



RAN-00-11
April 25, 2000

TO: All PCX Members and Member Organizations

FROM: Department of Regulatory Policy

SUBJECT: PCX ITS Coordinator and Inbound Commitments
(File No. SR-PCX-99-37)

On April 20, 2000, the SEC approved a PCX rule change proposal to authorize the PCX's ITS Coordinator to accept inbound ITS commitments on behalf of other PCX specialists. This rule change will only cover situations in which an inbound ITS commitment involves more than one PCX specialist as the contra side (because coordination is not otherwise required). Under the rule change, in these circumstances, the ITS Coordinator will no longer be required to obtain a specialist's verbal confirmation before accepting an inbound commitment on that specialist's behalf.

Attached is the text of the proposed rule change that the SEC has approved. Questions regarding this bulletin may be directed to Michael Pierson at (415) 393-4107, Peter Armstrong at (415) 393-4232 or Mike Rountree at (213) 977-4566.



EXHIBIT A

Text of the Rule Change:1

INTERMARKET TRADING SYSTEM

Rule 5.20(a). Definitions. –

(i)– (x) – No change.

(xi)The term “PCX Coordinating Specialist” as used in Exchange rules means the PCX Registered Specialist who the Exchange has designated to coordinate ITS activity among Registered Specialists in a given issue when there is more than one PCX Registered Specialist trading the issue. PCX Coordinating Specialists are responsible for coordinating the acceptance of inbound ITS commitments to be assigned to more than one PCX Registered Specialist and for coordinating such other ITS activities as the Exchange may require from time to time.

Rule 5.20(a)-(b) – No change.

Commentary:

.01 - .03 – No change.

.04 In the case of the assignment of an ITS stock to more than one PCX Registered Specialist, the PCX Coordinating Specialist is authorized to accept such commitment at the PCX bid or offer price if still available (or at a better price if available) and up to the size of the PCX bid or offer without the need to communicate with other PCX members.

1 New text is underscored.