



RULE
ADOPTION
NOTICE

RAN-03-33
December 1, 2003

TO: All PCX Members and Member Organizations

FROM: Department of Regulatory Policy

**SUBJECT: Auto-Ex of Linkage Orders in a Locked Market
(File No. SR-PCX-2003-65)**

On November 24, 2003, the Securities and Exchange Commission noticed the filing and immediate effectiveness of the proposed rule change relating to the automatic execution of Intermarket Linkage orders in locked markets. The new rule eliminates a Lead Market Maker's ("LMM") ability to have Linkage Orders in a locked market default for manual representation when those orders would otherwise be automatically executed via the Exchange's Auto-Ex system.

The following is the text of the rule change and Amendment No. 1 thereto. You may direct questions regarding this notice to Mai Shiver at (415) 393-4266.

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Text of the Rule Change¹

Rule 6.87

(a) – (i) – No change.

(j) *Crossed or Locked Markets.* Except as provided herein, [T]two Floor Officials may approve an LMM's request to designate, for an option issue, that an order will default for manual representation in the trading crowd if the NBBO is crossed or locked. Notwithstanding the forgoing, Linkage Orders subject to PCX Rule 6.93(e) will not default for manual representation if the NBBO is locked.

(k) – (p) – No change.

¹New text is underscored.