



RULE
ADOPTION
NOTICE

RAN-04-15
June 1, 2004

TO: All PCX Members and Member Organizations

FROM: Department of Regulatory Policy

SUBJECT: FOCUS Report Late Fees
(File No. SR-PCX-2004-27)

On April 14, 2004, the Exchange filed with the Securities and Exchange Commission a proposed rule change to amend PCX Rule 2.12 (b)(1) relating to late filings of FOCUS Reports to implement a higher late charge schedule. The proposed rule change became effective immediately upon filing, and was published in the Federal Register on June 1, 2004.

The following is the text of the rule changes. Questions regarding this bulletin may be directed to Tania Blanford at (415) 393-4107.

EXHIBIT A

Text of the Proposed Rule Change:¹

**Rules of the Board of Governors
of the
Pacific Exchange, Inc.**

**Rule 2
Capital Requirements, FOCUS Reports, Margins**

* * *

Financial Reports

Rule 2.12(a). – No change.

Rule 2.12(b)(1). Each Member Organization shall file with the Exchange a Report of Financial Condition on SEC Form X-17A-5 as required by Securities and Exchange Commission

¹ New text is underscored; deleted text is in brackets.

Rules 17a-5 and 17a-10. Any Member who fails to file such Report of Financial Condition in a timely manner shall be subject to late filing charges as follows:

<u>Occurrence</u>	<u>Number of Days</u>	<u>Amount of Charge</u>
<u>1st</u>	1-30	<u>\$100.00 per day (capped at \$500.00) [200.00]</u>
	31-60	<u>\$750.00 [400.00]</u>
	61-90	<u>\$1000.00 [800.00]</u>
<u>2nd</u>	1-30	<u>\$100.00 per day (capped at \$1000.00)</u>
	<u>31-60</u>	<u>\$1500.00</u>
	<u>61-90</u>	<u>\$2000.00</u>
<u>3rd</u>	<u>1-30</u>	<u>\$2000.00</u>
	<u>31-60</u>	<u>\$2500.00</u>
	<u>61-90</u>	<u>\$3000.00</u>

Occurrences will be calculated on a running two-year basis. Repeated or aggravated failure to file such Report of Financial Condition or failure to file such report [for more than ninety days will] may be referred to the Enforcement Department [Ethics and Business Conduct Committee] for appropriate disciplinary action.

Rule 2.12(b)(2) – No change.

* * *