

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-50413; File No. SR-PCX-2004-45)

September 20, 2004

Self-Regulatory Organizations; The Pacific Exchange, Inc.; Order Granting Approval to Proposed Rule Change and Amendment No. 1 to Amend the PCX Sanctioning Guidelines to Enforce Compliance with the Exchange's FOCUS Reports Filing Requirements

On May 17, 2004, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to amend the PCX sanctioning guidelines to more effectively enforce compliance with the Exchange's Financial and Operational Combined Uniform Single ("FOCUS") Reports filing requirements. The PCX amended the proposal on July 1, 2004.³

The proposed rule change, as modified by Amendment No. 1, was published for comment in the Federal Register on August 5, 2004.⁴ The Commission received no comments on the proposal. This order approves the proposed rule change, as amended.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The July 1, 2004 amendment ("Amendment No. 1") replaced the original filing in its entirety.

⁴ Securities Exchange Act Release No. 50126 (July 30, 2004), 69 FR 47477.

securities exchange.⁵ The Commission finds specifically that the proposed rule change is consistent with Section 6(b)(5) of the Act,⁶ in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The Commission also finds that the proposal is consistent with Section 6(b)(6) of the Act,⁷ which requires that members and persons associated with members be appropriately disciplined for violations of Exchange rules.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁸ that the

⁵ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁶ 15 U.S.C. 78f(b)(5)

⁷ 15 U.S.C. 78f(b)(6).

⁸ 15 U.S.C. 78s(b)(2).

proposed rule change (SR-PCX-2004-45) be, and it hereby is, approved, as amended.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland
Deputy Secretary

⁹ 17 CFR 200.30-3(a)(12).