



Regulatory Circular RG01-131

Date: August 17, 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relief is granted from the opening of business on August 20, 2001 through the September 2001 Expiration Cycle unless withdrawn by the Committee prior to that time.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 Angela Schons at (312) 786-7559.

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 ISU	Double Width	ISS Group & Co.	Athena Trading LLC
3 OLV	Double Width	Vertex Pharmaceuticals LEAPS	Big Blue Trading JV
4 WQG	Double Width	Proxim, Inc.	Botta Capital Management, LLC – 2/2
5 QTT	Double Width	Taro Pharmaceutical Industries	
6 PM	Double Width	Polymedica Corp.	Botta Capital Management, LLC – 2/3
7 QVR	Double Width	Verisign, Inc.	Botta Capital Management, LLC – 2/4
8 BBH	Double Width	Biotechnology HOLDERS Trust	Botta Trading - Lacerta DPM, LLC
9 FAQ	Double Width	Freemarkets, Inc.	
10 UPN	Double Width	Netegrity, Inc.	
11 RTH	Double Width	Retail HOLDERS Trust	
12 DMU	Double Width	McData Corporation	Botta Trading - Lynx DPM, LLC
13 AZU	Double Width	Abgenix, Inc.	Botta Trading - Scorpius DPM, LLC
14 UML	Double Width	Emulex Corporation	
15 SQL	Double Width	PMC – Sierra, Inc.	
16 OFT	Triple Width	PMC - Sierra, Inc. - LEAPS	
17 JQ	Double Width	I2 Technologies, Inc.	Eclipse JV
18 YUC	Double Width	Clarify LEAPS	
19 PTR	Double Width	Petrochina Co. Ltd.	Equitec-Schwartz, L.L.C.
20 BUC	Double Width	BEA Systems	Geneva DPM, LLC

	Class	Relief	Name	DPM
21	KEQ	Double Width	Checkpoint Software Tech.	Group One Trading, LP
22	UBF	Double Width	Brocade Communications	Johnson Trading JV
23	OMW	Double Width	Brocade Communications LEAPS	
24	EUI	Double Width	ONI Systems	
25	TMU	Double Width	Telefonos de Mexico, S.A. -ADR	Letco DPM, LP
26	PKU	Double Width	Professional Detailing Inc.	Letco DPM, LP (DLQ)
27	UJS	Double Width	Sonus Networks Inc.	
28	QGX	Double Width	Allegiance Telecom Inc.	Letco DPM, LP (EUT)
29	EUT	Double Width	Extreme Networks	
30	GQP	Double Width	Peregrine Systems, Inc.	
31	PPD	Double Width	Pre-Paid Legal Services	Midway Securities, LLC
32	EUQ	Double Width	Ciena, Inc.	Option Funding Group, LP
33	WZZ	Double Width	Exodus Comm., Inc. LEAPS	
34	JUP	Double Width	Juniper Networks	PEAK6 Capital Management, LLC
35	MOU	Double Width	Matrixone, Inc.	
36	HQU	Double Width	Zixit Corp.	Platinum Trading, LLC
37	IBP	Double Width	IBP, Inc.	Premier Capital, LLC
38	KDE	Double Width	4Kids Entertainment, Inc.	RTB Derivatives, LLC
39	LRQ	Double Width	Remedy Corporation	Spear, Leeds & Kellogg – 11/1
40	SPW	Double Width	SPX Corporation	Spear, Leeds & Kellogg - 11/5
41	WLL	Double Width	Willamette Industries	
42	ZUQ	Double Width	Manugustics Group, Inc.	Specialists DPM, LLC
43	AYB	Double Width	Aurora Biosciences	StoneHedge Securities, LLC
44	PQL	Double Width	Plug Power, Inc.	Susquehanna C
45	FQG	Double Width	FuelCell Energy, Inc.	Susquehanna CMGI
46	RQB	Double Width	Mercury Interactive Corp.	
47	OIL	Double Width	Triton Energy Ltd.	
48	BVR	Double Width	Voicestream Wireless	Susquehanna HWP
49	DGU	Double Width	Digital Lightwave	Susquehanna KM
50	UED	Double Width	Expedia, Inc.	Susquehanna MSQ
51	KKD	Double Width	Krispy Kreme Doughnuts, Inc.	
52	OKK	Quadruple Width	Krispy Kreme Doughnuts LEAPS	
53	SAX	Triple Width	SDL, Inc.	
54	ENZ	Double Width	Enzo Biochem, Inc.	Susquehanna VMB
55	MMM	Double Width	MN Mining & Manufacturing LEAPS	
56	OSU	Double Width	Storage Networks	ZH Partners, JV
57	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	Susquehanna INQ
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 01-117

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