

Regulatory Circular RG01-08

Date: January 18, 2001

To: Members

From: Department of Market Regulation

Re: TransWorld Airlines Inc. (TWA)

Trading in TransWorld Airlines Inc. (TWA) common stock on the AMEX and trading in TWA options on the CBOE has been halted since January 8, 2001.

At this time, there is no plan to reopen trading in TWA options on the CBOE or to hold a closing rotation for expiring January, 2001 option contracts.

There currently are no exercise restrictions in place for TWA options and the Options Clearing Corporation (OCC) has advised the CBOE that the January expiration of TWA options will remain subject to OCC's Exercise-by-Exception Procedures.

Members are advised that the procedures for submitting Contrary Exercise Advices (CEAs) pursuant to Exchange Rule 11.1 Interpretations and Policies .06, will remain in full force and effect. Pursuant to Rule 11.06.06, all exercise decisions with respect to expiring January options must be communicated to the Exchange by 4:30 p.m. (CT) on Friday, January 19, 2001. 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 is activity inconsistent with just and equitable principles of trade and may be subject to severe fines and disgorement.

Questions pertaining to this circular can be directed to Pat Cerny in the Department of Market Regulation at (312) 786-7722.