

Holders and Sponsored Participants (collectively "Users") with additional information with which to make trading decisions during Market Order Auctions and Trading Halt Auctions.

Accordingly, this enhancement should facilitate improved order interaction and foster price competition. The Commission believes that the proposed rule change will provide a more transparent and efficient market operation, and will enhance the information available to investors.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice in the **Federal Register**. The Commission believes that the proposed rule change will enhance the information available to ArcaEx Users to assist them in making investment decisions during the Opening Session and prior to the re-opening of trading in a security following a trading halt. The Commission further notes that PCX has represented that ArcaEx has already developed the capability to publish the new Total Imbalance indicator.¹¹

IV. Order Granting Accelerated Approval

For the foregoing reasons, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder. Moreover, the Commission finds that there is good cause to grant accelerated approval to the proposed rule change, as amended.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹² that the proposed rule change, as amended (SR-PCX-2003-48), is approved on an accelerated basis.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹³

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 03-28892 Filed 11-18-03; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48768; File No. SR-PCX-2003-54]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Pacific Exchange, Inc. to Amend PCXE Rule 7.37(d) Relating to Routing Orders Away

November 10, 2003.

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 September 25, 2003, the Pacific Exchange, Inc. ("PCX" or "Exchange"), through its wholly owned subsidiary PCX Equities, Inc. ("PCXE"), filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which the PCX has prepared. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The PCX proposes to amend PCXE Rule 7.37(d) relating to the routing of orders to away market centers or market participants. The text of the proposed rule change appears below. New text is in *italics*. Deleted text is in *brackets*.

PCX Equities, Inc.

Rule 7

Equities Trading

Order Execution

* * * * *

Rule 7.37. (a)–(c) No change.

(d) Step 5: Routing Away.

(1)–(2)—No change.

(A)(i) The order shall be routed, either in its entirety or as component orders, to another market center or market participant as a limit order *equal to the price and no greater than the size* [priced at] of the quote published by the market center or market participant. *The remaining portion of the order, if any, shall be ranked and displayed in the Arca Book in accordance with the terms of such order under Rule 7.36 and such order shall be eligible for execution under Rule 7.37.*

(ii)—No change.

(B) *The order that is routed away shall remain outside the Archipelago*

Exchange for a prescribed period of time and may be executed in whole or in part subject to the applicable trading rules of the relevant market center or market participant. [Archipelago Exchange shall attempt to match the part of the order that has not been routed away against then available trading interest in the Archipelago Exchange for an internal fill by following Steps 1 through 4 as set forth in paragraphs (a) through (c) above.]

(i) *While an order remains outside the Archipelago Exchange, it shall have no time standing, relative to other orders received from Users at the same price which may be executed against the Arca Book.*

(ii) *Requests from Users to cancel their orders while the order is routed away to another market center or market participant and remains outside the Archipelago Exchange shall be processed, subject to the applicable trading rules of the relevant market center or market participant.*

(C) [Orders routed to other market centers or market participants shall remain outside the Archipelago Exchange for a prescribed time period during which they may be executed (in whole or in part) or declined. While an order remains outside the Archipelago Exchange, it shall have no time standing, relative to other orders received from Users at the same price which may be executed against the Arca Book. Requests from Users to cancel their orders while the order is routed away to another market center or market participant and remains outside the Archipelago Exchange shall be processed, subject to the applicable trading rules of the relevant market center or market participant.]

[(D)] *Where an [In the event that a marketable] order or portion of an order is routed away [from the Archipelago Exchange to another market center or market participant] and is not executed either in whole or in part [in its entirety] at the other market center or market participant[']s quote [i.e., all attempts at the fill are declined or timed-out], the order shall be ranked and displayed in the Arca Book in accordance with the terms of such order under Rule 7.36 and such order shall be eligible for execution under Rule 7.37.* [the Archipelago Exchange shall attempt to match the residual or declined market order against then available trading interest in the Archipelago Exchange for an internal fill by following Steps 1 through 4 as set forth in paragraphs (a) through (c) above. Any remaining unmatched trading interest shall be re-routed to another market center or market participant at the next available

¹¹ Telephone conversation between Peter Bloom, Regulatory Policy, PCX and Tim Fox, Attorney, Commission on October 30, 2003.

¹² 15 U.S.C. 78s(b)(2).

¹³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.