



# Weekly Bulletin

August 25, 2000 • WB 00-34

The Constitution and Rules of the Pacific Exchange ("Exchange"), in certain specific instances, require the Exchange to provide notice to the membership. To satisfy this requirement, a complimentary copy of the Weekly Bulletin, including Regulatory Bulletins, is provided to all individual members and nominees of member organizations on a weekly basis.

## MEMBERSHIP QUOTATION (As of 8 a.m. 8/25/00)

Bid .....	\$150,000
Offer .....	\$180,000
Last Negotiated Sale .....	\$180,000 on 8/17/00
Last Consummated Sale.....	\$185,000 on 8/14/00

## NEGOTIATED SALES

<b>8/15</b>	Buyer:	Pacific Exchange
	Seller:	Joseph E. Blitstein & Co.
	Sale Price:	\$180,000

<b>8/17</b>	Buyer:	Pacific Exchange
	Seller:	Sutro & Co.
	Sale Price:	\$180,000

## CONSUMMATED SALES

None.



<b># of Equity Member Conversions to ETPS (year to date):</b>	<b>9</b>
<b># of ETP Holders (not previously on PCX seat)</b>	<b>1</b>
<b>TOTAL ETPs as of Aug. 25, 2000:</b>	<b>10</b>

## SEAT MARKET HOURS

6:30 a.m. – 3:00 p.m. (Pacific Time)  
Current market quotations on memberships may be obtained by calling (415) 393-5937.

## PREARRANGED CONSUMMATED SALES\*

\* Prearranged sales not included in Exchange last sale reporting data.

## SEAT MARKET INFORMATION ON PCX WEB SITE

Click on Seat Prices for consummated sales plus the bid and offer: [www.pacificex.com/memb/](http://www.pacificex.com/memb/)

**Members are required to report any address or telephone number changes to the Membership Department at (415) 393-4114 pursuant to PCX Rule 1.17(b).**

## SPECIAL ANNOUNCEMENT

### Holiday Closing

The Pacific Exchange will be closed on **Monday, September 4, 2000**, in observance of Labor Day.

## NAME CHANGE

**8/11** H&R BLOCK FINANCIAL ADVISORS, INC. from OLDE DISCOUNT CORPORATION

## SUCCESSION

**8/24** PAX CLEARING CORPORATION succeeds PAX CLEARING COMPANY

## TEMPORARY MEMBERSHIP TRANSFERS

- GOODSTOCK OPTIONS, LLC  
Ronald Goodman for Maria Adair 8/21
- HEADWATERS CAPITAL, LLC  
Patrick Keating for David Yakaitis 8/25 to 9/11
- KECK SECURITIES  
Mark Dagenais for James Brogan 8/23
- M.J.T SECURITIES, LLC  
David Lowe for Stephen Ward 8/21 to 8/25
- SONDAG TRADING, LP  
Steve Yamagata for Miranda Moffitt 8/25
- TIMBER HILL, LLC  
Paul Felegy for Charles Barker 8/21 to 8/31

**NEW MEMBERS AND MEMBER ORGANIZATIONS**

- 8/18** GRUL (W.TYSON) – N67 – Nominee and Options Market Maker of ORBIT II PARTNERS, LP through execution of lease agreement.
- 8/18** NORMAN (JAMES) – R97 -- Nominee and Options Market Maker and Floor Broker of MDNH TRADERS, LLC through execution of lease agreement.
- 8/21** SHERIDAN (MICHAEL) – H24- Nominee and Options Market Maker of CUTLER GROUP, LP through execution of lease agreement.
- 8/21** KRYSTOFF (CYNTHIA) – T75 – Sole Proprietor and Options Market Maker and Floor Broker through execution of lease agreement.
- 8/21** KROMMENHOEK (MARK) – R09 – Nominee and Options Market Maker and Floor Broker of KNIGHT FINANCIAL PRODUCTS, LLC through execution of lease agreement
- 8/21** SEBAHAR (RONALD) – S80 – Nominee and Options Market Maker of KNIGHT FINANCIAL PRODUCTS, LLC through execution of lease agreement
- 8/24** KARLBERG (KEVIN) – H23 – Nominee and Options Market Maker of TFM INVESTMENT GROUP through execution of lease agreement.
- 8/24** MCKILLOP (PATRICK) – R17 – Nominee and Options Market Maker and Floor Broker of SUSQUEHANNA INVESTMENT GROUP through execution of lease agreement.

**TERMINATED MEMBERS AND MEMBER FIRMS**

- 8/18** KROMMENHOEK (MARK) – R01 – Nominee and Options Market Maker and Floor Broker G.K. FINANCIAL, LLC through termination of lease agreement
- 8/21** SEBAHAR (RONALD) – S80 – Nominee and Options Market Maker of KOVELL TRADING, LLC through termination of lease agreement
- 8/21** J.C. BRADFORD & CO. terminated through inter-firm transfer of membership to PAINE WEBBER, INCORPORATED

**MEMBERSHIP POSTINGS**

The following applicants have applied for membership on the Exchange and are being posted for a period of ten days, in which time, interested members may submit written comments with respect to the qualifications of the applicants. Admission to membership of applicants will become effective after the applicants have been cleared and approved for membership, in accordance with the policies of the Exchange.

RICHARD J. CORONEL -- Nominee and Options Market Maker of MDNH TRADERS, LLC

EDWARD M. CROAK – Nominee and Options Floor Broker of INVESTEC ERNST & COMPANY

SCOTT C. FRINZI – Nominee and Options Market Maker of GROUP ONE TRADING, LP

JULIAN MANEIN – Nominee and Options Market Maker of KNIGHT FINANCIAL PRODUCTS, LLC

BRIAN M. MOORE – Nominee and Options Market Maker of COLE, ROESLER TRADING GROUP, LP

RYAN D. NAGY – Nominee and Options Market Maker of GROUP ONE TRADING, LP

SHEIK I. RAMESSAR – Nominee and Equity Assistant Specialist of WEDBUSH MORGAN SECURITIES, INC.

**CORRECTION**

Please disregard the following posting from WB-00-33 as it was published in error:

- 7/26** JACOBS (JARRETT A.) – Wedbush Morgan Securities, Inc. through termination of Equity Trading Permit

**ETP TEMPORARY TRANSFERS**

RONALD E. MELVILLE, INC.  
Robert Gannuscio for Richard Ascher 8/18

**PCX MEMBER TEMPORARY TRANSFERS**

BLOOM STALOFF CORPORATION  
Alfred Valenzuela for Steven Stakley 8/22 to 8/25

DEAN WITTER REYNOLDS, INC.  
Harry Karamanlian for Eugene Loscialpo 8/24 to 8/25

**ALTERNATE SPECIALIST NOTICES  
August 17, 2000 - August 23, 2000**

Effective on the date noted, the member(s) at the post as listed became an Alternate Specialist in the following issue(s):

<u>DATE</u>	<u>SYMBOL</u>	<u>CLEARING SYMBOL</u>
8/18/00	F	P18

Effective on the date noted, the member(s) at the post as listed resigned as an Alternate Specialist in the following issue(s):

<u>DATE</u>	<u>SYMBOL</u>	<u>CLEARING SYMBOL</u>
8/18/00	LLY	P18

**SPECIALIST POST CHANGES  
August 17, 2000 - August 23, 2000**

None.

For further information, contact Victoria Henning at (415) 393-4145.

(continued from page 2)

**UPCOMING PCX MEETINGS**

**Aug. 28** Options System Committee  
contact: Charlie Rogers 415-393-4132

**REPORTS/FILINGS DUE TO THE EXCHANGE**

Members and Member Organizations for whom the Exchange is the Designated Examining Authority (DEA) are reminded that the following reports are to be filed with the Exchange in accordance with established schedules. Please be advised that the "due date" is the date on which the report/filing must be received by the Exchange, and all such reports/filings are required to be true, correct, and complete at the time of submission:

**Report Due On  
Or Before:****FOCUS Report Part IIA**

Required for DEA members subject to the net capital rule but NOT carrying customer accounts and/or NOT self-clearing.

**August 2000 Monthly FOCUS Report ..... September 26**  
(Required for Specialist and ETP Firms)

**2000 3<sup>rd</sup> Quarter FOCUS Report ..... October 24**

**SIPC Assessments**

The Exchange is responsible for collecting an annual assessment from its DEA members on behalf of the Securities Investor Protection Corporation (SIPC). **New broker-dealers** are required to pay the annual flat fee of **\$150** to the Financial & Operational Compliance Department or to SIPC within 30 days of the effective date of their broker-dealer registration.

Broker-dealers beginning with the letters **A to L** are encouraged to contact **Donna Lee at (415) 835-5202** with any financial reporting, examination or PCX rule-related questions.

Broker-dealers beginning with the letters **M to Z** are encouraged to contact **Eve R. Safran at (415) 393-4130** with any financial reporting, examination, or PCX rule-related questions.

**FILING/DELIVERY INFORMATION**

DEA Members and Member Organizations should submit signed original FOCUS Reports, Financial Arrangement Disclosure Forms and SIPC payments to the following:

Financial & Operational Compliance Department  
Pacific Exchange, Inc.  
115 Sansome Street, 8<sup>th</sup> Floor  
San Francisco, CA 94104  
Fax #: (415) 391-0360

FOCUS and Financial Arrangement Disclosure forms are also available at the above address. Please be reminded that copies of all filed reports and forms must be preserved by the filing broker-dealer in accordance with SEC Rule 17a-4.

**EQUITY SECURITY INFORMATION BULLETINS ISSUED  
August 14, 2000 – August 18, 2000**

**Aug. 14** ESB-701 AIC , ANL Asset Investors Corp , American Land Lease, Inc. Change in Name, Symbol, and CUSIP

**Aug. 14** ESB-702 CCN PR A Chris-Craft Industries, Inc. - Redemption, Suspension and Removal

**Aug. 14** ESB-703 CKE Carmike Cinemas, Inc. - Suspension

**Aug. 14** ESB-704 DLK Datalink.net, Inc. - Suspension and Removal

**Aug. 14** ESB-705 DME DIME BANCORP, INC. - Offer to Purchase; Admission to "When Distributed" Trading

**Aug. 15** ESB-706 CIC Carson, Inc. - Suspension and Removal

**Aug. 15** ESB-707 TMO ,TKN Thermo Electron Corp , Thermo Trex Corp. - Merger; Suspension and Removal

**Aug. 15** ESB-708 TMO , TLZ Thermo Electron Corp., ThermoLase Corp. - Merger; Suspension and Removal

**Aug. 15** ESB-709 UAM United Asset Management Corporation - Offer to Purchase Extended

**Aug. 16** ESB-710 BRE BRE Properties, Inc. - Spin Off; Distribution, Revised Dates

**Aug. 16** ESB-711 MNT Montedison SPA - Dissenting Shareholder Rights

**Aug. 17** ESB-712 AFF Morgan Stanley Dean Witter Africa Investment Fund, Inc. Offer to Purchase; Admission to "When Distributed" Trading

**Aug. 17** ESB-713 BRE BRE Properties, Inc. - Spin Off; Ex-Distribution Date

**Aug. 17** ESB-714 NP National Power PLC - Reverse Split; Change in CUSIP

**Aug. 17** ESB-715 NSP , NCE Northern States Power Company, New Century Energies, Inc. Merger; Name Change; Suspension and Removal

**Aug. 17** ESB-716 WPI , SHP Watson Pharmaceuticals, Inc., Schein Pharmaceuticals, Inc. Merger; Suspension and Removal

**Aug. 17** ESB-717 ZD Ziff-Davis Inc. - Spin Off Distribution

**Aug. 18** ESB-718 CAG , IHF ConAgra, Inc. , International Home Foods, Inc. - Merger; Suspension and Removal

**Aug. 18** ESB-719 NSP , NCE Northern States Power Company, New Century Energies, Inc. Merger; Name Change; Suspension and Removal

For further information, contact Arturo Hurtado in Securities Qualification at (415) 393-4067.

**OPTIONS SECURITY INFORMATION BULLETINS ISSUED  
August 14, 2000 – August 18, 2000**

**Aug. 14** OSB-00-307 Digital Microwave Corporation (DMIC/DMQ)  
- Name and Underlying Stock Symbol Change

**Aug. 14** OSB-00-308 United Asset Management Corporation  
(UAM) - Extended Cash Tender Offer by Old Mutual plc

**Aug. 15** OSB-00-309 Silicon Image, Inc. (SIMG/GUD) - 2-for-1  
Stock Split

**Aug. 15** OSB-00-310 ChiRex, Inc. (CHRX/RHQ) - Cash Tender  
Offer by Rhodia

**Aug. 15** OSB-00-311 Turnstone Systems, Inc. (TSTN/TUA) –  
2-for-1 Stock Split

**Aug. 16** OSB-00-312 Silicon Image, Inc. (SIMG/GUD) - *Revision*  
*OSB-00-309 (Suppose to be Monday, August 21, 2000)* -  
2-for-1 Stock Split

**Aug. 16** OSB-00-313 Turnstone Systems, Inc. (TSTN/TUA) -  
*Revision for OSB-00-311 (Suppose to be Thursday, August 24, 2000)*  
2-for-1 Stock Split

**Aug. 16** OSB-00-314 Vertex Pharmaceuticals, Inc.  
(VRTX/VQR/VQZ) - 2-for-1 Stock Split

**Aug. 16** OSB-00-315 Verio, Inc. (VRIO/RLQ) - Extended  
Expiration Date (See OSB-00-222 and 00-274) - Cash Tender Offer by  
NTT Communications Corporation

**Aug. 16** OSB-00-316 Cable Design Technologies Corporation  
(CDT) - 3-for-2 Stock Split

**Aug. 17** OSB-00-317 Options Ineligible for Additional Expiration  
Months

**Aug. 18** OSB-00-318 Ancor Communications, Inc. - Adjusted  
Option Symbols: AEJ (Cash in lieu determination)

For further information, contact Arturo Hurtado in Securities  
Qualification at (415) 393-4067.

**NEW OPTIONS LISTINGS  
August 17, 2000 - August 23, 2000**

**Aug. 18** OLB-00-311 Subject: New LEAPS Listing – Plug Power,  
Inc. (PLUG/PQL/YPL/OPL)

**Aug. 18** OLB-00-312 Subject: New Options Listing – New Focus,  
Inc. (NUFO/DUO)

**Aug. 18** OLB-00-313 Subject: Voluntary Delisting of Corel  
Corporation (CORL/ORU)

For further information, contact Eileen Solis-Rogers at (415) 393-4165.

If you have general questions about this Bulletin or would like to  
receive it via e-mail, please call (415) 393-7887, or send your  
name and e-mail address to Janet Ramin at  
[jramin@pacificex.com](mailto:jramin@pacificex.com).

# Regulatory Bulletin

August 25, 2000

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RAN-00-22

**TO:** PCX Members and Member Organizations  
**FROM:** Department of Regulatory Policy  
**SUBJECT:** Continuing Education Requirements  
File No. SR-PCX-00-22

On August 14, 2000, the SEC approved a PCX proposal to modify its rule pertaining to continuing education requirements to conform to recommendations made by the Securities Industry/Regulatory Counsel on Continuing Education and rules adopted by other exchanges. The rule now provides for completion of the Regulatory Element on the second registration anniversary and every three years thereafter. Only persons registered in a supervisory capacity for more than 10 years as of 9/14/00 are exempt from this rule.

Following is the text of the rule change. Questions regarding this Bulletin may be directed to Cindy Sink at (415) 393-7926.

## EXHIBIT A

### Text of the Proposed Rule Change.<sup>1</sup> (As of 8/14/00)

#### ¶5959 Regulatory Element

RULE 9.27(c). No member or member organization shall permit any registered person to continue to, and no registered person shall continue to, perform duties as a registered person, unless such person has complied with the continuing education requirements of this Rule 9.27(c).

Each registered person shall complete the Regulatory Element of the continuing education program [on three occasions, after] beginning with the occurrence of their second, [fifth and tenth] registration anniversary dates, and every three years thereafter, or as otherwise prescribed by the Exchange. On each [of these three] occasion[s], the Regulatory Element must be completed within one hundred twenty days after the person's registration anniversary date. A person's initial registration date shall establish the cycle anniversary dates for purposes of this Rule. The content of the Regulatory Element of the program shall be [prescribed] determined by the Exchange for each registration category of persons subject to the Rule.

<sup>1</sup> New text is underscored, brackets indicate deleted text.

(1) [Registered] [p]Persons who have been continuously registered for more than ten years as of the effective date of this Rule [shall be] are exempt from the requirements of this rule relative to participation in the Regulatory Element of the continuing education program, provided such persons have not been subject to any disciplinary action within the last ten years as enumerated in subsection (c)(3)(i)-(ii) of this Rule. However, persons delegated supervisory responsibility or authority pursuant to Rule 9.8 and registered in such supervisory capacity are exempt from participation in the Regulatory Element under this provision only if they have been continuously registered in a supervisory capacity for more than 10 years as of the effective date of this Rule and provided that such supervisory person has not been subject to any disciplinary action under subsection (c)(3)(i)-(ii) of this Rule.

In the Event that a registered person who is exempt from participation in the Regulatory Element subsequently becomes the subject of a disciplinary action as enumerated in subsection (c)(3)(i)-(ii), such person shall be required to satisfy the requirements of the Regulatory Element as if the date the disciplinary action becomes final is the person's initial registration anniversary date.

[Persons who have been currently registered for ten years or less as of the effective date of this Rule shall initially participate in the Regulatory Element of the continuing education program within one hundred twenty days after the occurrence of the second, fifth or tenth registration anniversary date, whichever anniversary date first applies, and on the applicable registered anniversary date(s) thereafter. Such persons will have satisfied the requirements of the Regulatory Element of the program after participation on the tenth registration anniversary.]

[All registered persons who have satisfied the requirements of the Regulatory Element shall be exempt from further participation in the Regulatory subsection (c)(3) of this Rule.]

(2) *Failure to Complete*—Unless otherwise determined by the Exchange, any registered persons who have not completed the Regulatory Element of the program within the prescribed time frames will have their registration deemed inactive until such time as the requirements of the program have been satisfied. Any person whose registration has been deemed inactive under this Rule shall cease all activities as a registered person and shall be prohibited from performing any duties and functioning in any capacity requiring registration.

The Exchange may, upon application and a showing of good cause, allow for additional time for a registered person to satisfy the program requirements.

(3) *Re-entry into Program*—Unless otherwise determined by the SRO, a registered person will be required to re-enter the Regulatory Element and satisfy all of its requirements in the event such person:

- (i) becomes subject to any statutory disqualification as defined in Section (3)(a)(39) of the Securities Exchange Act of 1934;
- (ii) becomes subject to suspension or to the imposition of a fine of \$5,000 or more for violation of any provision of any securities law or regulation, or any agreement with or rule of standard of conduct of any securities governmental agency, securities self-regulatory organization, or as imposed by any such regulatory or self-regulatory organization in connection with a disciplinary proceeding; or
- (iii) is ordered as a sanction in a disciplinary action to re-enter the continuing education program by any securities governmental agency or securities self-regulatory organization.

Re-entry into the program shall commence with the initial participation within 120 days of the registered person becoming subject to the statutory disqualification, in the case of (i) above, or the disciplinary action becoming final, in the case of (ii) or (iii) above, and on three additional occasions thereafter, at intervals of two, five and ten years after re-entry, notwithstanding that such person has completed all or part of the program requirements based on length of time as a registered person or completion of ten years of participation in the program.]

(d) *Firm Element*

- (1) – No Change.

(2) *Standards*

(i) Each member and member organization must maintain a continuing and current education program for its covered registered person to enhance their securities knowledge, skills and professionalism. At a minimum, each member and member organization shall at least annually evaluate and prioritize its training needs and develop a written training plan. The plan must take into consideration the member's or member organization's size, organizational structure, and scope of business activities, as well as regulatory developments and the performance of covered registered persons in the Regulatory Element. If a member or member organization's analysis determines a need for supervisory training for persons with supervisory responsibilities such training must be included in the member or member organization's training plan.

(ii) – (iii) – No Change.

(3) – (4) – No Change.

*Commentary:*

.01 For purposes of this Rule, the term “registered person” means any member, allied member, registered representative or other person registered or required to be registered under Exchange rules, but does not include any such person whose activities are limited solely to the transaction of business on the Floor with members or registered broker-dealers.

.02 For purposes of this Rule, the term “customer” means any natural person or any organization, other than a registered broker or dealer, executing transactions in securities or other similar instruments with or through, or receiving investment banking services from, a member or member organization.

[.03 A registered person who has been continuously registered for more than ten years as of the date of implementation of this Rule who has been subject to a disciplinary action as enumerated in subsections (c)(3)(i)-(ii) of the Rule within the last ten years, will be required to satisfy the requirements of the Regulatory Element of the continuing education program by participation for the period from the date of implementation of this Rule to ten years after the occurrence of the disciplinary action.]

[.04].03 Any registered person who has terminated association with a registered broker or dealer and who has, within two years of the date of termination, become reassociated in a registered capacity with a registered broker or dealer shall participate in the Regulatory Element of the continuing education program [on three occasions, after the occurrence of their second, fifth and tenth] at such intervals that apply (second registration anniversary and every three years thereafter) based on the initial registration anniversary date, rather than based on the date of reassociation in a registered capacity. Any former registered person who becomes reassociated in a registered capacity with a registered broker or dealer more than two years after termination as such will be required to satisfy the program's requirements in their entirety [on three occasions,] based on the most recent registration date.

[.05].04 – No Change.

.05 The effective date of this Rule, for the purposes of determining whether a registered person is exempt from participation in the Regulatory Element is **September 14, 2000.**

**RAN-00-23**

**TO:** ALL PCX Members and Member Organizations  
**FROM:** Department of Regulatory Policy  
**SUBJECT:** Extension of AOR Pilot Program  
SR-PCX-00-26

On August 21, 2000 the SEC approved a PCX proposal to amend its rule relating to the Automated Opening Rotations (“AOR”) pilot program. The rule amendment sought to extend the duration of the AOR pilot program that was set to expire on September 30, 2000. The SEC approval grants a one-year extension of the program, which is now set to expire on September 28, 2001.

Attached is the text of the rule change that the SEC has approved. Questions about this bulletin should be directed to Hassan Abedi, Staff Attorney, Regulatory Policy at (415) 393-5958.

**EXHIBIT A****Text of the Proposed Rule Change:<sup>2</sup>**

(As of July 31, 2000)

¶5073

**Trading Rotations**

Rule 6.64(a) – (b) – No change.

*Commentary:*

.01 - .03 – No Change

.04 *Pilot Program.* The Automated Opening Rotation System is subject to a one year pilot program, which is set to expire on ~~September 30, 2000~~ September 28, 2001.

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<sup>2</sup> New text is underscored.

**RAN-00-24**

**TO: ALL PCX Members and Member Organizations**

**FROM: Department of Regulatory Policy**

**SUBJECT: Citation Authority  
SR-PCX-00-28**

On August 22, 2000 the SEC approved a PCX proposal to amend its Minor Rule Plan ("Plan") to allow any PCX Regulatory Staff designated by the PCX to have the authority to issue a Floor Citation pursuant to the Plan.

Attached is the text of the rule change that the SEC has approved. Questions about this bulletin should be directed to Hassan Abedi, Staff Attorney, Regulatory Policy at (415) 393-5958.

**EXHIBIT A****Text of the Proposed Rule Change:<sup>3</sup>**

(August 10, 2000)

**¶ 6133 Minor Rule Plan**

Rule 10.13.(a) – (f) No Change.

(g) Floor Citations. A Floor Official, [and/or] an Options Order Book Official or any PCX Regulatory Staff designated by the Exchange may issue a Floor Citation to any member, member organization or person associated with a member or member organization, when it appears to such Official(s) that a Minor Rule Plan violation specified in subsections (h) or (i) of this Rule has occurred. In issuing a Floor Citation, the Floor Official, [and/or] an Options Order Book Official or any PCX Regulatory Staff designated by the Exchange [shall] must:

- (1) Apprise the person cited of the alleged violation;
- (2) Ask the person cited to indicate by signature on the citation acknowledgment of receipt of the citation; provided that the requested signature is for receipt purposes only and a failure or unwillingness to sign is not to be considered as invalidating the issuance of the citation;
- (3) Give the top copy of the citation to the person alleged to have committed the violation; and
- (4) Give the remaining copies of the citation to the Order Book Official or an appropriate staff person, who will then forward such copies to the Regulation Department for processing.

Except as provided in Rule 10.14 (Summary Sanction Procedure), the circumstances underlying the issuance of each floor citation shall be reviewed by a designated committee for a determination of whether the evidence is sufficient to find a violation of Exchange rules.<sup>4</sup>

(h) – (k) – No Change.

<sup>3</sup> New text is underscored.

<sup>4</sup> This paragraph is being removed pursuant to SR-PCX-99-48.