



RULE  
ADOPTION  
NOTICE

**RAN-01-38**  
**September 27, 2001**

**TO: All PCX Member and Member Organizations**

**FROM: Department of Regulatory Policy**

**SUBJECT: Accepting Orders From Professional Customers**  
**(File No. SR-PCX-01-26)**

On September 13, 2001, the Securities and Exchange Commission approved an Exchange rule proposal relating to Accepting Orders from Professional Customers. New Rule 6.43(b) ("Options Floor Broker Defined – Conducting a Limited Public Business") allows qualified Floor Brokers and Floor Clerks of qualified Floor Brokers to conduct a public business limited to accepting orders directly from Professional Customers. Any such person seeking to conduct a limited public business must first successfully complete the Series 7 Examination or the Series 7A Examination and register and receive approval from the Exchange.

The following is the text of the rule change that the SEC has approved. Questions regarding this notice may be addressed to Mai Shiver, Senior Attorney, at (415) 393-4266.

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Text of the Rule Change:<sup>1</sup>

¶ **4963 Options Floor Broker Defined**

Rule 6.43(a) – No change.

(b) Conducting a Limited Public Business

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<sup>1</sup> New text is underscored.

(1) Notwithstanding the provisions of subsection (a) of this Rule, qualified Floor Brokers and Floor Clerks of qualified Floor Brokers may conduct a public business limited to accepting orders directly from Professional Customers, as defined below, for execution on the Floor of the Exchange. Any Floor Broker or Floor Clerk of a Floor Broker seeking to conduct such a limited public business must first:

(A) successfully complete the Series 7 Examination or the Series 7A Examination; and

(B) register and receive approval from the Exchange. The form of registration will be prescribed by the Exchange.

(2) For purposes of this rule, a “Professional Customer” includes a bank; trust company; insurance company; investment trust; a state or political subdivision thereof; charitable or nonprofit educational institution regulated under the laws of the United States, or any state, or pension or profit sharing plan subject to ERISA or of any agency of the United States as of a state or political subdivision thereof; or any person (other than a natural person) who has, or who has under management, net tangible assets of at least sixteen million dollars.

(3) Members who conduct a limited public business pursuant to the provisions of subsection (b) of this Rule 6.43 are strictly prohibited from holding customer funds and customer securities.