



RULE
ADOPTION
NOTICE

RAN-05-73
November 22, 2005

TO: All OTP Holders and OTP Firms

FROM: Department of Regulatory Policy

**SUBJECT: Revisions to Series 4 Exam
(File No. SR-PCX-2005-112)**

On November 3, 2005, the Pacific Exchange, Inc. ("PCX") filed with the Securities and Exchange Commission revisions to the study outline and selection specifications for the Limited Principal – Registered Options (Series 4) examination program. The filing was subsequently amended on November 22, 2005 and is effective immediately. The revisions update the material to reflect changes to the laws, rules, and regulations covered by the examination, as well as modify the content of the examination program to track more closely the functional workflow of a Series 4 limited principal. PCX did not propose any textual changes to its rules.

PCX Rule 9.18 states that no OTP Firm or OTP Holder shall be approved to transact business with the public in options contracts, unless those persons associated with the OTP Firm or OTP Holder who are designated as Options Principals or who are designated as Registered Representatives have been approved by and registered with the PCX. The Series 4 examination, an industry-wide examination, qualifies an individual to function as a Registered Options and Security Futures Principal, but only for purposes of supervising an OTP Holder's or OTP Firm's options activities.

Questions regarding this bulletin may be directed to Melanie Grace at (415) 393-4135.