



RULE
ADOPTION
NOTICE

RAN-02-15
June 10, 2002

TO: All PCX Members and Member Organizations

FROM: Department of Regulatory Policy

SUBJECT: Bid-Ask Spread Differentials
(File No. SR-PCX-02-22)

On April 19, 2002, the Exchange filed a rule change with the SEC to amend PCX Rule 6.37 in order to increase the maximum bid/ask spread differentials for options from \$.75 to \$.80 where the bid price of an option is greater than \$10 but does not exceed \$20. This rule change became effective upon filing with the SEC.

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

PACIFIC EXCHANGE, INC.

Text of the Rule Change:¹

¶4935 Obligations of Market Makers

Rule 6.37 (a) – (b) – No change.

(1) Bidding and/or offering so as to create differences of no more than

(A) – (C) – No change.

(D) no more than .80 [.75] where the bid is more than \$10 but does not exceed \$20, and

(E) No change

(2) – (4) - No change.

¹ New text is underscored. Brackets indicate deleted text.