



Regulatory Circular RG01-147

DATE: October 5, 2001

TO: Members and Member Firms

FROM: Market Operations Department

RE: Restrictions on Transactions in
Exodus Communication, Inc. (EXF)

Trading in Exodus Communication, Inc. (EXDSQ) common stock on the NASD trading in EXF options on CBOE was halted on September 26, 2001 and the NASD subsequently delisted EXF common stock.

Trading on CBOE in existing series of EXF options will reopen on October 10, 2001, subject to the following restrictions. Only closing transactions may be effected in any series of EXF 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 EXF options and the options will not be traded on RAES.

The execution of opening transactions in EXF 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 EXF options and the Options Clearing Corporation (OCC) has advised CBOE that the expiration of EXF options will remain subject to OCC's Exercise-by-Exception Procedures.

The provisions of this circular apply to any options on Exodus Communications Inc. traded on CBOE, including any Exodus Communications, Inc. option series with a different option symbol than EXF.

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