

RAN-01-15
February 22, 2001

TO: All PCX Member and Member Organizations

FROM: Department of Regulatory Policy

SUBJECT: Rule Changes Relating to Option Trade Reporting
(File No. SR-PCX-00-27)

On February 16, 2001, the Securities and Exchange Commission approved an Exchange rule proposal relating to Option Trade Reporting. New Rule 6.69(a) requires all Exchange members and member organizations who are required to report trades either directly to the Options Price Reporting Authority (“OPRA”) or to another party responsible for reporting trades to OPRA, to immediately report all trades to the Exchange for dissemination to OPRA within 90 seconds. The Exchange has also amended Rule 10.13 to include violations of rule 6.69(a) in its Minor Rule Plan.

Following is the text of Rule 6.69. Questions regarding this notice may be addressed to Hassan Abedi, Attorney, at (415) 393-5958.

EXHIBIT A

Text of the Proposed Rule Change:¹

¶5103

Reporting Duties

Rule 6.69(a). All option transactions must be immediately reported to the Exchange, in a form and manner prescribed by the Exchange, for dissemination to the Options Price Reporting Authority (“OPRA”). This requirement applies to all members and member organizations who are required to report trades either directly to OPRA or to another party who is responsible for reporting trades to OPRA. Transactions not reported to OPRA within 90 seconds after the execution will be designated as “late.” A member or member organization who is responsible for late reporting of an option transaction, without reasonable justification or excuse, will be subject to a fine pursuant to Rule 10.13. Repeated or aggravated violations of this rule may result in formal disciplinary action.

~~(a)–(d)~~ (b)–(e) – No change.

Commentary

.01 - .04 – No change.

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¶6133

Minor Rule Plan

Rule 10.13 (a) – (g) – No change.

(h) (1) – (37) – No change.

(38) Late reporting of trades without reasonable justification or excuse. (Rule 6.69(a))

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¹ New text is underscored.

(i) – (j) – No change.

(k) (i) 1. – 37. – No Change.

38. Late reporting of trades without reasonable justification or excuse. (Rule 6.69(a))

1 st Violation	2 nd Violation	3 rd Violation
<u>\$100.00</u>	<u>\$250.00</u>	<u>\$500.00</u>

(ii) – (iii) – No change.