



Regulatory Circular RG02-64

DATE: July 30, 2002

TO: Members and Member Firms

FROM: Market Operations Department

RE: Restrictions on Transactions in
Worldcom INC.- MCI-Group (FQN)

NASD has announced that Worldcom INC.-MCI-Group (MCWEQ) common stock will be delisted from the NASDAQ effective July 30, 2002.

Trading on the CBOE in existing series of FQN options will open on July 30, 2002 subject to the following restrictions. Only closing transactions may be effected in any series of FQN 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 FQN options are in non-firm mode. In addition, FQN will not be traded on RAES.

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

The provisions of this circular apply to any options on Worldcom INC.-MCI Group traded on CBOE, including any Worldcom INC.- MCI-Group option series with a different option symbol than FQN.

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