



Regulatory Circular RG00-94

DATE: June 14, 2000

TO: Members and Member Firms

FROM: Market Operations Department

RE: Restrictions on Transactions in
Times Mirror Company (TTM)

Times Mirror Company (TMC) is a party to a merger transaction with Tribune Company. As a result of the merger, TMC stock ceased trading on the New York Stock Exchange (NYSE) as of June 13, 2000, and the option symbol for TMC was changed to TTM. Trading in TTM options on CBOE was halted on June 13, 2000. CBOE Research Circular #RS00-446 contains additional information regarding the merger.

Trading on CBOE in existing series of TTM options will reopen on Thursday, June 15, 2000, subject to the following restrictions. Only closing transactions may be effected in any series of TTM options, except for (i) opening transactions by market-makers executed to accommodate closing transactions of other market participants and (ii) opening transactions by CBOE member organizations to facilitate the closing transactions of public customers executed as crosses pursuant to and in accordance with CBOE Rule 6.74(b). The firm quotation provisions under Rule 8.51 will be suspended for TTM options and the options will not be traded on RAES. CBOE may determine to lift the above restrictions after the terms of the merger are finalized.

The execution of opening transactions in TTM options, except as permitted above, and/or the misrepresentation as to whether an order is opening or closing, will constitute a violation of CBOE rules, and may result in disciplinary action.

There are no restrictions in place with respect to the exercise of TTM options. The Options Clearing Corporation (OCC) has advised CBOE that there will be delayed settlement in TTM options and that TTM options will remain subject to OCC's Exercise-by-Exception Procedures. OCC has also advised CBOE that it will be issuing a circular regarding TTM option settlement, and market participants may refer to that circular for further information regarding settlement.

Members are advised that the procedures for submitting Contrary Exercise Advices (CEAs) pursuant to Exchange Rule 11.1.06 will remain in full force and effect for TTM options. Pursuant to Rule 11.1.06, all exercise decisions with respect to expiring June TTM options must be communicated to the Exchange by 4:30 p.m. (CT) on Friday, June 16, 1999. The submission or preparation of a CEA after the 4:30 p.m. (CT) cut off time may result in disciplinary action. Additionally, the submission or preparation of a CEA after the 4:30 p.m. (CT) cut off time on the basis of material information released

after the cut off time is activity inconsistent with just and equitable principles of trade and may be subject to severe fines and disgorgement.

Any questions regarding this circular may directed to Kerry Winters at (312) 786-7312 or Patricia Cerny at (312) 786-7722.