

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change has been filed by the Exchange as a non-controversial rule change pursuant to Section 19(b)(3)(A) of the Act¹³ and subparagraph (f)(6) of Rule 19b-4 thereunder,¹⁴ and has become effective upon filing because it: (1) does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) does not become operative for 30 days from the date on which it was filed; and the Exchange provided the Commission written notice of its intent to file the proposed rule change at least five business days prior to the filing date of the proposed rule change. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the propose of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposal is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications, relating to the proposed rule change between the Commission and any person, other than that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No.

SR-PCX-00-20 and should be submitted by September 13, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁵

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43149; File No. SR-PCX-99-44]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Pacific Exchange, Inc. Relating to Changes to Rule 6, Options Trading, Trading Practices and Procedures

August 11, 2000.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 29, 1999, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. On January 7, 2000, the PCX submitted Amendment No. 1 to the proposed rule change.³ On May 25, 2000, the PCX submitted Amendment No. 2 to the proposed rule change.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

¹⁵ 17 CFR 240.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Letter from Robert P. Pacileo, Staff Attorney, Regulatory Policy, PCX, to Richard Strasser, Assistant Director, Division of Market Regulation ("Division"), SEC, dated January 6, 2000 ("Amendment No. 1"). In Amendment No. 1, the Exchange proposed to eliminate Options Floor Procedure Advices ("OFPA") D-7 and D-8b because the provisions found in these OFPAs are already addressed in current PCX Rules 6.67 and 6.76 respectively.

⁴ Letter from Robert P. Pacileo, Senior Attorney, Regulatory Policy, PCX, to Jack Drogin, Assistant Director, Division, SEC, dated May 24, 2000 ("Amendment No. 2"). In Amendment No. 2, the PCX clarified the purpose of the proposed changes to PCX Rule 6.64(7), PCX Rule 6.64(c), PCX Rule 6.67(c)(1), PCX Rule 6.69, PCX Rule 6.70, Commentary .01 to PCX Rule .673, and PCX Rule 6.75. In addition, the Exchange corrected typographical errors, clarified the proposed changes made to PCX Rule 6.64(b)(8) and explained why OFPA F-1 is proposed to be deleted.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The PCX proposed to modify its rules relating to trading practices and procedures on the options floor by clarifying existing provisions, eliminating superfluous provisions, incorporating current policies and procedures, and merging certain OFPAs into the text of PCX Rule 6. The text of the proposed rule change is available at the Office of the Secretary, the PCX, and at the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

With regard to options trading practices and procedures, the Exchange is proposing to make the following changes to the text of PCX Rule 6.

a. *OFPAs*: The Exchange proposes to delete the following OFPAs: OFPA A-1, Subject: Responsibility of Floor Brokers at the Opening; OFPA A-3, Subject: Procedure for Entering Orders in the Book Under Certain Circumstances; OFPA A-7, Subject: Floor Broker Giving Up a Name Other Than His Own as Executing Member; OFPA C-1, Subject: Procedures for Opening Rotations; OFPA D-7, Subject: Expressing Fractions in Writing;⁵ OFPA D-8b, Subject: Priority on Split Price Transactions,⁶ OFPA D-11, Subject: Record Retention Requirements; OFPA F-5, Subject: Means of Communication on the Options Floor; OFPA G-1, Subject: Options Transactions Based on Erroneous Prints of Underlying Security; OFPA G-2, Subject: Imbalance of Orders at Openings; OFPA G-5, Subject: Trading Procedures for Combination, Spread, or Straddle Orders Under Priority Rules; OFPA G-

⁵ See Amendment No. 1.

⁶ *Id.*

¹³ 15 U.S.C. 78f(b)(3)(A).

¹⁴ 17 CFR 240.19b-4(f)(6).

10, Subject: Public Outcry/OBO Awareness; and OFPA G-12, Subject: Reporting of Trade Information. The Exchange proposes to delete these OFPAs and to incorporate relevant language from them into the text of PCX Rule 6 to centralize rules and obligations pertaining to options trading practices and procedures.

b. *Proposed PCX Rule 6.64, Trading Rotations:* The PCX proposes to make several changes to PCX Rule 6.64 relating to trading rotations.⁷ First, the Exchange proposes to allow two Floor Officials, rather than the OFTC, as currently required, to direct that a trading rotation be employed. The Exchange proposes this change to expedite the trading rotation process.

Second, the Exchange proposes to modify and renumber PCX Rule 6.64, Commentary .01(a) as PCX Rule 6.64(b),⁸ OFPA C-1, Subject Procedures for Opening Rotations, as PCX Rule 6.64(b)(1) through (7), and OFPA G-2, Subject: Imbalance of Orders at Openings, as PCX Rule 6.64(b)(8). The Exchange proposes these changes to codify and centralize the responsibilities of the OBO at the opening rotation in the text of PCX Rule 6.

Third, the Exchange proposes to renumber PCX Rule 6.64, Commentary .01(b) as PCX Rule 6.64(c).⁹ In addition,

⁷ PCX Rule 6.64 currently states that a "trading rotation" is a series of very brief time periods during each of which bids, offers, and transactions in only a single, specified option contract can be made. The Options Floor Trading Committee ("OFTC") may direct that one or more trading rotations be employed on any business day to aid in producing a fair and orderly market. For each rotation so employed, the OFTC shall specify the particular option contracts to be included and the sequence of such option contracts in the rotation. Two or more trading rotations may be employed simultaneously, if the OFTC so prescribes.

⁸ Current PCX Rule 6.64, Commentary .01(a) states that the opening rotation, when used, shall be held promptly following the opening of the underlying security on the principal market where it is traded. As a rule, an Order Book Official ("OBO") acting in more than one class of options should open them in the same order in which opening transactions are reported in the underlying securities. In conducting each such opening rotation, the OBO should first open the one or more series of options of a given class having the nearest expiration, then proceed to the series of options having the next most distant expiration, and so forth, until all series have been opened. Except as otherwise provided by the OFTC, if both puts and calls covering the same underlying security are traded, the OBO shall determine which type of option should open first, and may alternate the opening of put series and call series or may open all series of one type before opening any series of the other type, depending on current market conditions.

⁹ Current PCX Rule 6.64, Commentary .01(b) states that "(b) *Closing Rotations.* Transactions may be effected in a class of options after 1:02 p.m. (Pacific Time) if they occur during a trading rotation. Such a trading rotation may be employed

the Exchange proposes to modify procedures under proposed PCX Rule 6.64(c) whereby book staff should notify floor brokers by 12:50 p.m. that a closing rotation may be necessary, and a procedure whereby a closing rotation should commence at least ten minutes after the trading floor has been notified. The Exchange also proposes to codify an express requirement in proposed PCX Rule 6.64(c) which states that only orders that have been entered before 1:02 p.m. are eligible for execution during the closing rotation. The Exchange proposes these changes to simplify and centralize the rules regarding trading rotations, to give notice to floor broker of closing rotations, and to simplify the closing rotation process.

Fourth, the Exchange proposes to renumber PCX Rule 6.64, Commentary .01(c) as PCX Rule 6.64(d) and to renumber PCX Rule 6.64, Commentary .02 as PCX Rule 6.64(e).¹⁰ The Exchange proposes these rule changes to reorganize the centralize the responsibilities pertaining to trading rotations.

in connection with the opening or reopening of trading in the underlying security after 12:30 p.m. (Pacific Time) or due to the declaration of a "fast market" pursuant to OFPA G-9. The decision to employ a trading rotation after 12:30 p.m. shall be publicly announced on the trading floor prior to the commencement of such rotation. No more than one trading rotation may be commenced after 1:02 p.m. If a trading rotation is in progress and Floor Officials determine that a final trading rotation is needed to ensure a fair and orderly close, the rotation in progress shall be halted and a final rotation begun as promptly as possible after 1:02 p.m. Any trading rotation conducted after 1:02 p.m. may not begin until ten minutes after news of such rotation is disseminated. [¶] (1) When a closing rotation is necessary, the Order Book Official shall use a single price closing procedure. In a closing rotation, customer orders will receive the same priority as they do during opening rotations. [¶] (2) Except as otherwise provided by the OFTC, if both puts and calls covering the same underlying security are traded, the Order Book Official shall determine the order of closing each series of such puts and calls in light of current market conditions, in the manner provided in paragraph (a) for opening rotations."

¹⁰ Current PCX Rule 6.64, Commentary .01(c) and Commentary .02 are as follows: Commentary .01(c) states that "[a] closing trading rotation shall be employed for each series of individual stock options on the last business day prior to its expiration. The closing rotation shall commence at 1:02 p.m. Pacific Time, or after a closing price of the stock in its primary market is established, whichever is later. Open trading on expiring series of index options shall be permitted on the last business day prior to expiration until 1:15 p.m. Pacific Time, but a closing rotation for such expiring series of index options shall not be employed." Commentary .02 states that "[f]or those option classes and within such time periods as the OFTC may designate, members may, prior to opening rotation, enter option market quote indications based upon the anticipated opening price of the securities underlying such designated option class."

Fifth, with respect to proposed changes to PCX Rule 6.64, the Exchange proposes to renumber OFPA A-1, Subject: Responsibility of Floor Brokers at the Opening, as PCX Rule 6.64(f). The Exchange proposes this rule change to centralize the responsibilities of floor brokers at the opening.

c. *Proposed PCX Rule 6.65, Trading Halts and Suspensions:* Currently, PCX Rule 6.65, Commentary .02 requires an Options Floor Official that authorizes a trading halt and the OBO assigned to the halted option to file a report with the Exchange Options Floor Committee and the Department of Member Firms. The Exchange proposes to amend where the trading halt report is filed. The Exchange proposes to have the report filed with Exchange Operations because it is responsible for keeping all trading activity records.¹¹

d. *Proposed PCX Rule 6.66, Order Identification:* The Exchange proposes to renumber OFPA A-7, Subject: Floor Broker Giving Up a Name Other Than His Own as Executing Member, as proposed PCX Rule 6.66(d). The Exchange proposes this rule change to centralize rules relating to Floor Broker Identification.

e. *Proposed PCX Rule 6.67, Orders Required to be in Written Form:* First, with the regard to changes to PCX Rule 6.67, Orders Required to be in Written Form, the Exchange proposes to renumber PCX Rule 6.67, Commentary .02 as PCX Rule 6.67(a) to simplify and centralize rules pertaining to orders transmitted to the floor.¹² The Exchange also proposes to renumber OFPA F-5, Subject: Means of Communication on the Options Floor, as PCX Rule 6.67(d).

Second, the Exchange proposes to renumber PCX Rule 6.67, Commentary .01 as PCX Rule 6.67(e).¹³ The Exchange proposes these changes to simplify and centralize rules relating to orders required to be in written form.

Finally, in Amendment No. 1, the Exchange proposes to eliminate OFPA D-7, which reiterates the requirement of PCX Rule 6.67 that all orders must be in written form and in a form approved by the Exchange.

f. *Proposed PCX Rule 6.68, Record of Orders:* The Exchange proposes to renumber OFPA D-11, Subject: Record Retention Requirements, as PCX Rule

¹¹ See Amendment No. 2.

¹² Currently, PCX Rule 6.67, Commentary .02 states that "[o]rders sent electronically through the Exchange's Member Firm Interface are deemed to be written orders for purposes of Rule 6.67."

¹³ Currently, PCX Rule 6.67, Commentary .01 states that any member desiring to use an order form in a format other than that provided by the Exchange must submit such form to the OFTC and obtain its approval prior to using such form on the floor.

6.68(b). In addition, the Exchange proposes to delete superfluous and repetitive language in proposed PCX Rule 6.68(b) that states that members are reminded that pursuant to PCX Rule 6.68, every member organization is required to maintain and preserve for the period of time required in Rule 17a-4 under the Act,¹⁴ a written record of every order. The Exchange proposes this rule change to centralize PCX record retention rules.

g. *Proposed PCX Rule 6.69, Reporting Duties:* The Exchange proposes to renumber OFPA G-12, Subject: Reporting of Trade Information, as PCX Rule 6.69, Commentary .02. In addition, the Exchange proposes that market maker clearing firms are directed to instruct their respective trading desks to identify market maker orders that are entered from off the floor and not entitled to market maker margin treatment by placing a "C" after the market maker's number in the "firm" box on the ticket. Floor Brokers, when accepting an order by phone from a market maker, are similarly directed to identify that order in the same manner. The Exchange is proposing this change to enable it to better track how, and by whom, trades are being executed.¹⁵

Finally, with regard to changes to Rule 6.69, the Exchange proposes to add Commentary .04 which makes it clear that time stamping on the back of the hard card does not meet the Exchange's time stamp requirements because the hard card is not submitted or retained by the Exchange. The Exchange proposes these changes to centralize and organize requirements pertaining to reporting of trade information.

h. *Proposed Rule 6.70, Price Binding Despite Erroneous Report:* The Exchange proposes to renumber OFPA G-1, Subject: Options Transactions Based on Erroneous Prints of Underlying Security, as PCX Rule 6.70, Commentary .01. In addition, the Exchange has added language to account for differences in bids and offers as compared to previous bids and offers that give rise to the probability that a print or market may be erroneous. The Exchange proposes these changes to centralize rules regarding the binding of prices despite erroneous prints.

i. *Proposed PCX Rule 6.73, Manner of Bidding and Offering:* The Exchange proposes to renumber OFPC G-10, Subject: Public Outcry/OBO Awareness, as PCX Rule 6.73, Commentary .01. In addition, the Exchange proposes to eliminate the requirement that the OBO be fully aware of all quotes and

transactions at his/her assigned post because it is impractical for the OBO to keep track of all bids and offers and transactions. The Exchange proposes these changes to centralize and simplify rules pertaining to the manner of bidding and offering on the options floor.

j. *Proposed PCX Rule 6.75, Priority of Bids and Offers:* The Exchange proposes to renumber PCX Rule 6.75, Commentary .03 as PCX Rule 6.75(c)(3).¹⁶ The Exchange also proposes to renumber OFPA A-3, Subject: Procedure for Entering Orders in the Book Under Certain Circumstances, as PCX Rule 6.75, Commentary .03 and OFPA G-5, Subject: Trading Procedures for Combination, Spread or Straddle Orders Under Priority Rules, as PCXX Rule 6.75, Commentary .04. The Exchange proposes these changes to reorganize and centralize rules pertaining to priority of bids and offers.

k. *Proposed PCX Rule 6.76, Priority of Split Price Transactions:* The Exchange proposes to make technical changes to PCX Rule 6.76(a). Specifically, the Exchange proposes to change reference to "he" and "his" to "the member." The Exchange proposes to change language in PCX Rule 6.76 to read as follows: "[i]f a member purchases one or more option contracts of a particular series at a particular price or prices, the member must, at the next lower price at which another member bids, have priority in purchasing up to the equivalent number of option contracts of the same series that the member purchased at the higher price or prices, provided that the member's bid is made promptly and continuously and that the purchases effected represents the opposite side of a transaction with the same order or offer as the earlier purchase or purchases."

In addition, the Exchange proposes to eliminate OFPA D-8b because it simply reiterates the requirements under PCX Rule 6.76 pertaining to priority on split price transactions.

2. Basis

The Exchange believes that the proposal is consistent with Section 6(b) of the Act,¹⁷ in general, and Section 6(b)(5),¹⁸ in particular, because it is designed to promote just and equitable

¹⁶ Currently, PCX Rule 6.75, Commentary .03 states that, pursuant to PCX Rule 6.75(c), the OFTC has determined that firm orders and market maker orders held by floor brokers with limit prices better than the opening price are not entitled to participate in the opening rotation unless the OBO has called for market maker and firm participation in response to an imbalance of customer orders.

¹⁷ 15 U.S.C. 78f(b).

¹⁸ 15 U.S.C. 78f(b)(5).

principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, and, in general, to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments on the proposed rule change were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve such rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposal is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the PCX. All

¹⁴ 17 CFR 240.17a-4.

¹⁵ See Amendment No. 2.

submissions should refer to File No. SR-PCX-99-44 and should be submitted by September 13, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁹

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43153; File No. SR-PCX-00-22]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 by the Pacific Exchange, Inc. Relating to Continuing Education Requirements

August 14, 2000.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on August 1, 2000, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The PCX filed the proposal pursuant to section 19(b)(3)(A) of the Act,³ and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposal effective upon filing with the Commission.⁵ On August 14, 2000, the Exchange amended the proposal.⁶ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

¹⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ The PCX provided written notice to the Commission on July 25, 2000 of its intent to file this proposal. See Rule 19b-4(f)(6)(iii), 17 CFR 240.19b-4(f)(6)(ii).

⁶ See August 14, 2000 letter from Cindy L. Sink, Senior Attorney, PCX to Joseph P. Morra, Special Counsel, Division of Market Regulation, SEC, and related attachments ("Amendment No. 1"). In Amendment No. 1, the PCX requested waiver of the 30-day operative period, and made minor, technical changes to the original proposal. The Commission considers the proposal to have been filed as of August 14, 2000, the date the Commission received Amendment No. 1.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend its Rules pertaining to continuing education requirements for registered persons as recommended by the Securities Industry Association/Regulatory Council on Continuing Education. The text of the proposed rule is available at the PCX and at the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the PCX included statements concerning the purpose of and basis for its proposal and discussed any comments it received regarding the proposal. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to modify PCX Rule 9.27(c) pertaining to continuing education requirements of registered persons to conform to recommendations made by the Securities Industry/Regulatory Council on Continuing Education (and rule changes adopted by other SROs).⁷

Currently, PCX Rule 9.27(c) requires all registered persons to complete the Regulatory Element training on three occasions: their second, fifth and tenth registration anniversaries (and also when they are the subject of significant disciplinary action). Once persons are registered for more than ten years, they are graduated from the Regulatory Element program.

The proposed rule change would require participation in the Regulatory Element throughout a registered

person's career, specifically, on the second registration anniversary and every three years thereafter, with no graduation from the program. However, the proposed Rule will allow a one-time exemption for persons who have been registered for more than ten years as of the effective date of the proposed Rule. The proposed rule change would also require that persons registered in a supervisory capacity will have to have been registered in a supervisory capacity for more than ten years as of the effective date of the proposed Rule to be covered by this one-time exemption. Lastly, the proposed rule change would require members to focus on supervisory training needs and address such needs in the Firm Element training plan.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the provisions of section 6 of the Act⁸ and the rules and regulations thereunder applicable to a national securities exchange. Specifically, the Exchange believes that the proposed rule change is consistent with section 6(b)(5) of the Act,⁹ in that it is designed to perfect the mechanism of a national market system, and to protect investors and the public interest. The Exchange also believes the proposed rule change furthers the objectives of sections 6(c)(3)(A) and (B) of the Act.¹⁰ These provisions prescribe appropriate standards of training, experience and competence for broker-dealers and their associated persons.

The Exchange further believes that the proposed rule change is consistent with the purposes underlying section 15(b)(7) of the Act,¹¹ which generally prohibits a registered person from effecting any transaction in, or inducing the purchase or sale of, any security unless such registered person meets the standards of training, competence and other qualifications as the Commission finds necessary or appropriate in the public interest and for the protection of investors.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition.

⁸ 15 U.S.C. 78f.

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ 15 U.S.C. 78f(c)(3)(A) and (B).

¹¹ 15 U.S.C. 78o(b)(7).

⁷ PCX's proposal was modeled in large part after CBOE Rule 9.3A. The proposed amendments on continuing education requirements have been uniformly adopted by other SROs. See Securities Exchange Act Release No. 39712 (March 3, 1998), 63 FR 11939 (March 11, 1998) (SR-CBOE-97-68, SR-MSRB-98-02, SR-NASD-98-03, and SR-NYSE-97-33). See also Securities Exchange Act Release No. 39711 (March 3, 1998), 63 FR 12118 (March 12, 1998) (SR-AMEX-98-08) and Securities Exchange Act Release No. 39802 (March 25, 1998), 63 FR 15474 (March 31, 1998) (SR-Phlx-98-13). See also Securities Exchange Act Release No. 42404 (February 17, 2000), 65 FR 8220 (February 17, 2000) (SR-CHX-99-32).