



Regulatory Circular RG05-45

DATE: April 28, 2005

TO: Members and Member Firms

FROM: Market Operations Department

RE: Restrictions on Transactions in
aaiPharma Inc. (AAIE/IUQ)

aaiPharma Inc. (AAIE) on April 15, 2005, announced that its common stock would be delisted from the Nasdaq Stock Market effective upon the open of business on Monday, April 18, 2005, as a result of its failure to timely file its 2004 annual report on Form 10-K.

As previously announced by CBOE, trading on CBOE in existing series of IUQ options has been subject to the following restrictions. Only closing transactions may be affected in any series of IUQ 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 IUQ 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 IUQ options. The provisions of this circular apply to any options on aaiPharma 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.

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