



RULE  
ADOPTION  
NOTICE

RAN-03-07  
February 27, 2003

**TO: All PCX Members and Member Organizations**

**FROM: Department of Regulatory Policy**

**SUBJECT: Stay of Committee Action  
(File No. SR-PCX-2002-20)**

On February 19, 2003, the Securities and Exchange Commission approved a proposed rule change and Amendment No. 1 to adopt an interim stay provision in connection with its rules regarding review of committee actions.

The following is the text of the rule change. Questions regarding this bulletin may be directed to Mai Shiver at (415) 393-4266.

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#### **EXHIBIT A**

#### **Text of the Rule<sup>1</sup>**

#### **Request for a Stay of a Committee Action**

Rule 11.7(d). (1) An aggrieved person seeking review of a committee decision may request a stay of the decision pending a hearing and review by the Board Appeals Committee. The request for a stay must include a \$500 stay fee along with a concise statement of the basis for the stay that must be separate from, and in addition to, a statement of the basis for the review of the complained of action. Applicants seeking a stay must file the request with the Office of the Corporate Secretary by the earlier of ten (10) business days after the committee renders its decision or forty-eight (48) hours before the committee implements action. The Exchange will not be required to consider a request for a stay that is made within the 48 hours before a committee implements action.

(2) A stay of a committee action may be granted in only those cases where the aggrieved person has made a showing, based solely on the evidence and information presented in the application for a stay, that: (A) there is a likelihood the applicant will prevail on the merits on review; (B) without a stay, the applicant is likely to suffer irreparable injury; (C) it is likely that

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<sup>1</sup> New text is underscored; deleted text in brackets.

there will not be substantial harm to other parties if a stay is granted; and (D) the issuance of a stay is likely to serve the interests of the Exchange or an identified public interest.

(3) The Chair of the Board Appeals Committee will designate a single Board Appeals Committee member to rule on a request for a stay. The designated Board of Appeals Committee member may summarily render a decision on the request for a stay based solely on the documents submitted in support of, and in opposition to, the request for a stay. In evaluating the merits of a stay application, the Committee member will only consider matters relevant to the issuance of the stay, not the underlying complaint. The decision of the Committee member whether to grant a stay may not be appealed under Rule 10.

[Rule 11.7(d) – 11.7(n)] Rule 11.7(e) – 11.7(o) - No change.