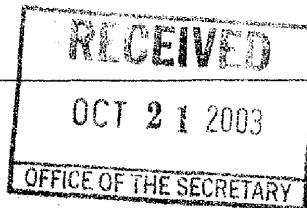


PENN MONT SECURITIES

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October 20, 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 - File No. SR-PHLX-2003-69
Philadelphia Stock Exchange, Inc. ("PHLX")

Dear Sir:

The aforementioned filing was filed on or about October 1, 2003. We feel that it is in the public interest for the Securities and Exchange Commission ("Commission") to abrogate the same.

Specifically the PHLX filed with the Commission on July 10, 2003 a proposed rule filing (File No. SR-PHLX-2003-49) to amend the Exchange's Certificate of Incorporation Article Fifth, By-Law Articles III, 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. That rule filing would have changed certain provisions of the PHLX's to allow for inequitable and unfair rules concerning voting for the Board of Governors and the calling of Special Meetings.

File No. SR-PHLX-2003-49 has been withdrawn by the PHLX. We have reason to believe that the Commission received our comments of September 5, 2003 and advised the PHLX to modify or withdraw SR-PHLX-2003-49.


The PHLX has filed a fee waiver associated with certain membership transfers which seeks to accomplish by fiat what they could not legitimately accomplish by Commission approval of File No. SR-PHLX-2003-49.

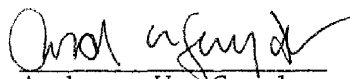
We believe that the current fee waiver filing (SR-PHLX-2003-69) should be abrogated because it violates public policy and Commission policy which requires that all members of a certain class be treated equally. The current filing waives the transfer fee of \$500 in connection with memberships that are transferred from a member who holds legal title to more than one regular membership to a new member. It waives the application fee of \$350 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; and the refund of the initiation fee of \$1,500 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. In addition it waives the transfer fee of \$500 in connection with transfers of memberships back to the legal title holder (who held title to more than one regular membership and transferred it to another member or new member during the time period) within sixty days after the record date of October 1, 2003.

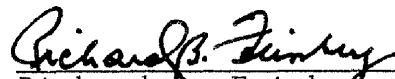
We believe that this filing fails because it is **against** public policy and the policy of the **Commission** to allow the PHLX to discriminate between **and** among members of the same class of membership by the number of shares (or **memberships** in this case) owned, In any **fee waiver** all members must be treated equally. **Therefore** the PHLX must waive all fees to all members and not only to those to multiple equitable title holders.

Indeed, it has been reported that at the October 1, 2003 Board of Governors meeting the **Chairman** announced to the Governors that this fee waiver filing was an "end run" around the **Commission's** resistance to the previous failed rule filing (File No. **SR-PHLX-2003-49**). This rule filing waiving these fees is a direct disrespect to the **Commission** and the height of **arrogance**.

Sincerely yours,


Joseph D. Carapico
General Partner


Andrew W. Snyder
General Partner


Richard B. Feinberg
Limited Partner