



RULE
ADOPTION
NOTICE

RAN-02-07
March 27, 2002

TO: All PCX Members and Member Organizations

FROM: Department of Regulatory Policy

SUBJECT: Rule Change - Increase in Order Size Parameters for Automatic Execution from 100 Contracts to 250 Contracts (File No. SR-PCX-01-48)

On March 25, 2002, the Securities and Exchange Commission approved an Exchange rule proposal to increase from 100 contracts to 250 contracts, the maximum order size that is eligible for automatic execution on Auto-Ex. Under the new rule, the OFTC will continue to be able to change the order size parameters on an issue-by-issue basis up to a maximum order size of 250 contracts.

The following is the text of the rule change. You may address any questions regarding this notice to Mai Shiver, Senior Attorney, at (415) 393-4266.

EXHIBIT A
Text of the Rule Change:¹

Automatic Execution System

Rule 6.87(a) – (b)(4) - No change.

(b)(5)The [Options Floor Trading Committee (“OFTC”)] OFTC shall determine the size of orders that are eligible to be executed on Auto-Ex. Although the order size parameter may be changed on an issue-by-issue basis by the OFTC, the maximum order size for execution through Auto-Ex is as follows:

(A) Equity Options: the maximum order size for execution through Auto-Ex for equity options is [one hundred (100)] 250 contracts;

(B) Index Options: the maximum order size for execution through Auto-Ex is [one hundred (100)] 250 contracts, [for:

- (i) the PSE Technology Index;
- (ii) the Wilshire Small Cap Index; and
- (iii) the Morgan Stanley Emerging Growth Index.]

(6) - No change.

(c) – (p) – No change.

¹ New text is underscored; deleted text is in brackets.