



RULE  
ADOPTION  
NOTICE

**RAN-05-61**  
**September 6, 2005**

**TO: All PCX Lead Market Makers**

**FROM: Department of Regulatory Policy**

**SUBJECT: Obligations of Lead Market Makers – Effective Date  
(File No. SR-PCX-2005-103)**

On September 2, 2005, the Exchange filed with the Securities and Exchange Commission (“SEC”), PCX-2005-103 a proposal to adopt an implementation date for Rule 6.82(c)(15), a previously approved rule change relating to the Obligations of Lead Market Makers. The rule change, which is effective immediately, provides that Rule 6.82(c)(15) be effective January 1, 2006.

The effective date is being implemented to allow time for necessary enhancements to be introduced to the PCX Plus System that will provide for the automated handling of orders described in Rule 6.82(c)(15). If the technology to automate these orders is available at an earlier date, the Exchange may file with the SEC to move the implementation of Rule 6.82(c)(15) to an earlier date also.

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

**EXHIBIT 5**  
**Text of the Proposed Rule Change:<sup>1</sup>**

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

**Rule 6  
Options Trading**

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<sup>1</sup> New text is underlined. Deleted text is in brackets.

Rule 6.82 (a) – (b) – No change.

(c) Obligations of Lead Market Makers:

Each LMM must meet the following obligations:

(1) – (14) – No Change.

(15) As soon as practical, address public customer orders that are not automatically executed because there is a displayed bid or offer on another exchange trading the same options contract that is better than the best bid or offer on the Exchange, either (i) by executing a public customer order at a price that matches the best price displayed or (ii) by sending to any other exchange(s) displaying the best price a Linkage Order(s) according to the Rules 6.92 through 6.99. This provision becomes effective on January 1, 2006.

(d) – (h) – No change.

Commentary:

.01 - .03 – No Change.

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