



**Regulatory Circular RG03-118**

**DATE:** December 29, 2003

**TO:** Members and Member Firms

**FROM:** Market Operations Department

**RE:** Restrictions on Transactions in  
Footstar Inc. (FTS)

Trading in Footstar Inc. common stock on the NYSE and trading in FTS options on the CBOE was halted December 29, 2003.

Trading on CBOE in existing series of FTS options will reopen on December 30, 2003, subject to the following restrictions. Only closing transactions may be effected in any series of FTS 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 FTS option are in non-firm mode. In addition, FTS will not be traded on RAES.

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

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

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