



Regulatory Circular RG02-36

DATE: May 31, 2002

TO: Members and Member Firms

FROM: Market Operations Department

RE: Restrictions on Transactions in
Adelphia Communications Corporation (ADU)

NASD has announced that Adelphia Communications Corporation (ADU) common stock will be delisted from the NASDAQ effective June 3, 2002.

Commencing on June 3, 2002, trading on CBOE in existing series of ADU options will be subject to the following restrictions. Only closing transactions may be effected in any series of ADU 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) or (d). Pursuant to Rule 8.51, floor officials have determined that all series of ADU option are in non-firm mode. In addition, ADU will not be traded on RAES.

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

The provisions of this circular apply to any options on Adelphia Communications Corporation traded on CBOE, including any Adelphia Communications Corporation option series with a different option symbol than ADU.

Any questions regarding this circular may directed to Kerry Winters at (312) 786-7312 or Mike Felty at (312) 786-7504.