

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-53485; File No. SR-PCX-2006-15)

March 14, 2006

Self-Regulatory Organizations; Pacific Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Make Certain Housekeeping Changes to its Schedule of Fees and Charges

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 February 23, 2006, the Pacific Exchange, Inc. (“PCX” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) 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 proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposal effective upon filing with the Commission. 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 its Schedule of Fees and Charges (“Schedule”) in order to make certain housekeeping changes to the Schedule. The text of the proposed rule change is available at NYSE Arca, at <http://www.archipelago.com/regulation/filings.asp> and at the Commission.

¹ 15 U.S.C. 78s(b)(1).

² CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii)

⁴ 17 CFR 240.19b-4(f)(2)

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 PCX 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 purpose of this proposed rule change is to make certain housekeeping changes to the PCX Schedule.

Trade Related Charges

On the present Schedule, in the section entitled Trade Related Charges, the rate table shows transaction fees for different market participants. Presently the Firm transaction fee is \$0.10 per contract, the Broker/Dealers transaction fee is \$0.21 per contract and the Market Makers transaction fee is \$0.21 per contract. Customers are not charged a transaction fee. In this same table is the On-Line Comparison fee, which is \$0.05, assessed on all Firm, Broker/Dealer and Market Maker transactions. The On-Line Comparison fee is not assessed on Customer transactions.

Since the On-Line Comparison fee is the same for Firm, Broker/Dealer and Market Maker transactions, and is not charged on Customer transactions, the PCX proposes to simplify the Schedule by eliminating the separate On-Line Comparison fee and incorporating it into the transaction fees. Under the new Schedule, the rate table will

now show the Firm transaction Fee of \$0.15 per contract, the Broker/Dealer transaction fee of \$0.26 per contract and the Market Maker transaction fee of \$0.26 per contract. The Customer transaction fee will remain at zero. While the published rate schedule will appear different than it presently does, there is actually no net change to the amount the Exchange assesses for trade related charges.

Order Cancellation Fee

The PCX proposes to correct an error in the footnote associated with this fee. The PCX charges an OTP Firm a cancellation fee, under certain conditions, when it cancels a certain number of orders in any given month. In the footnote attached to this fee, under condition (i), where it reads “500 contracts” the word “contracts” was mistakenly used instead of “orders.” In order to make the rule text consistent, the PCX proposes to change the word to now read “orders”.

2. Statutory Basis

The PCX believes the proposed rule change is consistent with Section 6(b) of the Act⁵, in general, and furthers the objectives of Section 6(b)(4) of the Act⁶, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and issuers and other persons using its facilities.

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

The PCX 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.

⁵ 15 U.S.C. 78f(b)

⁶ 15.U.S.C. 78f(b)(4)

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

Because the foregoing rule change establishes or changes a due, fee, or other charge applicable only to a member imposed by the Exchange, it has become effective upon filing pursuant to section 19(b)(3)(A)(ii) of the Act⁷ and subparagraph (f)(2) of Rule 19b-4 thereunder⁸. 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 purposes the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);
- or
- Send an E-mail to rule-comments@sec.gov. Please include File No. SR-PCX-2006-15 on the subject line.

⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

⁸ 17 U.S.C. 240.19b-4(f)(2).

Paper comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-PCX-2006-15. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). 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 also will be available for inspection and copying at the principal office of the PCX. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available

publicly. All submissions should refer to File Number SR-PCX-2006-15 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority⁹.

Nancy M. Morris
Secretary

⁹ 17 CFR 200.30-3(a)(12).