



RULE  
ADOPTION  
NOTICE

**RAN-04-36**  
**August 25, 2004**

**TO: OTP Holders and OTP Firms  
ETP Holders and Sponsored Participants**

**FROM: Department of Regulatory Policy**

**SUBJECT: Closing Price Collars  
(File No. SR-PCX-2004-66)**

On July 27, 2004, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission a proposal to implement price collars on the Archipelago Exchange during the closing auction. The proposal became effective upon filing.

The following is the text of the rule change. Questions regarding this bulletin may be directed to Mai Shiver at (415) 393-4266.

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#### **EXHIBIT A**

#### **Text of the Proposed Rule Change:<sup>1</sup> PCX Equities, Inc.**

#### **Rule 7 Auctions**

Rule 7.35 (a) – (e)(3)(B)- No change.

(C) If the Closing Auction Price established by subsections 7.35(e)(3)(A)-(B) is outside the benchmarks established by the Corporation by a threshold amount, the Closing Auction Price will occur at a price within the threshold amounts that best satisfies the conditions of subsections 7.35(e)(3)(A)-(B). The Corporation shall set and modify such benchmarks and thresholds from time to time upon prior notice to ETP Holders.

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<sup>1</sup> New text is underscored; deleted text is in brackets.