



**Regulatory Circular RG05-28**

**DATE:** March 1, 2005

**TO:** Members and Member Firms

**FROM:** Market Operations Department

**RE:** Restrictions on Transactions in  
Ultimate Electronics Inc. (ULTEQ/QTQ)

Ultimate Electronics Inc. (ULTEQ) said in a regulatory filing that Nasdaq has delisted the company's securities. The company, which has been operating under Chapter 11 bankruptcy protection since Jan. 11, 2005 said in a Form 8-K submitted to the Securities and Exchange Commission that the exchange denied its request for continued trading status.

As of March 1, 2005 trading on CBOE in existing series of QTQ options will be subject to the following restrictions. Only closing transactions may be affected in any series of QTQ 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).

The execution of opening transactions in QTQ 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. Member organizations should ensure that they have appropriate procedures in place to prevent their customers from entering opening orders in this restricted option class.

There are no restrictions in place with respect to the exercise of QTQ options. The provisions of this circular apply to any options on Ultimate Electronics Inc. traded on CBOE.

Any questions regarding this circular may directed to Kerry Winters at (312) 786-7312 or Joanne Heenan-Hustad at (312) 786-7786.