



RULE  
ADOPTION  
NOTICE

**RAN-05-57**  
**August 22, 2005**

**TO: All PCX OTP Holders and OTP Firms**

**FROM: Department of Regulatory Policy**

**SUBJECT: Extension of Position Limit Pilot Program  
(File No. SR-PCX-2005-95)**

On August 11, 2005 the Exchange filed with the Securities and Exchange Commission a proposed rule change to extend the pilot program which covers the position limit, and exercise limits for equity option contracts and options on the Nasdaq-100 Tracking Stock ("QQQQ") ("Pilot Program") until February 26, 2006.. The Commission approved the proposed rule change on August 17, 2005.

The following is the text of the rule change. Questions regarding this bulletin may be directed to Glenn H. Gsell at (415) 835-4805.

**Text of the Proposed Rule Change:<sup>1</sup>**

**Rules of the  
Pacific Exchange, Inc.**

**Position Limits**

Rule 6.8(a) – No change.

*Commentary:*

.01 - .04 – No change.

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

.05 The current position limits, determined pursuant to Commentary .06 below, are 13,500 or 22,500 or 31,500 or 60,000 or 75,000 option contracts (whether long or short) except that for a pilot program period of 6 months (“Rule 6.8 Pilot Program Period”) from [February 25, 2005] August 26, 2005, through [August 25, 2005] February 26, 2006, the position limits shall be 25,000 or 50,000 or 75,000 or 200,000 or 250,000 options contracts (whether long or short), of the put class and the call class on the same side of the market respecting the same underlying security or Exchange-Traded Fund Share, combining for purposes of this position limit long positions in put options with short positions in call options, and short positions in put options with long positions in call options.

.06 - No change

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