

REGULATORY INFORMATION BULLETIN

RBE-03-06
April 2, 2003

TO: All ETP Holders and Associated Persons

FROM: Regulation Division

SUBJECT: Identification of Person Entering or Accepting Each Order or Trade

ETP Holders are reminded that they must maintain books and records identifying the name of the individual person at their firm entering or accepting each order or trade. This includes (1) identification of the person entering or accepting each order or trade directly through the ETP Holder, ETP Holder's Sponsored Participant or Associated Person's computer, (2) identification of the firm or person accessing the Archipelago Exchange through the ETP Holder, ETP Holder's Sponsored Participant or Associated Person's proprietary system, and (3) identification of the individual Authorized Trader accessing the Archipelago Exchange pursuant to PCXE Rule 7.30(a). Please note that for computers with multiple users, each user must be individually authorized to enter or accept orders or trades, and the identity of each such user entering or accepting orders or trades must be maintained.

Such books and records must be readily available for a period of at least three years.

The full text of Securities Exchange Act of 1934 (the "Exchange Act") Rules 17a-3 and 17a-4 should be consulted to ensure compliance with the requirements of the Exchange Act and PCXE Rules 2.23 (Books and Records) and 6.18 (Supervision).

Contacts

If you have any questions regarding this matter, please contact Shirley Chin, Manager, Enforcement, at (415) 835-4839; John Chapin, Director, Equities Surveillance, at (312) 442-7790; or Jill Persson, Director, Equities Market Regulation, at (415) 393-7847.

About the PCX

The Pacific Exchange, Inc. ("PCX") is the self-regulatory organization responsible for regulating all activity that takes place through the Archipelago Exchange ("ArcaEx"), a facility of the PCX. The PCX has delegated its self-regulatory authority for ArcaEx to PCX Equities, Inc. ("PCXE"), a wholly-owned subsidiary of the PCX. The Regulation Division of PCXE conducts surveillance, examinations, and enforcement to seek compliance by ETP Holders and associated persons with the PCX Constitution, the rules of PCXE, and federal securities laws.