

PCX OPTIONS

REGULATORY INFORMATION BULLETIN

RBO-00-33
December 13, 2000

TO: All PCX Lead Market Makers

FROM: Committee Administration

SUBJECT: LMM Market Size Commitments

I. Verification of Existing Commitments

We are verifying Market Size Commitments pledged by Lead Market Makers (“LMMs”) during the allocation process.

Please review the attached information summary of all existing commitments pledged during the allocation process for assigned issues in order to:

- (i) *verify whether such information is correct; and*
- (ii) *indicate any desired changes to existing commitments.*

The Options Allocation Committee (“OAC”) will review any proposed change in existing commitments and may request justification for any proposed change.

II. Disclosure of Auto-Ex Size Commitments

Each LMM must disclose a specific market size commitment for Auto-Ex orders in the *Auto-Ex Market Size* column.

III. PCX Rules 6.82(c)(2), 6.86(a) & 6.87(b)

For informational purposes, members are advised that PCX Rule 6.82(c)(2) requires LMMs to honor guaranteed markets. This includes 20-up markets required by PCX Rule 6.86(a) and any better market pledged during the allocation process. PCX Rule 6.87(b) specifies that maximum order size for execution through *Auto-Ex* is 75 contracts.

Market Size Commitments pertain ONLY to non-broker/dealer customer orders unless otherwise specified.

An LMM’s *Disseminated* and *Auto-Ex* markets are assumed to be 20 contracts unless an LMM has committed to guarantee a market greater than 20 contracts.

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Regulation will actively monitor an LMM's compliance with its size commitments and investigate any failure to adhere to any size commitment as a possible violation of PCX Rule 6.82.

IV. Deadline for submission of LMM Summaries

LMMs are required to execute and return the attached summaries by the close of business on Friday, December 29, 2000 to:

Jesamin Yip
Committee Administration Department
115 Sansome Street, 8th Floor

Questions regarding this Bulletin may be directed to Matthew M. Zahner, OAC Chair, Christopher Gleason, OAC Vice Chair, Michael A. Tomars, Director, Securities Qualification & Committee Administration at 393-4254 or Jesamin Yip, OAC Committee Administrator at 393-7848.