



Weekly Bulletin

September 8, 2000 • WB 00-36

The Constitution and Rules of the Pacific Exchange ("Exchange"), in certain specific instances, require the Exchange to provide notice to the membership. To satisfy this requirement, a complimentary copy of the Weekly Bulletin, including Regulatory Bulletins, is provided to all individual members and nominees of member organizations on a weekly basis.

MEMBERSHIP QUOTATION (As of 8 a.m. 9/8/00)

Bid\$150,000
 Offer\$175,000
 Last Negotiated Sale\$178,900 on 9/6/00
 Last Consummated Sale.....\$178,900 on 9/6/00

CORRECTION:

WB 00-35 Consummated Sales should have read:

8/28 Buyer: Pacific Exchange
 Seller: Sutro & Co., Inc.
 Sale Price: \$180,000

8/25 Buyer: Pacific Exchange
 Seller: Joseph E. Blitstein
 Sale Price: \$180,000

NEGOTIATED SALES:

8/31 Buyer: Bernard & Yolanda Miller Partnership
 Seller: Sean Ford
 Sale Price: \$175,000

9/6 Buyer: Hull Trading Co., LLC
 Seller: MJT Securities, LLC
 Sale Price: \$178,900

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CONSUMMATED SALES:

9/5 Buyer: Bernard & Yolanda Miller Partnership
 Seller: Sean Ford
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of Equity Member Conversions to ETPs (year to date): 14
of ETP Holders (not previously on PCX seat): 1
TOTAL ETPs as of : 15

SEAT MARKET HOURS

6:30 a.m. – 3:00 p.m. (Pacific Time)
 Current market quotations on memberships may be obtained by calling (415) 393-5937.

PREARRANGED CONSUMMATED SALES*

* Prearranged sales not included in Exchange last sale reporting data.

SEAT MARKET INFORMATION ON PCX WEB SITE

Click on Seat Prices for consummated sales plus the bid and offer:
www.pacificex.com/memb/

Members are required to report any address or telephone number changes to the Membership Department at (415) 393-4114 pursuant to PCX Rule 1.17(b).

NAME CHANGE

9/5 ROBERTSON STEPHENS, INC.
from FLEETBOSTON ROBERTSON STEPHENS, INC.

TEMPORARY MEMBERSHIP TRANSFERS

COLE ROESLER TRADING GROUP, L.P.
J. Michael Cole for Ryan Sabol 9/5 to 9/11

GOODSTOCK OPTIONS, LLC
Maria Adair for Mark Weinstock 9/5 to 10/5

LETCO LMM, LLC
Ulysses Williams for Nathaniel Iden 9/8

MASTERBLASTER TRADING CO., LLC
Daniel Murray for Evan Penhasi 9/5 to 10/5

OMEGA OPTIONS, LLC
Joseph Ramirez for Julia Overs 9/1 to 10/1

OPPENHEIMER, NOONAN, WEISS, LLC
Steve Noonan for Peter Eberle 9/5 to 9/6

NEW MEMBERS AND MEMBER ORGANIZATIONS

9/5 PAX ACQUISITION CORPORATION – Inactive Lessor
through inter-firm transfer of membership

9/5 LASON (J. MATTHEW) M57 – Nominee and Options
Market Maker of TIMARU TRADING, LLC through
execution of lease agreement

9/5 BRATTON (DAVID) W90 – Nominee and Options Market
Maker of MIDLAND TRADING, LP through intra-firm
transfer

TERMINATED MEMBERS AND MEMBER FIRMS

9/1 BOND (PHILLIP) N54 – Nominee and Options Market
Maker of MIDLAND TRADING, LP through intra-firm
transfer

9/1 NYHAN (DAMON) S17 – Nominee and Options Market
Maker of ASSETS MONDIAL, LLC through termination of
lease agreement.

9/5 WEISBAUM (EDWARD) – Nominee and Options Market
Maker of WESTLE SECURITIES, LLC through
termination of lease agreement

MEMBERSHIP POSTINGS

The following applicants have applied for membership on the Exchange and are being posted for a period of ten days, in which time interested members may submit written comments with respect to the qualifications of the applicants. Admission to membership of applicants will become effective after the applicants have been cleared and approved for membership, in accordance with the policies of the Exchange.

BRIAR BRANCH-MOORE – Nominee and Options Market Maker of WOLVERINE TRADING, LP

RICHARD J. CORONEL – Nominee and Options Market Maker of MDNH TRADERS, LLC

RYAN D. NAGY – Nominee and Options Market Maker of GROUP ONE TRADING, LP

SCOTT C. FRINZI – Nominee and Options Market Maker of GROUP ONE TRADING, LP

REZA HATEFI – Nominee and Options Market Maker of COLE, ROESLER TRADING GROUP, L.P.

MICHAEL DABROWSKI – Nominee and Options Market Maker of GROUP ONE TRADING, LP

MATTHEW K. PAIGE – Nominee and Options Market Maker of GROUP ONE TRADING, LP

STEVEN M. HAZAN – Nominee and Options Market Maker of GROUP ONE TRADING, LP

NICOLAS MONTGOMERY – Nominee and Options Market Maker of OMEGA OPTIONS, LLC

ROBERT HENSEHL – Nominee and Options Market Maker of AK, LP

SCOTT C. GORSUCH – Nominee and Options Market Maker of HALF DOME TRADING, LLC

**NEW ETP HOLDERS AND ETP ORGANIZATIONS**

Sep 1 GALLI (KENT) - Nominee of GIRARD SECURITIES, INC.
through application for conversion to ETP holder

Sep 1 GIRARD SECURITIES, INC.

TERMINATED ASAP and EQ-ASAP ORGANIZATIONS

Sep 1 GEORGE K. BAUM & CO. – ASAP Member Firm

PCX MEMBER TEMPORARY TRANSFERS

DEAN WITTER REYNOLDS, INC.
Allan Watson for David Phillips 09/05 to 09/20

WEDBUSH MORGAN SECURITIES, INC.
Nick Hogan for Donald Kezsely 09/08

**ALTERNATE SPECIALIST NOTICES
August 31, 2000 - September 6, 2000**

Effective on the date noted, the member(s) at the post as listed became an Alternate Specialist in the following issue(s):

None.

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Effective on the date noted, the member(s) at the post as listed resigned as an Alternate Specialist in the following issue(s):

None.

SPECIALIST POST CHANGES

August 31, 2000 - September 6, 2000

None.

For further information, contact Victoria Henning at (415) 393-4145.

UPCOMING PCX MEETINGS

Sept 12 Options Floor Trading Committee
Contact: Mark Howard (415) 393-4199

Sept 14 Membership Committee
Contact: Tami Lautoa (415) 393-7803

Sept 18 Sub-Committee Meeting
Contact: Tami Lautoa (415) 393-7803

REPORTS/FILINGS DUE TO THE EXCHANGE

Members and Member Organizations for whom the Exchange is the Designated Examining Authority (DEA) are reminded that the following reports are to be filed with the Exchange in accordance with established schedules. The "due date" is the date on which the report/filing must be received by the Exchange, and all such reports/filings are required to be true, correct, and complete at the time of submission:

**Report Due on
or before:**

FOCUS Report Part IIA

Required for DEA members subject to the net capital rule but NOT carrying customer accounts and/or NOT self-clearing:

August 2000 Monthly FOCUS Report September 26
(Required for Specialist and ETP Firms)

2000 3rd Quarter FOCUS Report October 24

SIPC Assessments

The Exchange is responsible for collecting an annual assessment from its DEA members on behalf of the Securities Investor Protection Corporation (SIPC). **New broker-dealers** are required to pay the annual flat fee of **\$150** to the Financial & Operational Compliance Department or to SIPC within 30 days of the effective date of their broker-dealer registration.

Broker-dealers beginning with the letters **M to Z** are encouraged to contact **Eve R. Safran at (415) 393-4130** with any financial reporting, examination or PCX rule-related questions.

FILING/DELIVERY INFORMATION

DEA Members and Member Organizations should submit signed original FOCUS Reports, Financial Arrangement Disclosure Forms and SIPC payments to the following:

Financial & Operational Compliance Department
Pacific Exchange, Inc.
115 Sansome Street, 8th Floor
San Francisco, CA 94104
Fax #: (415) 391-0360

FOCUS and Financial Arrangement Disclosure forms are also available at the above address. Please be reminded that copies of all filed reports and forms must be preserved by the filing broker-dealer in accordance with SEC Rule 17a-4.

EQUITY SECURITY INFORMATION BULLETINS ISSUED

September 1, 2000 - September 7, 2000

Sep 1 ESB-767 NEG , EAS Energy East Corporation Merger; Change in Symbol; Additional Shares "When Issued"

Sep 1 ESB-768 RLR, ING - ReliaStar Financial Corp, ING Groep N. V. Merger, Suspension and Removal

Sep 1 ESB-769 SG - Scientific Games Holdings Corp Cash Merger

Sep 5 ESB-770 AMH - AmerUs Life Holdings, Inc. Merger; De-Mutualization/Re-Classification; Change in Name, CUSIP and Symbol

Sep 5 ESB-771 ELF - Elf Aquitaine Suspension and Removal

Sep 5 ESB-772 HMK - HA-LO Industries, Inc. Change in the State of Incorporation

Sep 5 ESB-773 RLR, ING - ReliaStar Financial Corp , ING Groep N. V. Merger, Suspension and Removal

Sep 5 ESB-774 SG - Scientific Games Holdings Corp Cash Merger

Sep 5 ESB-775 TBH - Telecomunicacoes Brasileiras S.A. - Telebras Rights Offering

Sep 5 ESB-776 TCP - Telep Celular Participacoes S.A. Rights Offering

Sep 6 ESB-777 ATV - ARC International Corporation Suspension and Removal

Sep 6 ESB-778 BOR - Burns International Services Corporation Offer to Purchase Expired; Preliminary Results

Broker-dealers beginning with the letters **A to L** are encouraged to contact **Donna Lee at (415) 835-5202** with any financial reporting, examination or PCX rule-related questions.

Sep 6 ESB-779 CCS - Castle & Cooke Inc. Offer to Purchase Expired; Preliminary Results

Sep 6 ESB-780 TOT , ELF - Total Fina S.A. , Elf Aquitaine Exchange Offer

Sep 6 ESB-781 EYE - VISX, Incorporated Admission to Trading

Sep 6 ESB-782 HDI - Harley-Davidson, Inc. Purchase Rights

Sep 6 ESB-783 RLR , ING - ReliaStar Financial Corp , ING Groep N. V. Merger, Suspension and Removal

Sep 6 ESB-784 SSA - Saatchi & Saatchi PLC Merger, Suspension and Removal

Sep 6 ESB-785 TBH - Telecommunicacoes Brasileiras S.A. - Telebras Rights Offering

Sep 6 ESB-786 TCP - Telep Celular Participacoes S.A. Rights Offering

Sep 6 ESB-787 SG - Scientific Games Holdings Corp Cash Merger

For further information, contact Arturo Hurtado in Securities Qualification at (415) 393-4067.

OPTIONS SECURITY INFORMATION BULLETINS ISSUED September 1, 2000 - September 7, 2000

Aug 31 OSB-00-342 Whittman-hart, Inc. (WHIT/WMQ) - Name and Underlying Stock Symbol Change

Sep 1 OSB-00-343 Consolidated Papers, Inc. (CDP - Completion of Merger

Sep 1 OSB-00-344 Netegrity, Inc. (NETE/UPN) - Revision to OSB-00-341: Adding October Strike Price; 3-for-2 Stock Split

Sep 6 OSB-00-345 Siebel Systems, Inc. (SEBL/SGW/EZG/YDS/YYS/OIE) - 2-for-1 Stock Split

Sep 6 OSB-00-346 Power-One, Inc. (PWER/OGU/OGO) - 2-for-1 Stock Split

Sep 7 OSB-00-347 ChiRex, Inc. (RHQ) - Cash Settlement

For further information, contact Arturo Hurtado in Securities Qualification at (415) 393-4067.

NEW OPTIONS LISTINGS September 1, 2000 - September 7, 2000

Sep 1 OLB-00-319 New Options Listing - Lowe's Companies (LOW)

Sep 1 OLB-00-320 New LEAPS Listing - Lowe's Companies (LOW/WOY/VPW)

Sep 1 OLB-00-321 New Options Listing - ST Microelectronics NV (STM/SDM)

Sep 1 OLB-00-322 New Options Listing - RadioShack Corporation (RSH)

Sep 1 OLB-00-323 New LEAPS Listing - RadioShack Corporation (RSH/WJY/VJY)

Sep 1 OLB-00-324 New Options Listing - Sycamore Networks, Inc. (SCMR/SMZ/QSM)

Sep 1 OLB-00-325 New Options Listing - Flextronics International Ltd. (FLEX/QFL)

Sep 1 OLB-00-326 Extreme Networks, Inc. (EXTR/EUT/EXR)

Sep 1 OLB-00-327 New Options Listing - Electronic Arts, Inc. (ERTS/EZQ)

Sep 1 OLB-00-328 New LEAPS Listing - Electronic Arts, Inc. (ERTS/EZQ/WZW/VZH)

Sep 1 OLB-00-329 New Options Listing - Brocade Communications Systems, Inc. (BRCD/UBF/UBZ/GUF/ULF)

Sep 1 OLB-00-330 New LEAPS Listing - Brocade Communications Systems, Inc. (BRCD/UBF/UBZ/GUF/ULF/YNU/OMW)

Sep 1 OLB-00-331 New Options Listing - Analog Devices, Inc. (ADI/AKI)

Sep 1 OLB-00-332 New LEAPS Listing - Analog Devices, Inc. (ADI/AKI/WDI/WZQ/VIK)

Sep 1 OLB-00-333 New Options Listing - M-Systems Flash Disk Pioneers Ltd. (FLSH/FFU)

Sep 1 OLB-00-334 New Options Listing - CompuCredit Corporation (CCRT/CUE)

Sep 1 OLB-00-335 ONI Systems Corporation (ONIS/EUI)

Sep 1 OLB-00-336 Reallocation - Pac-West Telecom, Inc. (PACW/PFQ); Chirex, Inc. (CHRX/RHQ); Equity Residential Trust (EQR)

Sep 5 OLB-00-337 New Options Listing - Phone.com, Inc. (PHCM/UGE/UMN/BUM)

Sep 5 OLB-00-338 New LEAPS Listing - Phone.com, Inc. (PHCM/YPH/OFO)

Sep 5 OLB-00-339 New Options Listing - Anaren Microwave, Inc. (ANEN/EUA)

Sep 5 OLB-00-340 New Options Listing - Integrated Circuit Systems, Inc. (ICST/IUY)

Sep 6 OLB-00-341 New Options Listing - Consec, Inc. (CNC)

Sep 6 OLB-00-342 New LEAPS Listing - Consec, Inc. (CNC/WCE/VEC)

Sep 7 OLB-00-343 Revision to OLB-00-333: New Opening Strike Prices; New Options Listing - M-Systems Flash Disk Pioneers Ltd. (FLSH/FFU)

Sep 7 OLB-00-344 Revision to OLB-00-339: New Opening Strike Prices; New Options Listing - Anaren Microwave, Inc. (ANEN/EUA)

For further information, contact Eileen Solis-Rogers at (415) 393-4165.

If you have general questions about this Bulletin or would like to receive it via e-mail, please call (415) 393-4216, or send your name and e-mail address to Gloria Kwok at gkwok@pacificex.com.

RB-00-07

TO: All PCX Members and Member Organizations
FROM: Financial & Operational Compliance Department
RE: Joint Back Office Arrangements

This bulletin is intended to remind all broker-dealers of the implementation of PCX Rule 2.16(c)(6)(B) on Joint Back Office Arrangements, which became **effective September 6, 2000**. PCX members were advised in Rule Adoption Notice **RAN-00-06**, dated March 6, 2000, that the Securities and Exchange Commission ("SEC") approved PCX Rule 2.16(c)(6)(B) on February 24, 2000. Significant requirements of the new rule are summarized below. The SEC approval allowed PCX members a six-month phase-in period to implement and monitor their compliance with the new rule. Please note that this phase-in period ended September 6, 2000.

PCX Rule 2.16(c)(6)(B) establishes certain regulatory requirements for initiating and maintaining a Joint Back Office Arrangement ("JBO Arrangement") between two or more registered broker-dealers pursuant to the Federal Reserve Board's Regulation T, for the purposes of receiving favorable margin treatment as compared to *customers*.

Carrying/Clearing Broker-Dealers of a JBO Arrangement are required to:

- (a) maintain a minimum Tentative Net Capital of \$25 million as computed pursuant to SEC Rule 15c3-1, except that a member organization, whose primary business consists of the clearance of options market-maker accounts, may carry JBO accounts provided that it does not allow its Net Capital, as computed pursuant to SEC Rule 15c3-1, to fall below \$7 million for a period in excess of **3 consecutive business days**. In addition, the member organization must include in its ratio of gross options market maker deductions to Net Capital required by the provisions of SEC Rule 15c3-1, gross deductions for JBO participant accounts. Clearance of options market maker accounts shall be deemed to be a broker-dealer's primary business if a minimum of 60% of the aggregate deductions in the above ratio are options market maker deductions;
- (b) maintain a written risk analysis methodology for assessing the amount of credit extended to participating broker-dealers, which shall be made available to the PCX upon request; and
- (c) deduct from Net Capital haircut requirements pursuant to SEC Rule 15c3-1 in excess of the equity maintained in the accounts of participating broker-dealers.

Participating Broker-Dealers in a JBO Arrangement are required to:

- (a) maintain a minimum of \$100,000 in Net Capital pursuant to SEC Rule 15c3-1;
- (b) maintain an ownership interest in the carrying/clearing member organization pursuant to Regulation T, Section 220.11; and
- (c) maintain a minimum liquidating equity of \$1 million in the JBO Arrangement exclusive of the ownership interest established in (b) above. When its minimum liquidating equity decreases below the \$1 million requirement, the participant must deposit an amount sufficient to eliminate this deficiency within **5 business days**. If funds or securities sufficient to eliminate the deficiency are not received within **5 business days**, the carrying organization must margin the account in accordance with the requirements prescribed for a *customer* in Regulation T.

PCX members and member organizations must notify the Financial & Operational Compliance Department in writing **prior to** establishing a JBO Arrangement. All PCX members participating in a JBO Arrangement must also file Quarterly FOCUS Reports with the Financial & Operational Compliance Department.

Questions regarding this bulletin should be directed to Eve R. Safran at 415-393-4130 or Donna Lee at 415-835-5202.

RBO-00-21

TO: *All Options Floor Members*
FROM: Department of Market Regulation
SUBJECT: Books and Records Requirements of Members

The Department of Market Regulation recently conducted a survey of order tickets completed for transactions executed on the floor of the Exchange. The survey was conducted to determine whether order tickets are being completed in accordance with Exchange and SEC rules. The results of the review indicate that numerous order tickets completed for manual transactions do not include the time of order entry, the time of execution, or both.

The Pacific Exchange reminds all members that order tickets must be completed and time stamped at the time of entry and execution. Please refer to Exchange Rules 6.68, 6.69, Options Floor Procedure Advice G-12, and SEC Rules 17a-3 and 17a-4.

Questions regarding this bulletin may be addressed to Tim Miller at (415) 835-4848.