

Regulatory Circular RG01-12

Date: January 19, 2001
To: Members and Member Firms
From: Market Performance Committee
Re: Modified Bid/Ask Differentials on Long-Term Equity Options Series (LEAPS)

The Market Performance Committee (MPC), by its authority under the provisions of Exchange Rule 8.7(b)(iv), has established modified bid/ask differentials in the Long-Term Equity Option Series (LEAPS). LEAPS options may be twice as wide as the markets allowed under the provisions of Rule 8.7. This modification to Rule 8.7 (b)(iv) became effective as of December 18, 2000.

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 above. 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.

Replaces Regulatory Circular 00-170