

RAN-01-18
March 26, 2001

TO: All PCX Members and Member Organizations

FROM: Department of Regulatory Policy

SUBJECT: Rebate of Marketing Charges to Market Makers
(File No. SR-PCX-01-08)

On March 13, 2001 the Securities and Exchange Commission approved the PCX's proposal to rebate to Market Makers the marketing charges that have not been paid to order flow providers. Rebates will be made on a quarterly basis. The amount refunded to each Market Maker will be calculated by trading post, by Market Maker. Each Market Maker's rebate amount for a specific trading post is based on the Market Maker's percentage of the total marketing charges paid during the rebate time period for that post. The Market Maker's percentage of the total marketing charges for that post is multiplied by the rebate amount. The rebate for each Market Maker will be paid directly to the Market Maker's clearing firm.

Questions regarding this bulletin may be directed to Cindy Sink, Senior Staff Attorney, Regulatory Policy at (415) 393-7926. Questions concerning specific rebates should be directed to Fred DeVelbiss at (415) 393-4174.