

particular, the Commission believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,¹⁰ which requires among other things, that the rules of the Exchange are designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The Commission notes that the proposal does not alter the obligations of PCX Market Makers, except for the fact that it will reduce a LMM's continuous quoting obligation from 100% of the trading day to 99% of the trading day for each of its appointed classes. The Commission notes that this reduction should provide the LMM a brief amount of time to update its quotes when the Exchange does not generate quotes on behalf of the LMM because no other market makers are quoting. In addition, the Commission believes that the proposed rule change should provide PCX Market Makers assistance in effectively managing their quotations.

The PCX has requested that the Commission find good cause for approving the proposed rule change and Amendment Nos. 1, 2, 3, and 4 thereto prior to the thirtieth day after publication of notice thereof in the **Federal Register**. The Commission notes that similar proposals to provide protection from risk for market makers have been approved for other options exchanges.¹¹ The Commission believes that granting accelerated approval of the proposal should provide PCX Market Makers with similar protections from the risk associated with an excessive number of near simultaneous executions in a single options class. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,¹² for approving the proposed rule change, as amended, prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹³ that the proposed rule change (SR-PCX-2005-64), and Amendment Nos. 1, 2, 3, and 4 thereto, are hereby approved on an accelerated basis.

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ See Securities Exchange Act Release Nos. 51049 (January 28, 2005), 70 FR 3756 (January 26, 2005) (SR-BSE-2004-52); and 51050 (January 18, 2005), 70 FR 3758 (January 26, 2005) (SR-ISE-2004-31).

¹² 15 U.S.C. 78s(b)(2).

¹³ 15 U.S.C. 78s(b)(2).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-51728; File No. SR-PCX-2005-57]

Self-Regulatory Organizations; Pacific Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto Relating To Delay of Implementation Date of Revisions to the Series 4 Examination Program

May 24, 2005.

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 April 22, 2005, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by PCX. PCX has designated the proposed rule change as one constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of PCX pursuant to Section 19(b)(3)(A)(i) of the Act³ and Rule 19b-4(f)(1) thereunder,⁴ which renders the proposal effective upon filing with the Commission. The Exchange filed Amendment No. 1 to the proposed rule change on May 16, 2005.⁵ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

Pursuant to the provisions of Section 19(b)(1) of the Act,⁶ the Exchange is

¹⁴ 17 CFR 200.30-3(a)(12).

¹⁵ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(i).

⁴ 17 CFR 240.19b-4(f)(1).

⁵ In Amendment No. 1, PCX provided a new statutory basis for the proposed rule change and made technical corrections to the proposed rule change. For purposes of calculating the 60-day period within which the Commission may summarily abrogate the proposed rule change under Section 19(b)(3)(C) of the Act, the Commission considers the period to commence on May 16, 2005, the date on which the Exchange filed Amendment No. 1. See 15 U.S.C. 78s(b)(3)(C).

⁶ 15 U.S.C. 78s(b)(1).

filing with the Commission a proposed rule change to delay until no later than November 30, 2005 the implementation date of the recent revisions to the Limited Principal—Registered Options (Series 4) examination program, including the study outline and selection specifications ("Series 4 Examination"). PCX is not proposing any textual changes to its rules.

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

In its filing with the Commission, PCX 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. PCX 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

On April 12, 2005, PCX filed with the SEC for immediate effectiveness revisions to the Series 4 Examination.⁷ The Series 4 Examination is an industry-wide examination that qualifies an individual to function as a Registered Options Principal. The Series 4 Examination is shared by PCX and the following self-regulatory organizations: the American Stock Exchange LLC ("Amex"), the Chicago Board Options Exchange, Incorporated, the National Association of Securities Dealers, Inc. ("NASD"), the New York Stock Exchange, Inc., and the Philadelphia Stock Exchange, Inc. Amex and NASD filed with the SEC similar revisions to the Series 4 Examination.⁸ PCX intended to implement the Series 4 Examination revisions no later than April 29, 2005 in order to be consistent with NASD.⁹ However, due to administrative issues, PCX is proposing to delay until no later than November 30, 2005 the implementation date of the revisions.

⁷ See Securities Exchange Act Release No. 34-51727 (May 24, 2005) (SR-PCX-2005-51).

⁸ See Securities Exchange Act Release Nos. 51689 (May 12, 2005), 70 FR 28965 (May 19, 2005) (SR-Amex-2005-039); and 51216 (February 16, 2005), 70 FR 8866 (February 23, 2005) (SR-NASD-2005-025).

⁹ See Securities Exchange Act Release No. 51216 (February 16, 2005), 70 FR 8866, 8867 (February 23, 2005), (SR-NASD-2005-025).

PCX understands that Amex and NASD also will file with the SEC similar proposed rule changes to delay until no later than November 30, 2005 the implementation date of the revisions to the Series 4 Examination.

2. Statutory Basis

PCX believes that the proposed rule change is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(1)¹¹ in particular, in that it is designed to enforce compliance by Options Trading Permit ("OTP") Holders and OTP Firms and persons associated with the rules of the Exchange.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange believes that the proposed rule change will impose no burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received by the Exchange on this proposal.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change has become effective pursuant to Section 19(b)(3)(A)(i) of the Act¹² and Rule 19b-4(f)(1) thereunder,¹³ in that the proposed rule change constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of PCX.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change, as amended, is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-PCX-2005-57 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609.

All submissions should refer to File Number SR-PCX-2005-57. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying at the principal office of PCX. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to the File Number SR-PCX-2005-57 and should be submitted on or before June 24, 2005.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-51727; File No. SR-PCX-2005-51]

Self-Regulatory Organizations; Pacific Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto Relating to Revisions to the Series 4 Examination Program

May 24, 2005.

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 April 12, 2005, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by PCX. PCX has designated the proposed rule change as one constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of PCX pursuant to section 19(b)(3)(A)(i) of the Act³ and Rule 19b-4(f)(1) thereunder,⁴ which renders the proposal effective upon filing with the Commission. The Exchange filed Amendment No. 1 to the proposed rule change on May 16, 2005.⁵ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

Pursuant to the provisions of section 19(b)(1) of the Act,⁶ the Exchange is filing with the Commission revisions to the study outline and selection specifications for the Limited Principal—Registered Options (Series 4) examination ("Series 4 Examination").

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(i).

⁴ 17 CFR 240.19b-4(f)(1).

⁵ In Amendment No. 1, PCX provided a new statutory basis for the proposed rule change and made technical corrections to the proposed rule change. PCX also included a copy of a Commission letter regarding procedures for filing qualification exams. See letter from Belinda Blaine, Associate Director, Division of Market Regulation Commission, to Alden S. Adkins, Senior Vice President & General Counsel, NASD Regulation, Inc., dated July 24, 2000. For purposes of calculating the 60-day period within which the Commission may summarily abrogate the proposed rule change under section 19(b)(3)(C) of the Act, the Commission considers the period to commence on May 16, 2005, the date on which the Exchange filed Amendment No. 1. See 15 U.S.C. 78s(b)(3)(C).

⁶ 15 U.S.C. 78(b)(1).

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(1).

¹² 15 U.S.C. 78s(b)(3)(A)(i).

¹³ 17 CFR 240.19b-4(f)(1).

¹⁴ 17 CFR 200.30-3(a)(12).