



RULE  
ADOPTION  
NOTICE

**RAN-04-49**  
**October 28, 2004**

**TO:** All PCX OTP Holders and OTP Firms

**FROM:** Department of Regulatory Policy

**SUBJECT:** Minimum Size Guarantee for Linkage  
(File No. SR-PCX-2004-84)

On September 1, 2004, the Exchange filed with the Securities and Exchange Commission a proposed rule to amend the minimum size guarantee for Intermarket Linkage. The Commission approved the proposed rule change on October 19, 2004.

The following is the text of the rule change. Questions regarding this bulletin may be directed to Steven Matlin at (415) 393-4084.

**EXHIBIT A**  
**Text of the Proposed Rule Change:**<sup>1</sup>

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

**Rule 6  
Options Trading**

**Definitions**

Rule 6.92(a)(1)-(8) – No Change.

(9) “Firm Customer Quote Size” with respect to a P/A Order means the lesser of (a) the number of option contracts that the Participant Exchange sending a P/A Order guarantees it will automatically execute at its disseminated quotation in a series of an Eligible Option Class for Customer orders entered directly for execution in that market; or (b) the number of option contracts that the Participant Exchange receiving a P/A Order guarantees it will automatically execute at its disseminated quotation in a series of Eligible Option Class for Customer orders

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

entered directly for execution in that market. This number will be at least 10 unless the receiving Participant Exchange is disseminating a quotation of less than 10 contracts, in which case this number may equal such quotation size.

(10) “Firm Principal Quote Size” means the number of option contracts that a Participant Exchange guarantees it will execute at its disseminated quotation for incoming Principal Orders in an Eligible Option Class. This number will be at least 10; however, if the Participant Exchange is disseminating a quotation size of less than 10 contracts, this number may equal such quotation size.

(11) – (21) – No Change.

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