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VIA FACSIMILE AND U. S. MAIL

April 23, 2003

Florence Harmon
Division of Market Regulation
Securities and Exchange Commission
450 Fifth Street, N.W., Mail Stop 1001
Washington, DC 20549

Re: File No. SR-PCX-2003-13
Pending Arbitrations - Arbitrators Appointed

Dear Ms. Harmon:

Pacific Exchange, Inc. ("PCX") submits this response to the second comment letter submitted by Mr. Tim Canning regarding the above-referenced rule filing. Mr. Canning again argued that the approval of this rule filing may negatively affect his clients who have arbitrations pending at PCX. However, none of the clients represented by Mr. Canning are involved in pending arbitrations in which arbitrators have been appointed. Because pending arbitrations with appointed arbitrators are the only category of arbitrations addressed in this particular rule filing, the SEC's approval of this rule filing can not affect any of his clients in any fashion.

PCX believes that, contrary to Mr. Canning's assertions, this rule proposal will ensure that parties to the relevant pending arbitrations may continue to receive the benefits of PCX's existing arbitration program. PCX is ready and willing to continue administering these arbitrations pursuant to PCX Rules 12.1-12.34 without additional cost or delay to the parties. Therefore, PCX believes that it is most important for this rule filing to be approved so that these arbitrations may move forward in an expeditious fashion.

If you have any questions regarding this matter, please do not hesitate to call me at 415.393.7936.

Sincerely,


Kathryn Beck
Senior Vice President, General Counsel
Corporate Secretary and Chief Regulatory Officer

cc: Catherine McGuire
Andrew Shipe