

Chan, dated November 19, 2002 ("Chan Letter"); Jireh Chao, Jr., undated ("Chao, Jr. Letter"); Jake Chun, undated ("Chun Letter"); Robert Cope, dated November 19, 2002 ("Cope Letter"); Daniel J. Cosenza, dated November 19, 2002 ("Cosenza Letter"); Dario Cosic, dated November 19, 2002 ("Cosic Letter"); Jay Crosby, undated ("Crosby Letter"); Glen Cutler, undated ("Cutler Letter"); Francis B. DeLuca, undated ("DeLuca Letter"); Brian Dershow, dated November 19, 2002 ("Dershow Letter"); Timothy K. Dolnier, undated ("Dolnier Letter"); David Dondero, undated ("Dondero Letter"); Michael Elmes, undated ("Elmes Letter"); Michael Elzahr, dated November 20, 2002 ("Elzahr Letter"); Tolga Erman, undated ("Erman Letter"); Michael Feeney, undated ("Feeney Letter"); Chris Freddo, undated ("Freddo Letter"); Elizabeth Goldstein, dated November 19, 2002 ("Goldstein Letter"); Jeff Gregario, undated ("Gregario Letter"); Cary S. Grill, dated November 19, 2002 ("Grill Letter"); Brian Gutbrod, undated ("Gutbrod Letter"); Charles William Hansford, dated November 19, 2002 ("Hansford Letter"); Zachary Hepner, November 18, 2002 ("Hepner Letter"); James Hochleutner, undated ("Hochleutner Letter"); Jonathan W. Hodges, dated November 20, 2002 ("Hodges Letter"); Edward E. Hong, undated ("Hong Letter"); Bradford O. Hotchkiss, dated November 18, 2002 ("Hotchkiss Letter"); Brian Ingram, dated November 20, 2002 ("Ingram Letter"); Aaron Israel, undated ("Israel Letter"); Jeremy Ives, dated November 19, 2002 ("Ives Letter"); Kevin Jahng, dated November 19, 2002 ("Jahng Letter"); Joel Jones, undated ("Jones Letter"); Matthew Keegan, dated November 19, 2002 ("Keegan Letter"); John Kernan, undated ("Kernan Letter"); Saeyoon Kim, dated November 19, 2002 ("Kim Letter"); Keith Kirstein, dated November 19, 2002 ("Kirstein Letter"); Gregory Kleiman, undated ("Kleiman Letter"); Eric P. Knight, undated ("Knight Letter"); David Kobin, dated November 18, 2002 ("Kobin Letter"); Aaron Kravitz, dated November 19, 2002 ("Kravitz Letter"); Ira Landsman, dated November 19, 2002 ("Landsman Letter"); Richard Lay, dated November 19, 2002 ("Lay Letter"); Samson Leung, undated ("Leung Letter"); Bronson C. Lingamfelter, undated ("Lingamfelter Letter"); Alex J. Lopez, undated ("Lopez Letter"); Michael Lucarello, undated ("Lucarello Letter"); Eugene Lum, dated November 19, 2002 ("Lum Letter"); Richard Lutz, undated ("Lutz Letter"); Jefferson Magat, dated November 19, 2002 ("Magat Letter"); Dax L. Mathews, dated November 19, 2002 ("Mathews Letter"); Kevin Medvin, ("Medvin Letter"); Robert Merrill, dated November 19, 2002 ("Merrill Letter"); Marc Miller, dated November 18, 2002 ("Miller Letter"); John J. Morgan, dated November 20, 2002 ("Morgan Letter"); Angelo Nicoletta, dated November 19, 2002 ("Nicoletta Letter"); Charles Nierling, dated November 19, 2002 ("Nierling Letter"); Michael O'Malley, dated November 20, 2002 ("O'Malley Letter"); Robert L. Oliver, Jr., November 17, 2002 ("Oliver, Jr. Letter"); Chris M. Paper, undated ("Paper Letter"); Boris Piskun, dated November 19, 2002 ("Piskun Letter"); Tal Plotkin, dated November 20, 2002 ("Plotkin Letter"); Frank Raffaele, dated November 18, 2002 ("F. Raffaele Letter"); John J. Raffaele, dated November 18, 2002 ("J. Raffaele Letter"); Richard Rebatta, dated November 18, 2002 ("Rebatta Letter"); John Schmidt, dated November 18, 2002 ("Schmidt Letter"); Matthew Schroeder, November 19, 2002 ("Schroeder Letter"); Jonathan Schuldenfrei, dated November 20, 2002 ("Schuldenfrei Letter"); David Schwarz, dated November 18, 2002 ("Schwarz Letter"); Drew Aaron Segal, dated November 19, 2002 ("Segal Letter"); Sinan Selcuk, dated November 19, 2002 ("Selcuk Letter"); Tal Sharon, dated November 20, 2002 ("Sharon Letter"); Theodore Siegel, dated November 20, 2002 ("Siegel Letter"); Dan Solomon, dated November 20, 2002 ("Solomon Letter"); Douglas Song, dated November 19, 2002 ("Song Letter"); Doug Squires, dated

proposed rule change would level the playing field between large and small firms<sup>6</sup> and allow greater access to the NYSE floor.<sup>7</sup> Specifically, one commenter noted that "[w]hile larger firms have NYSE floor brokers and hence direct access to the liquidity of the market and exposure to block orders, smaller firms must rely on the DOT system and Direct Plus."<sup>8</sup> Commenters also stated that the proposal would provide greater transparency and liquidity in the market place.<sup>9</sup> Other comments stated that the proposed amendment would increase speed of executions.<sup>10</sup> Finally, many commenters stated that traders at a firm who make independent decisions should not be considered to be "one firm" for purposes of complying with the 30 second restriction in NYSE Rule 1005.<sup>11</sup>

### III. Discussion

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>12</sup> Specifically, the Commission believes the proposed rule change is consistent with section 6(b)(5)

November 19, 2002 ("Squires Letter"); Igor Stancevic, dated November 19, 2002 ("Stancevic Letter"); Joe Tan, dated November 20, 2002 ("Joe Letter"); Howard Teitelman, dated November 19, 2002 ("Teitelman Letter"); Harlan Thompson, undated ("Thomson Letter"); Richard J. Travers III, dated November 19, 2002 ("Travers III Letter"); Michael W. Vaughn, dated November 19, 2002 ("Vaughn Letter"); Isaak Volodarsky, dated November 19, 2002 ("Volodarsky Letter"); Eric Walania, dated November 20, 2002 ("Walania Letter"); Alexander Wang, dated November 20, 2002 ("Wang Letter"); Sean Ward, dated November 19, 2002 ("Ward Letter"); Matthew Weinshall, dated November 20, 2002 ("Weinshall Letter"); Joshua Weintraub, dated November 19, 2002 ("Weintraub Letter"); Scott Westrick, dated November 19, 2002 ("Westrick Letter"); Travis P. Whitten, undated ("Whitten Letter"); Jimmie E. Williams, dated November 19, 2002 ("Williams Letter"); Kevin Yang, dated November 20, 2002 ("Yang Letter"); Paul Yiacas, undated ("Yiacas Letter"); and Daniel You, dated November 19, 2002 ("You Letter").

<sup>6</sup> See e.g., Solomon Letter; Landsman Letter; Sharon Letter; Knight Letter; Jahng Letter; Hochleutner Letter; Chao, Jr. Letter; Dershow Letter; Cammarata Letter; Cosenza Letter; and Weinshall Letter.

<sup>7</sup> See e.g., Chan Letter; J. Raffaele Letter; Volodarsky Letter; Plotkin Letter; Erman Letter; and Tan Letter.

<sup>8</sup> See Weinshall Letter.

<sup>9</sup> See e.g., Feeney Letter; Squires Letter; Stancevic Letter; Miller Letter; Vaughn Letter; Paper Letter; and Whitten Letter.

<sup>10</sup> See e.g., Jones Letter; Piskun Letter; Cosic Letter; Schroeder Letter; Westrick Letter; and Freddo Letter.

<sup>11</sup> See e.g., Selcuk Letter; Kravitz Letter; Lay Letter; Dolnier Letter; and Elzahr Letter.

<sup>12</sup> The Commission has considered the proposed rule's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

of the Act,<sup>13</sup> which requires among other things, that the rules of the Exchange are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable 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, to remove impediments to perfect the mechanism of a free and open market and national market system, and in general to protect investors and the public interest. The Commission believes that the proposed rule change is a reasonable expansion of the Direct + pilot and should allow individual traders greater flexibility and access to the trading interest reflected in the Exchange's published quotation. In addition, the Commission believes that the separate terminal requirement should help to ensure that traders are not circumventing the restriction on order size. The Commission notes that the Exchange has represented that it will surveil for compliance with this requirement when conducting periodic reviews of member organizations.

### IV. Conclusion

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act,<sup>14</sup> that the proposed rule change (SR-NYSE-2002-58) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>15</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 03-4044 Filed 2-19-03; 8:45 am]

**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47352; File No. SR-PCX-2003-06]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Pacific Exchange, Inc. To Amend the Price Criteria for Securities That Underlie Options Traded on the Exchange

February 11, 2003.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act"),<sup>1</sup> and Rule 19b-4

<sup>13</sup> 15 U.S.C. 78f(b)(5).

<sup>14</sup> Id.

<sup>15</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).