

PCX EQUITIES

REGULATORY INFORMATION BULLETIN

RBE 03-08
October 9, 2003

TO: All PCXE ETP Holders

FROM: PCXE Regulation Division

SUBJECT: Change in Short Sale Exemption Status in Certain HOLDRs

Pacific Exchange Equities ("PCXE") hereby advises all ETP Holders that the following HOLDRs are no longer exempt from the rules of short selling under Securities and Exchange Commission (SEC) Rule 10a-1. Therefore any short sale must occur on a "plus tick" or on a "zero-plus tick":

- The B2B Internet Holding Company (BHH)
- The Internet Infrastructure Holding Company Depositary Receipts (IIH)
- The Internet Holding Company Depositary Receipts (HHH)

Effective immediately, all executions in the above symbols are subject to SEC Rule 10a-1 and the ArcaEx Trading System will treat these symbols accordingly.

If you have any questions regarding this matter, please contact John Chapin, Director, Equities Surveillance at (312) 442-7790 or Matthew Schurter, Regulatory Trading Official at (312) 442-7793.