



Regulatory Circular RG00-165

DATE: October 30, 2000

TO: Members and Member Firms

FROM: Market Operations Department

RE: Restrictions on Transactions in
Unify Corporation (UFU) Options

Trading in Unify Corporation (UFU) common stock on the NASDAQ National Market System and trading in UFU options on CBOE was halted on July 31, 2000, and the NASD subsequently delisted UFU common stock.

Trading on CBOE in existing series of UFU options will reopen on October 31, 2000, subject to the following restrictions. Only closing transactions may be effected in any series of UFU 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 in UFU options and the options will not be traded on RAES.

The execution of opening transactions in UFU 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 UFU options and the Options Clearing Corporation (OCC) has advised CBOE that the expiration of UFU options will remain subject to OCC's Exercise-by-Exception Procedures.

The provisions of this circular apply to any options on Unify Corporation traded on CBOE, including any Unify Corporation option series with a different option symbol than UFU.

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