



Regulatory Circular RG01-100

DATE: June 29, 2001

TO: Members and Member Firms

FROM: Market Operations Department

RE: Restrictions on Transactions in
Globalstar Telecommunications Ltd. (WBC)

Trading in Globalstar Telecommunications Ltd. (GFSTR) common stock was moved to the Nasdaq SmallCap Market, from the National Market on Thursday June 14, 2001, because GFSTR no longer meets listing standards. Trading in WBC options, GFSTR 2002 LEAPS, halted on June 15, 2001.

Trading on CBOE in existing series of WBC options will reopen on July 2, 2001, subject to the following restrictions. Only closing transactions may be effected in any series of WBC options, except for (i) opening transactions by market-makers executed to accommodate closing transactions of other market participants and (ii) opening transactions by CBOE member organizations to facilitate the closing transactions of public customers executed as crosses pursuant to and in accordance with CBOE Rule 6.74(b). The firm quotation provisions under Rule 8.51 will be suspended in WBC options and the options will not be traded on RAES.

The execution of opening transactions in WBC options, except as permitted above, and/or the misrepresentation as to whether an order is opening or closing, will constitute a violation of CBOE rules, and may result in disciplinary action.

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

The provisions of this circular apply to any options on Globalstar Telecommunications Ltd. traded on CBOE, including any Globalstar Telecommunications Ltd. option series with a different option symbol than WBC.

Any questions regarding this circular may directed to Kerry Winters at (312) 786-7312 or Patricia Cerny at (312) 786-7722.