order flow provider's computerized trading methodology, based on a predetermined algorithm, as directed orders to the remote specialist unit through PACE. Further, in order for the Program Trading Sides to qualify for the Fee, the order flow provider sending the Program Trading Sides must be affiliated with the remote specialist unit to whom the Program Trading Sides are directed.]

[\*Denotes fees not applicable to Specialist trades matching with PACE trades on the opening.]

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[Except as provided herein with respect to remote specialists, any fees, credits, discounts and other charges applicable to specialists in SCCP's fee schedule will apply to all equity specialists, including competing specialists.]

[\*\* These SCCP fees are eligible to be charged against the Net Inbound ITS Credit established in the Phlx Summary of Equity Charges: Trade Recording Fees, Value Fees, ETF Fees, and SCCP Transaction Charge (Remote Specialist Only) incurred in the same month that the credit is earned.]