

Regulatory Bulletin

RB-01-08
December 7, 2001

TO: All PCX DEA Members
FROM: Financial & Operational Compliance Department
RE: PCX Invoicing of the 2002 SIPC Assessment

The Pacific Exchange is a collection agent for the Securities Investor Protection Corporation ("SIPC"). The Exchange collects an annual assessment from those registered broker-dealers for whom the PCX is the Designated Examining Authority ("DEA"). All PCX DEA Members (including ASAP and ETP Holders) are required to be SIPC Members and pay an annual SIPC Assessment pursuant to PCX Rule 2.12(b)(2) or PCXE Rule 4.11(b)(2). For 2002, the annual SIPC Assessment will be a one time flat fee of \$150.

The 2002 assessment will be included as a separate line item on December 2001 PCX invoices sent to DEA Members in early January 2002. The \$150 SIPC Assessment is due on January 31, 2002. Members only need to pay their December PCX invoice in full and on time to satisfy their 2002 SIPC payment obligation. Members should retain a copy of their December 2001 PCX invoice as a record of payment. There are no SIPC forms to file.

A broker-dealer that intends to fully withdraw its registration by the end of 2001 must file a Form BDW. The Form BDW must be acknowledged by the PCX and the SEC before December 31, 2001, in order to avoid a 2002 SIPC Assessment charge. If you join the PCX as a new DEA Member during the month of December 2001, a 2002 SIPC Assessment may not appear on your PCX invoice. In that case, the \$150 SIPC Assessment must be paid by check sent to the PCX or to SIPC.

Please note that a DEA Member that fails to pay its 2002 SIPC Assessment by the due date (January 31, 2002) will be fined pursuant to PCX Rule 2.12(b)(2) or PCXE Rule 4.11(b)(2), as follows:

1 to 30 days late	\$100
31 to 60 days late	\$200
61 to 90 days late	\$300

Questions regarding annual SIPC Assessments should be directed to Eve R. Safran at (415) 393-4130 or Dagmara Hemsley at (415) 393-7884 in the Financial & Operational Compliance Department.