

Regulatory Circular RG01-71

Date: May 18, 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 This relief is granted from the opening of business on May 21, 2001 through the June 2001 Expiration Cycle unless withdrawn by the Committee prior to that time.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	BVY	Triple Width	British Telecommunications PLC	Apollo Partners, LP
2	ISU	Double Width	ISS Group & Co.	Athena Trading LLC
3	TQM	Double Width	Tripath Technology	Big Blue Trading JV
4	VQR	Double Width	Vertex Pharmaceuticals	
5	YEA	Double Width	Vertex Pharmaceuticals LEAPS	
6	BBH	Double Width	Biotechnology HOLDERS Trust	Botta Trading - Lacerta DPM, LLC
7	FAQ	Double Width	Freemarkets, Inc.	
8	RTH	Double Width	Retail HOLDERS Trust	
9	AYQ	Triple Width	Art Technology Group	Botta Trading - Lynx DPM, LLC
10	DMU	Double Width	McData Corporation	
11	AZU	Double Width	Abgenix, Inc.	Botta Trading - Scorpius DPM, LLC
12	UML	Double Width	Emulex Corporation	
13	SZI	Double Width	PMC - Sierra, Inc.	
14	YMI	Triple Width	PMC - Sierra, Inc. - LEAPS	
15	CZU	Double Width	Capstone Turbine Corp.	Botta Trading DPM, LLC
16	JOQ	Double Width	JNI Corporation	
17	GUQ	Double Width	Pegasus Comm. Corp.	
18	WQG	Double Width	Proxim, Inc.	

Class	Relief	Name	DPM
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19	FCQ	1 1/2 Width	Checkfree Corp.	Brown Trading Group, LLC
20	QHD	Double Width	Polycom Corp.	
21	QMR	Double Width	Millenium Pharmaceuticals	Callahan DPM, LLC
22	GUB	Double Width	Progenics Pharmaceuticals	
23	PM	Double Width	Polymedica Corp.	Calusa DPM, LLC – 2/3
24	QVR	Double Width	Verisign, Inc.	Calusa DPM, LLC – 2/4
25	YDS	Double Width	Siebel Systems, Inc. LEAPS	Cloch Trading, LLC
26	JSD	Double Width	CacheFlow, Inc.	Eclipse JV
27	YUC	Double Width	Clarify LEAPS	
28	BNQ	Double Width	Rambus, Inc.	
29	TIU	Double Width	Tibco Software, Inc.	
30	BUC	Double Width	BEA Systems	Geneva DPM, LLC
31	NZZ	Double Width	Newport Corp.	
32	BBQ	Double Width	Business Objects	Group One Trading, LP
33	KEQ	Double Width	Checkpoint Software Tech.	
34	SZQ	Double Width	Stratos Lightwave, Inc.	Heartland TFM, LLC
35	UHS	Double Width	Universal Health Services	
36	UBF	Double Width	Brocade Communications	Johnson Trading JV
37	IDQ	Double Width	IDEC Pharmaceuticals	
38	EUI	Double Width	ONI Systems	
39	MZU	Double Width	Medarex	
40	TMU	Double Width	Telefonos de Mexico, S.A. -ADR	Letco DPM, LP
41	UMN	Double Width	Openwave	Letco DPM, LP (DLQ)
42	PKU	Double Width	Professional Detailing Inc.	
43	UJS	Double Width	Sonus Networks Inc.	
44	QGX	Double Width	Allegiance Telecom Inc.	Letco DPM, LP (EUT)
45	EUT	Double Width	Extreme Networks	
46	FQI	Double Width	Gilat Satellite Networks Ltd.	
47	YOS	Double Width	Homestore.com LEAPS	
48	GQP	Double Width	Peregrine Systems, Inc.	
49	PPD	Double Width	Pre-Paid Legal Services	
50	EUQ	Double Width	Ciena, Inc.	Option Funding Group, LP
51	WZZ	Double Width	Exodus Comm., Inc. LEAPS	
52	WUO	Double Width	Skytel Communications LEAPS	Option Resource Group
53	YPO	Double Width	Liposome Inc. LEAPS	
54	JUP	Double Width	Juniper Networks	PEAK6 Capital Management, LLC
55	YWT	Triple Width	Juniper Networks LEAPS	
56	HQU	Double Width	Zixit Corp.	Platinum Trading, LLC
57	CAR	Double Width	Carter – Wallace, Inc.	Rathunas Trading, LLC
58	PTR	Double Width	Petrochina Co. Ltd.	Schwartz Trading Group, L.L.C.
59	YFW	Double Width	Sirius Satellite Radio LEAPS	Spear, Leeds & Kellogg - 2/6
60	JPB	Double Width	JP Morgan Chase & Co.	Spear, Leeds & Kellogg - 11/5
61	OYJ	Double Width	JP Morgan Chase & Co. LEAPS	
62	SPW	Double Width	SPX Corporation	
63	WLL	Double Width	Willamette Industries	
Class		Relief	Name	DPM

64	ZUQ	Double Width	Manugustics Group, Inc.	Specialists DPM, LLC
65	QVC	Double Width	VEECO Instruments	
66	UDA	Double Width	Aurora Biosciences	StoneHedge Securities, LLC
67	DGX	Double Width	Quest Diagnostics, Inc.	
68	QSM	Double Width	Sycamore Networks, Inc.	Susquehanna C
69	U	Double Width	US Airways	
70	WUU	Triple Width	US Airways LEAPS	
71	RQB	Double Width	Mercury Interactive Corp.	Susquehanna CMGI
72	UVH	Double Width	Voicestream Wireless	Susquehanna HWP
73	DGU	Double Width	Digital Lightwave	Susquehanna KM
74	GSQ	Double Width	Myriad Genetics, Inc.	
75	UEP	Triple Width	E.piphany, Inc.	Susquehanna MSQ
76	EKU	Double Width	Krispy Kreme Doughnuts, Inc.	
77	BUK	Double Width	Redback Networks, Inc.	
78	SAX	Triple Width	SDL, Inc.	
79	UMU	Double Width	Akamai Technologies LEAPS	TFM Investment Group
80	UYN	Double Width	Avanex Corporation	
81	PQI	Double Width	Protein Design Labs, Inc.	
82	DNA	Double Width	Genentech, Inc.	Timber Hill, LLC
83	UOV	Double Width	Alcatel Optical	Tradenet, LLC
84	MQM	Double Width	Metricom	ZH Partners, JV
85	OSU	Double Width	Storage Networks	
86	TFS	Double Width	Three-Five Systems, Inc.	

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 01-52