

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 Number SR-PCX-2005-108 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-9303.

All submissions should refer to File Number SR-PCX-2005-108. 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 offices of the Exchange. 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-2005-108 and should be submitted on or before December 20, 2005.

IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

After careful consideration, 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.⁹ In

⁹In approving this proposed rule change, the Commission has considered its impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

particular, the Commission believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,¹⁰ which requires, among other things, that the rules of the Exchange be designed to promote just and equitable principles of trade, 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.

Under the proposed rule change, the Exchange would modify its "generic" listing standards under PCXE Rule 5.2(j)(3) applicable to ICUs to remove the requirement that the Reporting Authority disseminate estimated values for each series every 15 seconds. Instead, the proposal would impose a requirement to have one or more major market vendors to disseminate such information during the time that ICUs trade on ArcaEx. For the purposes of this rule, the Exchange notes that its definition of major market data vendor includes the Consolidated Tape and services such as Reuters and Bloomberg.

The Exchange has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after publication of notice thereof in the **Federal Register**. The Commission notes that it previously approved a similar rule change for the New York Stock Exchange, Inc. ("NYSE").¹¹

The Commission believes that granting accelerated approval of the proposal will allow the Exchange to implement, without undue delay, these listing standards for dissemination of the estimated values for ICUs. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,¹² for approving this proposal before the thirtieth day after the publication of notice thereof in the **Federal Register**.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹³ that the proposed rule change (SR-PCX-2005-108) is hereby approved on an accelerated basis.

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ See Securities Exchange Act Release No. 52081 (July 20, 2005), 70 FR 43488 (July 27, 2005) (SR-NYSE-2005-44).

¹² 15 U.S.C. 78s(b)(2).

¹³ 15 U.S.C. 78s(b)(2).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Jonathan G. Katz,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-52814; File No. SR-PCX-2005-85]

Self-Regulatory Organizations; Pacific Exchange, Inc.; Order Approving Proposed Rule Change and Amendment Nos. 2 and 3 Thereto Relating to Exposure of Orders in the PCX Plus Crossing Mechanism

November 21, 2005.

On July 19, 2005, the Pacific Exchange, Inc. ("PCX" or "Exchange"), filed with the Securities and Exchange Commission ("Commission") a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² to reduce the exposure period in the Crossing Mechanism of the PCX Plus System from 30 seconds to 10 seconds. The PCX filed Amendment No. 1 to the proposed rule change on September 20, 2005 and subsequently withdrew Amendment No. 1. The PCX filed Amendment Nos. 2 and 3 to the proposed rule change on September 23, 2005 and September 27, 2005, respectively. The proposed rule change, as amended, was published for comment in the **Federal Register** on October 7, 2005.³ The Commission received no comments on the proposal.

After careful consideration, the Commission finds that the proposed rule change is consistent with the requirements of Section 6(b) of the Act⁴ and the rules and regulations thereunder applicable to a national securities exchange,⁵ and in particular with Section 6(b)(5) of the Act.⁶ The Commission believes that, in the electronic environment of PCX Plus, reducing the exposure period to 10 seconds could facilitate the prompt execution of orders, while providing participants in the PCX Plus System

¹⁴ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 52542 (September 30, 2005), 70 FR 58773.

⁴ 15 U.S.C. 78f(b).

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

⁶ 15 U.S.C. 78f(b)(5).

with an adequate opportunity to compete for those orders.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change (SR-PCX-2005-85), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Jonathan G. Katz,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-52811; File No. SR-PCX-2005-125]

Self-Regulatory Organizations; Pacific Exchange, Inc.; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change To Extend Certain Exceptions From the Voting and Ownership Limitations in the Certificate of Incorporation of PCX Holdings, Inc.

November 21, 2005.

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 November 15, 2005, the Pacific Exchange, Inc. ("PCX" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by PCX. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons, and is approving the proposal on an accelerated basis.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

PCX hereby submits to the Commission a proposed rule change to extend certain exceptions from the voting and ownership limitations in the certificate of incorporation of PCX Holdings, Inc. ("PCXH"), a Delaware corporation and the parent company of PCX, approved by the Commission in an order issued on September 22, 2005,³ so as to allow Archipelago Holdings, Inc. ("Archipelago"), a Delaware corporation

and the ultimate parent company of PCXH and PCX, to continue to (i) own and operate the ATS OTC Function (as defined below) of its wholly-owned subsidiary, Archipelago Trading Services, Inc. ("Arca Trading"), and (ii) until the closing of the proposed business combination of Archipelago and the New York Stock Exchange, Inc. (the "NYSE"), a New York not-for-profit corporation (the "Proposed Archipelago NYSE Merger"), own and operate the DOT Function (as defined below) of its wholly-owned subsidiary, Archipelago Securities, L.L.C. ("Archipelago Securities").

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, PCX 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 III below. The self-regulatory organization 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

a. PCXH Acquisition and the Amendment of the PCXH Certificate of Incorporation

On September 26, 2005, Archipelago completed its acquisition of PCXH and all of its wholly-owned subsidiaries, including PCX and PCX Equities, Inc. ("PCXE") (the "PCXH Acquisition"). The PCXH Acquisition was accomplished by way of a merger of PCXH with a wholly-owned subsidiary of Archipelago, with PCXH being the surviving corporation in the merger and becoming a wholly-owned subsidiary of Archipelago.

The certificate of incorporation of PCXH (as amended to date, the "PCXH Certificate of Incorporation") contains various ownership and voting restrictions on PCXH's capital stock, which are designed to safeguard the independence of the self-regulatory functions of PCX and to protect the Commission's oversight responsibilities. In order to allow Archipelago to own 100% of the capital stock of PCXH, prior to the completion of the PCXH Acquisition, PCX filed with the Commission a proposed rule change

which sought to, among other things, amend the PCXH Certificate of Incorporation to create an exception from the voting and ownership restrictions for Archipelago and certain of its related persons (the "Original Rule Filing").⁴ The Original Rule Filing, as amended by Amendment No. 1 and Amendment No. 2 thereto, was approved by the Commission on September 22, 2005⁵ and the amended PCXH Certificate of Incorporation became effective on September 26, 2005, upon the closing of the PCXH Acquisition.

Article Nine of the PCXH Certificate of Incorporation provides that no Person,⁶ either alone or together with its Related Persons,⁷ may own, directly or indirectly, shares constituting more than 40% of the outstanding shares of any class of PCXH capital stock,⁸ and that no Person, either alone or together with its Related Persons who is a trading permit holder of PCX or an equities trading permit holder of PCXE, may own, directly or indirectly, shares

⁴ See Pacific Exchange, Inc., Proposed Rule Change Relating to the Certificate of Incorporation of PCX Holdings, Inc., PCX Rules, and Bylaws of Archipelago Holdings, Inc., File No. SR-PCX-2005-90 (August 1, 2005).

⁵ See Order Approving SR-PCX-2005-90.

⁶ "Person" is defined to mean an individual, partnership (general or limited), joint stock company, corporation, limited liability company, trust or unincorporated organization, or any governmental entity or agency or political subdivision thereof. PCXH Certificate of Incorporation, Article Nine, section 1(b)(iv).

⁷ The term "Related Person," as defined in the PCXH Certificate of Incorporation, means (i) with respect to any person, all "affiliates" and "associates" of such person (as such terms are defined in Rule 12b-2 under the Act; (ii) with respect to any person constituting a trading permit holder of PCX or an equities trading permit holder of PCXE, any broker dealer with which such holder is associated; and (iii) any two or more persons that have any agreement, arrangement or understanding (whether or not in writing) to act together for the purpose of acquiring, voting, holding or disposing of shares of the capital stock of PCXH. PCXH Certificate of Incorporation, Article Nine, section 1(b)(iv).

⁸ PCXH Certificate of Incorporation, Article Nine, section 1(b)(i). However, such restriction may be waived by the Board of Directors of PCXH pursuant to an amendment to the Bylaws of PCXH adopted by the Board of Directors, if, in connection with the adoption of such amendment, the Board of Directors adopts a resolution stating that it is the determination of such Board that such amendment will not impair the ability of PCX to carry out its functions and responsibilities as an "exchange" under the Act and is otherwise in the best interests of PCXH and its stockholders and PCX, and will not impair the ability of the Commission to enforce said Act, and such amendment shall not be effective until approved by said Commission; provided that the Board of Directors of PCXH shall have determined that such Person and its Related Persons are not subject to any applicable "statutory disqualification" (within the meaning of section 3(a)(39) of the Act). PCXH Certificate of Incorporation, Article Nine, sections 1(b)(i)(B) and 1(b)(i)(C).

⁷ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 52497 (September 22, 2005), 70 FR 56949 (September 29, 2005) ("Order Approving SR-PCX-2005-90").