

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45594; File No. SR-PCX-2002-05]

Self Regulatory Organizations; Pacific Exchange, Inc.; Order Granting Approval to Proposed Rule Change Relating to Hearing Fees for Issuer Requests for Review of Delisting Decisions

March 19, 2002.

On January 18, 2002, the Pacific Exchange, Inc. ("PCX"), through its wholly owned subsidiary PCX Equities, Inc. ("PCXE" or "Corporation"), filed with the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to amend PCXE Rule 5.5(m) to require issuers to pay an appeal hearing fee of \$2,500 in connection with their appeal of the Corporation's decision to delist a security.

The proposed rule change was published for comment in the **Federal Register** on February 12, 2002.³ The Commission received no comments on the proposal.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange⁴ and, in particular, the requirements of section 6 of the Act⁵ and the rules and regulations thereunder. The Commission finds specifically that the proposed rule change is consistent with section 6(b)(4) of the Act,⁶ which requires, among other things, that the rules of an exchange provide for the equitable allocation of reasonable dues, fees and other charges among issuers. The Commission believes that the fees are reasonable because they are designed to recoup the costs of processing requests for review and holding the subsequent proceedings.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,⁷ that the proposed rule change (File No. SR-

PCX-2002-05) be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45595; File No. SR-PCX-2002-07]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Pacific Exchange, Inc. Relating to 30-Second ITS Commitment Expirations

March 19, 2002.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 22, 2002, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange, through its wholly owned subsidiary PCX Equities, Inc. ("PCXE"), proposes to amend PCXE Rule 7.66(b)(2)(F) to conform to the Seventeenth Amendment of the Intermarket Trading System ("ITS") Plan, which provides for a 30-second commitment expiration period.³

The text of the proposed rule change is available upon request from Office of the Secretary, the PCX and the Commission.

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 44903 (October 3, 2001), 66 FR 52159 (October 12, 2001) (order approving the Seventeenth Amendment of the ITS Plan). The ITS is a National Market System ("NMS") plan, which was designed to facilitate intermarket trading in exchange-listed equity securities based on current quotation information emanating from the linked markets. See Securities Exchange Act Release No. 19456 (January 27, 1983), 48 FR 4938 (February 3, 1983) (adopting the restated ITS Plan).

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend PCXE Rule 7.66(b)(2)(F) to provide for a 30-second commitment expiration period for orders received through the ITS, consistent with the Seventeenth Amendment to the ITS Plan. The Exchange notes that the 30-second commitment expiration period is a six-month pilot program under the ITS Plan that commenced on January 7, 2002 and would remain available until the last trading day of the sixth full calendar month following such commencement.

Presently, PCXE Rule 7.66(b)(2)(F) provides that the sender of an ITS commitment may designate a time period during which a commitment will be irrevocable following acceptance by the system. The ITS Plan provides for three irrevocable time-period options consisting of 30-seconds (or "T-30s"), one minute and two minutes. Accordingly, PCX proposes to replace the current rule text in PCXE Rule 7.66(b)(2)(F), which states that there are "two" irrevocable time-period options, with the word "three" thereby making the rule text consistent with the ITS Plan.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with section 6(b)⁴ of the Act in general, and furthers the objectives of section (b)(5) of the Act⁵ in particular, in that it is designed to promote just and equitable principles of trade, to enhance competition and to protect investors and the public interest.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 45396 (February 5, 2002), 67 FR 6569.

⁴ In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78f.

⁶ 15 U.S.C. 78f(b)(4).

⁷ 15 U.S.C. 78s(b)(2).