



REGULATORY INFORMATION BULLETIN

RB-02-07
December 6, 2002

TO: All DEA Members, Member Organizations and ETP Holders

FROM: Financial & Operational Compliance Department

RE: PCX Invoicing of the 2003 SIPC Assessment

The Pacific Exchange is a collection agent for the Securities Investor Protection Corporation ("SIPC"). The Exchange collects an annual assessment from those registered broker-dealers for whom the PCX is the Designated Examining Authority ("DEA"). All PCX DEA Members, including DEA ETP Holders, are required to be SIPC members and pay an Annual SIPC Assessment pursuant to PCX Options Rule 2.12(b)(2) or PCX Equities Rule 4.11(b)(2). The 2003 Annual SIPC Assessment will be a one-time flat fee of \$150.

The 2003 SIPC Assessment will be billed to DEA Members by means of December 2002 PCX invoices, which are distributed in early January 2003. The \$150 SIPC Assessment is due on January 31, 2003. Members only need to pay their December PCX invoice in full and on time to satisfy their 2003 SIPC payment obligation. Members should retain a copy of their December 2002 PCX invoice as a record of payment. There are no SIPC forms to file. A broker-dealer that joins the PCX as a new DEA Member during the month of December 2002 may not be billed a 2003 SIPC Assessment until the end of January 2003.

A broker-dealer that intends to fully withdraw its SEC registration by the end of 2002 must file a Form BDW on WebCRD. The Form BDW must be acknowledged by the PCX and the SEC before December 31, 2002, in order to avoid a 2003 SIPC Assessment charge.

A DEA Member that fails to pay its 2003 SIPC Assessment by the due date (January 31, 2003) will be fined pursuant to PCX Rule 2.12(b)(2) or PCXE Rule 4.11(b)(2), as follows:

1 to 30 days late	\$100
31 to 60 days late	\$200
61 to 90 days late	\$300

Questions regarding SIPC Assessments can be directed to Eve R. Safran at (415) 393-4130 or Dagmara Hemsley at (415) 393-7884 in the Financial & Operational Compliance Department.