

RAN-01-24
April 27, 2001

TO: All PCX Members and Member Organizations

FROM: Department of Regulatory Policy

SUBJECT: Options on Exchange-Traded Fund Shares
(File No. SR-PCX-2001-20)

On April 27, 2001 the SEC approved amendments to PCX Rules 6.4 and 4.2. These rules govern the trading of Exchange-Traded Fund Shares. Specifically the SEC approved the addition of Commentary .04 to Rule 6.4, which creates one point strike price intervals for options on Exchange-Traded Fund Shares. The SEC also approved the addition of Commentary .02 to Rule 4.2, which establishes the hours of trading for options on the Nasdaq-100 Index Tracking Stock, a particular type of Exchange-Traded Fund Share, from 6:30 a.m. to 1:15 p.m. Pacific Time ("PT"), except the last trading day of each calendar month, when trading in options on Nasdaq-100 Index Tracking Stock will end at 1:05 p.m. PT.

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

EXHIBIT A

Text of Rule Change:¹

¶ 3703 Trading Sessions

Rule 4.2 – No change.

Commentary:

.01 – No change.

.02 The hours for trading options on Nasdaq-100 Index Tracking Stock will commence at 6:30 a.m. and end at 1:15 p.m. each business day, except the last trading day of each calendar month, when trading in options on Nasdaq-100 Index tracking Stock will end at 1:05 p.m..

* * *

¶ 4745 Series of Options Open for Trading

Rule 6.4(a) – (e) – No change.

Commentary:

.01 - .03 – No change.

.04 The interval of strike prices of series of options on Exchange-Traded Fund Shares will be \$1 or greater where the strike price is \$200 or less.

¹ New text is underscored.