

RAN-01-06
January 23, 2001

TO: All PCX Member and Member Organizations

FROM: Department of Regulatory Policy

SUBJECT: Rule Changes Modifying Options-Related Transaction Charges and Firm Transaction Fees
(File No. SR-PCX-00-38)

On January 5, 2001 the SEC approved an Exchange fee filing modifying the Schedule of Rates and Charges. The Exchange has created a new fee category in the transactions portion of the "PCX Options: Trade-Related Charges." The new fee category will be entitled "Broker-Dealer." This change creates a billing category for broker-dealer activity. This new category will cover transaction and comparison charges incurred by broker-dealer activity originating both on and off the PCX floor. The fee consists of \$0.19 per contract transaction charge and \$0.05 per contract comparison charge and will apply to broker-dealers who are routing orders through firm or customer accounts carried by member clearing firms. The fee does not apply to certain firm/proprietary orders that are included within the firm transaction charge. The Firm Transaction fee has also been changed to a revenue neutral rate of \$0.10 per contract regardless of premium size.

Questions regarding this notice may be addressed to Hassan Abedi, Attorney, at (415) 393-5958.