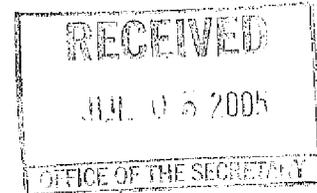


Neal L. Wolkoff  
Chairman & Chief Executive Officer

American Stock Exchange  
86 Trinity Place  
New York, NY 10006-1872  
T 212 306 2200  
F 212 306 5464  
neal.wolkoff@amex.com

June 28, 2005

Jonathan G. Katz, Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-0609



**Re: File No. SR-PCX-2005-53 - /**

Dear Mr. Katz:

I am writing in reference to SR-PCX-2005-53, a proposed rule change by The Pacific Exchange, Inc. ("PCX"), through its wholly owned subsidiary PCX Equities, Inc., relating to the rules governing the Archipelago Exchange ("ArcaEx").

I realize that this rule has not yet been published for comment. I also note, however, that in Amendment No. 1 to this filing (dated June 3, 2005), PCX requested accelerated effectiveness pursuant to Section 19b(b)(2) of the Securities Exchange Act of 1934 (the "Exchange Act"). The Amex believes that accelerated effectiveness should not be granted.

With this rule change, PCX proposes to create a new "passive liquidity" order type for use in the ArcaEx trading facility of the PCX. The filing describes this new order type as "an order to buy or sell a stated amount of a security at a specified, undisplayed price." The proposed order type, as a non-displayed order type, represents a significant departure from ArcaEx's current market structure and raises issues about market structure in general that should be vetted publicly. As the Commission stated in a 1994 release relating to rule filing procedures, the principles of the Exchange Act with respect to rule changes by self-regulatory organizations are meant to "ensure that meaningful public comment is reflected where necessary."<sup>1</sup> Section 19(b)(2) of the Exchange Act specifically requires the Commission to "give interested persons an opportunity to submit written data, views, and arguments concerning...proposed rule change[s]" and that the

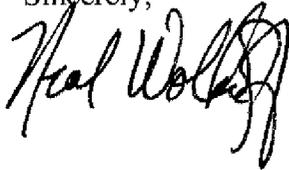
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<sup>1</sup> Securities Exchange Act Release No. 35123 (December 20, 1994).

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Commission find "good cause" for accelerating effectiveness. The nature of this proposed rule change raises the type of new and novel issues for which the notice and comment period is designed. Amex urges the Commission to publish the proposed rule for the full comment period.

Sincerely,

A handwritten signature in black ink, appearing to read "Neal Wolf". The signature is written in a cursive, somewhat stylized font.

cc: John Roeser  
Division of Market Regulation  
U.S. Securities and Exchange Commission