



RULE
ADOPTION
NOTICE

RAN-04-41
September 13, 2004

**TO: All OTP Holders and OTP Firms
ETP Holders and Sponsored Participants**

FROM: Department of Regulatory Policy

**SUBJECT: Minimum Terms for Equity Linked Notes
(File No. SR-PCX-2004-75)**

On August 4, 2004, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission a proposal to modify the listing requirement related to the minimum and maximum terms to list Equity Linked Notes on the Exchange. The proposed rule filing was filed pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder, which rendered the proposal effective upon filing with the Commission. On September 13, 2004, the Commission published the notice of filing and immediate effectiveness of the proposed rule change.

The following is the text of the rule change. Questions regarding this bulletin may be directed to Tania J.C. Blanford at (415) 393-4107.

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EXHIBIT A
Text of the Proposed Rule Change¹

Rules of PCX Equities, Inc.

Rule 5
Listings

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Equity Linked Notes ("ELNs")

Rule 5.2(j)(2)(A) – No Change.

(B) ELN Listing Standards

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

(i)(a)-(c) – No change.

(d) [a term of two to seven years] a minimum term of one year [, provided that if the issuer of the underlying security is a non-U.S. company, or if the underlying security is a sponsored ADR, the issue may not have a term of more than three years].

(C) – (E) – No change.

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