



RULE
ADOPTION
NOTICE

RAN-05-75
November 22, 2005

TO: All OTP Holders and OTP Firms

FROM: Department of Regulatory Policy

SUBJECT: MRP Linkage
(File No. SR-PCX-2005-98)

On August 15, 2005, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change to amend the PCX Minor Rule Plan and Recommended Fine Schedule. On September 27, 2005, the Exchange filed Amendment No. 1 to the proposed rule filing. The proposed rule change was approved by the Commission on November 3, 2005.

The following is the text of the rule change. Questions regarding this bulletin may be directed to Melanie Grace at (415) 393-4135.

EXHIBIT 5

Text of the Proposed Rule Change:
(New Text is underscored; deleted text in brackets)

Rules of the Pacific Exchange, Inc.

Rule 10

Disciplinary Proceedings and Appeals

* * *

Minor Rule Plan

Rule 10.12(a) – (g) – No change.

(h) Minor Rule Plan: Options Floor Decorum and Minor Trading Rule Violations

(1) – (45) – No change.

(46) OTP Holder or OTP Firm failed to follow the provisions of the Options Linkage program relating to Principal Acting as Agent Orders and Principal Orders (Rule 6.93(a), (b), (c)(1), (d) and (e)) or limitations on Principal Order Access (80/20) (Rule 6.96).

(i) – (k) – No change.

(i) Options Floor Decorum and Minor Trading Rule Violations¹

1. – 45. – No change.

46. OTP Holder or OTP Firm failed to follow the provisions of the Options Linkage program relating to Principal Acting as Agent Orders and Principal Orders (Rule 6.93 (a), (b), (c)(1), (d) and (e)) or limitations on Principal Order Access (80/20) (Rule 6.96).

<u>1st Violation</u>	<u>2nd Violation</u>	<u>3rd Violation</u>
<u>\$500</u>	<u>\$1,000</u>	<u>\$2,500</u>

* * *

¹ Fines for multiple violations of Options Floor Decorum and Minor Trading Rules are calculated on a running two-year basis.