



RULE
ADOPTION
NOTICE

RAN-05-45
June 9, 2005

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

FROM: Department of Regulatory Policy

**SUBJECT: Books and Records
(File No. SR-PCX-2005-22)**

On May 18, 2005, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change to amend the PCX Options and PCX Equities ("PCXE") rules to amend PCX Rule 9.17 and PCXE Rule 9.17 regarding books and records. The proposed rule change became effective upon filing and the Commission released the notice on June 8, 2005.

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.

EXHIBIT 5

Text of the Proposed Rule Change:¹ Rules of the Pacific Exchange, Inc.

Rule 9 Conducting Business with the Public

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Books and Records

Rule 9.17 OTP Holders and OTP Firms shall make and retain all the books and records prescribed by the Bylaws and Rules of the Exchange, the rules and regulations of the Securities and Exchange Commission ("Commission") and the constitution, rules and regulations of other regulatory bodies or governmental bodies to which such OTP Holders and OTP Firms are subject. Such books and records shall be retained for the periods as prescribed and shall be made available for inspection by the Exchange.

If such books and records are prepared or maintained by an outside service bureau, depository, bank, or other recordkeeping service on behalf of the OTP Holder or OTP Firm, the OTP Holder or OTP Firm shall provide the Exchange with a copy of the

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

written undertaking required to be filed with the Commission under SEC Rule 17a-4(i) for the Exchange's records.

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Rules of PCX Equities, Inc.

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Rule 9 Conducting Business with the Public

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Books and Records

Rule 9.17 ETP Holders shall make and retain all the books and records prescribed by the Bylaws and Rules of the Corporation, the rules and regulations of the Securities and Exchange Commission ("Commission") and the constitution, rules and regulations of other regulatory bodies or governmental bodies to which such ETP Holders are subject. Such books and records shall be retained for the periods as prescribed and shall be made available for inspection by the Corporation.

If such books and records are prepared or maintained by an outside service bureau, depository, bank, or other recordkeeping service on behalf of the ETP Holder, the ETP Holder shall provide the Corporation with a copy of the written undertaking required to be filed with the Commission under SEC Rule 17a-4(i) for the Corporation's records.

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