



RULE
ADOPTION
NOTICE

RAN-02-10
April 29, 2002

TO: All PCX Members and Member Organizations

FROM: Department of Regulatory Policy

SUBJECT: Market Maker Auto-Ex Log On Requirements
File No. SR-PCX-2002-23

On April 25, 2002, the Securities and Exchange Commission approved a rule change proposal in order to eliminate the current Auto-Ex log on requirements for Market Makers provided by PCX Rule 6.87(e)(4).

Following is the text of the rule change that the Exchange filed with the SEC. Questions regarding this notice may be directed to Mai Shiver at (415) 393-4266.

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EXHIBIT A

PACIFIC EXCHANGE, INC.

Text of the Proposed Rule Change:¹

Automatic Execution System

Rule 6.87

(a) –(d) – No change.

(e) Market Maker Requirements and Eligibility. Any Exchange Member who is registered as a Market Maker and who has obtained written authorization from a clearing member is eligible to participate on the Auto-Ex system, subject to the following conditions and requirements:

(1) – (3) – No change

¹ New text is underscored. Brackets indicate deleted text.

(4) Reserved. [Log on Requirement. A Market Maker who has been logged on to Auto-Ex in an option issue at any time during an expiration month must continue to be logged on to Auto-Ex in that issue whenever present in that trading crowd, until the close of business on the next Expiration Friday. A Market Maker who is limited to "closing only" transactions pursuant to PCX Rules or the requirements of that Market Maker's clearing firm will be exempt from this provision upon approval of two Floor Officials.]

(5) – (7) – No change.