

Date: January 19, 2001

To: Members and Member Firms

From: Market Performance Committee

Re: Modified Bid/Ask Differentials

Due to the volatility in the underlying stocks and other factors affecting both the options and the underlying, the Market Performance Committee ("Committee"), by its authority under the provisions of Exchange Rule 8.7(b)(iv), has temporarily established modified bid/ask differentials in the option series of the following option classes. Additionally, the Committee has determined that the provision of Rule 8.7 Interpretation .02 (b) will not apply to the classes for the period of time the above exemption was granted. This relief is granted from the opening of business on January 22, 2001 through the February 2001 Expiration Cycle unless withdrawn by the Committee prior to that time.

This relief was granted by the Committee with the contingency that the disseminated markets in these classes will be competitive and in many instances will be narrower than the relief granted below. The Committee will continue to monitor the activity in the underlying securities of these options, and will modify the bid/ask differentials in the respective options accordingly.

Any questions regarding this memorandum should be directed to Daniel Hustad at (312) 786-7715.

Bid/Ask Relief is granted as follows:

Equity Bid/Ask Relief:

	Class	Relief	Name	DPM
1	CQF	Double Width	Colt Telecom PLC	Apollo Partners, LP
2	CQR	Double Width	Cree, Inc.	
3	FUH	Double Width	United Therapeutics Corp.	
4	IUW	Double Width	Interwoven, Inc.	
5	OUZ	Double Width	Open TV Corp.	
6	XGY	Double Width	Spyglass, Inc.	
7	ISU	Double Width	ISS Group & Co.	Athena Trading LLC
8	HWF	Double Width	Hewlett Packard LEAPS	Beartooth Capital, LLC
9	UVT	Double Width	Voicestream Wireless Corp.	
10	YHQ	Double Width	Yahoo! Inc. LEAPS	Big Blue Trading JV
11	EUA	Double Width	Anaren Microwave Inc.	
12	NFU	Double Width	Niku, Inc.	Botta Trading - Lacerta DPM, LLC
13	BBH	Double Width	Biotechnology HOLDERS Trust	
14	FAQ	Double Width	Freemarkets, Inc.	
15	UCA	1.5 Width	TeleCorp PCS, Inc.	Botta Trading - Lynx DPM, LLC
16	AYQ	Double Width	Art Technology Group	
17	DMU	Double Width	McData Corporation	
18	QFK	Double Width	Pivotal Corporation	

	Class	Relief	Name	DPM
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19	AZU	Double Width	Abgenix, Inc.	Botta Trading - Scorpius DPM, LLC
20	SZI	Double Width	PMC - Sierra, Inc.	
21	UML	Double Width	Emulex Corporation	
22	YMI	Triple Width	PMC - Sierra, Inc. - LEAPS	
23	GUQ	Double Width	Pegasus Comm. Corp.	Botta Trading DPM, LLC
24	JOQ	Double Width	JNI Corporation	
25	WQG	Double Width	Proxim, Inc.	
26	NJQ	Double Width	Network Appliance Corp.	Bridgeport DPM, LLC
27	SWQ	Double Width	Sandisk Corp.	
28	FCQ	1 1/2 Width	Checkfree Corp.	Brown Trading Group, LLC
29	QHD	Double Width	Polycom Corp.	
30	QMR	Double Width	Millenium Pharmaceuticals	Callahan DPM, LLC
31	QVR	Double Width	Verisign, Inc.	Calusa LLC
32	IRU	Double Width	Ariba, Inc.	Cloch Trading, LLC
33	IRU	Double Width	Ariba Inc. LEAPS	
34	QUA	Double Width	Plexus Corporation	
35	SGQ	Double Width	Siebel Systems, Inc.	
36	SUJ	Double Width	Sapient Corporation	
37	BNQ	Double Width	Rambus, Inc.	Eclipse JV
38	FUJ	Double Width	Cacheflow, Inc.	
39	JQ	Double Width	I2 Technologies Inc.	
40	TIU	Double Width	Tibco Software, Inc.	
41	XUC	Triple Width	Clarify, Inc. LEAPS	
42	PCG	Double Width	Pacific Gas & Electric	Furman Trading Group, LLC
43	QUM	Double Width	Micromuse, Inc.	G-Bar LP
44	QNW	Double Width	Newport Corp.	Geneva DPM, LLC
45	TV	Double Width	Grupo Televisa S.A.	
46	VNT	Double Width	Telefonos de Venezuela	
47	BRQ	Double Width	BEA Systems	
48	BBQ	Double Width	Business Objects	Group One Trading, LP
49	KEQ	Double Width	Checkpoint Software Tech.	
50	QFW	Double Width	Osicom Tech Corp	
51	QIC	Double Width	Nice Systems, LTD	
52	QIX	Double Width	Intermedia Communications	
53	IUJ	Double Width	Internet Initiative of Japan ADR	Heartland TFM, LLC
54	SZQ	Double Width	Stratos Lightwave, Inc.	
55	UHS	Double Width	Universal Health Services	
56	HXQ	Double Width	HI/FN Inc.	ING TT&S (U.S.) Securities
57	IDQ	Double Width	IDEC Pharmaceuticals	Johnson Trading JV
58	UBF	Double Width	Brocade Communications	
59	MZU	Double Width	Medarex	Knight Financial Products, LLC
60	NGH	Double Width	Nabisco Group Holdings LEAPS	
61	QGT	Double Width	Getty Images, Inc.	
62	RCQ	Double Width	Broadcom, Inc.	
63	PPU	Double Width	PurchasePro.com, Inc.	Letco DPM, LP
64	TMV	Double Width	TeleNorte Leste Participacoes	
Class		Relief	Name	DPM

65	PKU	Double Width	Professional Detailing Inc.	Letco DPM, LP DELL
66	QET	Double Width	Efficient Networks, Inc.	
67	UJS	Double Width	Sonus Networks Inc.	
68	UMN	Double Width	Openwave	
69	DUO	Double Width	New Focus, Inc.	Option Funding Group, LP
70	EUQ	Double Width	Ciena, Inc.	
71	EXF	Double Width	Exodus Comm., Inc. LEAPS	
72	JUP	Double Width	Juniper Networks	PEAK6 Capital Management, LLC
73	JUP	Triple Width	Juniper Networks LEAPS	
74	HQU	Double Width	Zixit Corp.	Platinum Trading, LLC
75	UPA	Double Width	Critical Path Inc.	
76	EUT	Double Width	Extreme Networks	Saliba Partners, LLC
77	FQI	Double Width	Gilat Satellite Networks Ltd.	
78	GQP	Double Width	Peregrine Systems, Inc.	
79	QGX	Double Width	Allegiance Telecom Inc.	
80	QLL	Double Width	Applied Micro Circuit Devices	Southwest Group DPM
81	GQG	Double Width	Go2Net, Inc.	Spear, Leeds & Kellogg - 11/1
82	QAX	Double Width	Andrx Group	
83	TQK	Double Width	Tollgrade Communications	
84	UQD	Double Width	JDS Uniphase	
85	DNA	Double Width	Genentech, Inc.	Spear, Leeds & Kellogg - 11/5
86	JPB	Double Width	JP Morgan Chase & Co.	
87	WLL	Double Width	Willamette Industries	
88	QVC	Double Width	VEECO Instruments	Specialists DPM, LLC
89	GLW	Double Width	Corning, Inc. LEAPS	StoneHedge Securities, LLC
90	UDA	Double Width	Aurora Biosciences	
91	QSM	Double Width	Sycamore Networks, Inc.	Susquehanna C
92	U	Double Width	US Airways	
93	WUU	Double Width	US Airways LEAPS	
94	QYK	Double Width	Inktomi Corporation	Susquehanna CMGI
95	RQB	Double Width	Mercury Interactive Corp.	
96	UPO	Double Width	United Pan Europe Comm.	Susquehanna IKN
97	DGU	Double Width	Digital Lightwave	Susquehanna KM
98	UGM	Double Width	Software Dot Com	
99	BUK	Double Width	Redback Networks, Inc.	Susquehanna MSQ
100	EKU	Double Width	Krispy Kreme Doughnuts, Inc.	
101	FQY	Double Width	Finisar Corporation	
102	UEP	Triple Width	E.piphany, Inc.	
103	YAL	Triple Width	SDL, Inc.	
104	BEX	Double Width	Applera Corp.	Susquehanna VMB
105	ENZ	Double Width	Enzo Biochem Inc.	
106	HEX	Double Width	Aether Systems	
107	PQI	Double Width	Protein Design Labs, Inc.	TFM Investment Group
108	UMU	Triple Width	Akamai Technologies LEAPS	
109	UYN	Double Width	Avanex Corporation	

Class	Relief	Name	DPM
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110	CRA	Double Width	PE Celera Genomics	Timber Hill, LLC
111	UIN	Double Width	LeapsWireless International, Inc.	
112	TAR	Double Width	Telefonica de Argentina S.A.	Wolverine Trading, LP
113	MQM	Double Width	Metricom	
114	TFS	Double Width	Three-Five Systems	ZH Partners, JV

Index Bid/Ask Relief:

	Class	Relief	Name	DPM
1	CEX	Double Width	S&P Chemical Index	Timber Hill, L.L.C.
2	GIN	Triple Width	Goldman Sachs Internet Index	
3	GIP	Double Width	GSTI Multimedia Networking Index	
4	GSO	Double Width	GSTI Software Index	
5	GTC	Double Width	GSTI Composite Index	
6	HCX	Triple Width	S&P Health Care Index	
7	TXX	Triple Width	CBOE Technology Index	
8	BIX	Triple Width	S&P Banks Index	Trade Mark Financial Group
9	DUX	Triple Width	Dow Jones Utility Average	
10	ECM	Triple Width	Dow Jones Internet Commerce Index	
11	GHA	Triple Width	GSTI Semiconductor Index	
12	GSM	Triple Width	GSTI Hardware Index	
13	INX	Triple Width	CBOE Internet Index	
14	MEX	Triple Width	CBOE Mexico Index	
15	OIX	Triple Width	CBOE Oil Index	
16	RLX	Triple Width	S&P Retail Index	

Replaces Regulatory Circular 00-184

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