

Regulatory Circular RG01-38

Date: March 16, 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 This relief is granted from the opening of business on March 19, 2001 through the April 2001 Expiration Cycle unless withdrawn by the Committee prior to that time.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	BTY Double Width	British Telecommunications PLC	Apollo Partners, LP
2	CQF Double Width	Colt Telecom PLC	
3	CQR Double Width	Cree, Inc.	
4	IUW Double Width	Interwoven, Inc.	
5	OUZ Double Width	Open TV Corp.	
6	ISU Double Width	ISS Group & Co.	Athena Trading LLC
7	UVT Double Width	Voicestream Wireless Corp.	Beartooth Capital, LLC
8	VQR Double Width	Vertex Pharmaceuticals	Big Blue Trading JV
9	BBH Double Width	Biotechnology HOLDERS Trust	Botta Trading - Lacerta DPM, LLC
10	FAQ Double Width	Freemarkets, Inc.	
11	AYQ Double Width	Art Technology Group	Botta Trading - Lynx DPM, LLC
12	DMU Double Width	McData Corporation	
13	AZU Double Width	Abgenix, Inc.	Botta Trading - Scorpius DPM, LLC
14	SZI Double Width	PMC - Sierra, Inc.	
15	UML Double Width	Emulex Corporation	
16	YMI Triple Width	PMC - Sierra, Inc. - LEAPS	

Class	Relief	Name	DPM
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17	CZU	Double Width	Capstone Turbine Corp.	Botta Trading DPM, LLC
18	WQG	Double Width	Proxim, Inc.	
19	NUL	Double Width	Network Appliance Corp.	Bridgeport DPM, LLC
20	SWQ	Double Width	Sandisk Corp.	
21	FCQ	1 1/2 Width	Checkfree Corp.	Brown Trading Group, LLC
22	QHD	Double Width	Polycom Corp.	
23	GUB	Double Width	Progenics Pharmaceuticals	Callahan DPM, LLC
24	QMR	Double Width	Millenium Pharmaceuticals	
25	QUA	Double Width	Plexus Corporation	Cloch Trading, LLC
26	SGQ	Double Width	Siebel Systems, Inc.	
27	SUJ	Double Width	Sapient Corporation	
28	YDS	Double Width	Siebel Systems, Inc. LEAPS	
29	YYR	Double Width	Ariba Inc. LEAPS	
30	BNQ	Double Width	Rambus, Inc.	Eclipse JV
31	JQ	Double Width	I2 Technologies Inc.	
32	TIU	Double Width	Tibco Software, Inc.	
33	NZZ	Double Width	Newport Corp.	Geneva DPM, LLC
34	TV	Double Width	Grupo Televisa S.A.	
35	VNT	Double Width	Telefonos de Venezuela	
36	BBQ	Double Width	Business Objects	Group One Trading, LP
37	FIV	Double Width	Sorrento Networks Corp	
38	KEQ	Double Width	Checkpoint Software Tech.	
39	QIC	Double Width	Nice Systems, LTD	
40	QIX	Double Width	Intermedia Communications	
41	WLJ	Double Width	Intermedia Communicat'ns LEAPS	
42	SZQ	Double Width	Stratos Lightwave, Inc.	Heartland TFM, LLC
43	UHS	Double Width	Universal Health Services	
44	IDQ	Double Width	IDEC Pharmaceuticals	Johnson Trading JV
45	UBF	Double Width	Brocade Communications	
46	MZU	Double Width	Medarex	Knight Financial Products, LLC
47	RCQ	Double Width	Broadcom, Inc.	
48	TMU	Double Width	Telefonos de Mexico, S.A. -ADR	Letco DPM, LP
49	PKU	Double Width	Professional Detailing Inc.	Letco DPM, LP DELL
50	QET	Double Width	Efficient Networks, Inc.	
51	UJS	Double Width	Sonus Networks Inc.	
52	UMN	Double Width	Openwave	
53	DUO	Double Width	New Focus, Inc.	Option Funding Group, LP
54	EUQ	Double Width	Ciena, Inc.	
55	WZZ	Double Width	Exodus Comm., Inc. LEAPS	
56	WUO	Double Width	Skytel Communications LEAPS	Option Resource Group
57	JUP	Double Width	Juniper Networks	PEAK6 Capital Management, LLC
58	YWT	Triple Width	Juniper Networks LEAPS	
59	HQU	Double Width	Zixit Corp.	Platinum Trading, LLC

	Class	Relief	Name	DPM
60	EUT	Double Width	Extreme Networks	Saliba Partners, LLC
61	FQI	Double Width	Gilat Satellite Networks Ltd.	
62	GQP	Double Width	Peregrine Systems, Inc.	
63	QGX	Double Width	Allegiance Telecom Inc.	
64	PTR	Double Width	Petrochina Co. Ltd.	Schwartz Trading Group, L.L.C.
65	YFW	Double Width	Sirius Satellite Radio LEAPS	Spear, Leeds & Kellogg - 2/6
66	TQK	Double Width	Tollgrade Communications	Spear, Leeds & Kellogg - 11/1
67	DNA	Double Width	Genentech, Inc.	Spear, Leeds & Kellogg - 11/5
68	JPB	Double Width	JP Morgan Chase & Co.	
69	OYJ	Double Width	JP Morgan Chase & Co. LEAPS	
70	SPW	Double Width	SPX Corporation	
71	WLL	Double Width	Willamette Industries	
72	QVC	Double Width	VEECO Instruments	Specialists DPM, LLC
73	ZUQ	Double Width	Manugustics Group, Inc.	
74	DGX	Double Width	Quest Diagnostics, Inc.	StoneHedge Securities, LLC
75	UDA	Double Width	Aurora Biosciences	
76	QSM	Double Width	Sycamore Networks, Inc.	Susquehanna C
77	U	Double Width	US Airways	
78	WUU	Triple Width	US Airways LEAPS	
79	RQB	Double Width	Mercury Interactive Corp.	Susquehanna CMGI
80	UPO	Double Width	United Pan Europe Comm.	Susquehanna IKN
81	DGU	Double Width	Digital Lightwave	Susquehanna KM
82	GSQ	Double Width	Myriad Genetics, Inc.	
83	BUK	Double Width	Redback Networks, Inc.	Susquehanna MSQ
84	EKU	Double Width	Krispy Kreme Doughnuts, Inc.	
85	FQY	Double Width	Finisar Corporation	
86	SAX	Triple Width	SDL, Inc.	
87	UEP	Double Width	E.piphany, Inc.	
88	HEX	Double Width	Aether Systems	Susquehanna VMB
89	PQI	Double Width	Protein Design Labs, Inc.	TFM Investment Group
90	UMU	Triple Width	Akamai Technologies LEAPS	
91	UYN	Double Width	Avanex Corporation	
92	CRA	Double Width	PE Celera Genomics	Timber Hill, LLC
93	UIN	Double Width	LeapsWireless International, Inc.	
94	CQV	1 ½ Width	Comverse Technology	Tradenet, LLC
95	TAR	Double Width	Telefonica de Argentina S.A.	Wolverine Trading, LP
96	MQM	Double Width	Metricom	ZH Partners, JV
97	OSU	Double Width	Storage Networks	

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 01-24

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