



REGULATORY INFORMATION BULLETIN

RB-03-06
December 10, 2003

TO: All DEA Members, Member Organizations and ETP Holders

FROM: Financial & Operational Compliance Department

RE: PCX Invoicing of the 2004 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 DEA ETP Holders, are required to be SIPC members and pay an Annual SIPC Assessment pursuant to PCX Options Rule 2.12(b)(2) or PCX Equities Rule 4.11(b)(2). The 2004 Annual SIPC Assessment will be a one-time flat fee of \$150.

The 2004 SIPC Assessment will be billed to DEA Members by means of December 2003 PCX invoices, which are distributed in early January 2004. The \$150 SIPC Assessment is due on January 31, 2004. Members only need to pay their December PCX invoice in full and on time to satisfy their 2004 SIPC payment obligation. Members should retain a copy of their December 2003 PCX invoice as a record of payment. There are no SIPC forms to file. A broker-dealer that joins the PCX as a new DEA Member during the month of December 2003 may not be billed a 2004 SIPC Assessment until the end of January 2004.

A broker-dealer that intends to fully withdraw its SEC registration by the end of 2003 must file a Form BDW on WebCRD. The Form BDW must be acknowledged by the PCX and the SEC before December 31, 2003, in order to avoid a 2004 SIPC Assessment charge.

A DEA Member that fails to pay its 2004 SIPC Assessment by the due date (January 31, 2004) 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 SIPC Assessments can be directed to Dagmara Hemsley at (415) 393-7884 or Donna Lee at (415) 835-5202 in the Financial & Operational Compliance Department.