

Regulatory Circular No. #97- 170

Date: December 18, 1997

To: Members and Member Firms

From: The Market Performance Committee

Re: Options on Telecommunicacoes Brasileiras SA (TBR), (TYR) and TBR LEAPS

The Market Performance Committee has continued to monitor the trading characteristics of the stock and options on Telecommunicacoes Brasileiras SA (TBR), (TYR) and TBR LEAPS. Based upon its review, the Committee has determined that as of the opening on Monday, December 22, 1997, the exemption to the provision of Rule 8.7 pertaining to the maximum allowable bid/ask spread which was temporarily granted pursuant to Exchange Rule 8.7(b)(iv), will no longer be effective (see Regulatory Circular #RG97-148). As of the opening on December 22, 1997, all (TBR), (TYR) and TBR LEAPS options will trade according to the provisions of Exchange Rule 8.7(b)(iv).

Questions regarding this memorandum may be directed to Daniel Hustad at (312) 786-7715.