

Regulatory Circular RG97-21

Date: February 14, 1997

To: Exchange Members and Member Organizations

From: Department of Market Regulation

Re: Centennial Technology Inc. (CTN)/Exercise Advice Procedures

Trading in Centennial Technology Inc. (CTN) common stock and options has been halted since February 11, 1997 and remains subject to a trading halt. CTN common stock is traded on the New York Stock Exchange and CTN options are traded on the American Stock Exchange and the Chicago Board Options Exchange ("CBOE or Exchange"). The Exchange has been advised that the Options Clearing Corporation (OCC) may waive the exercise-by-exception procedures of OCC Rule 805 in the event that CTN remains halted at the February, 1997 expiration.

Exchange Rule 11.1, Interpretation .06(e) provides that in the event that OCC waives the exercise-by-exception procedures of OCC Rule 805, the Exchange's normal procedures with respect to the submission of contrary exercise advices (CEAs) remains in full force and effect and such procedures are to be followed as if OCC exercise-by-exception procedures remain in full force and effect. Therefore, in the event that CTN remains halted at the February expiration, a member desiring to exercise an expiring February CTN option contract that would have been subject to automatic exercise is not obligated to submit a CEA or affirmative exercise instruction to the Exchange. The last available CTN stock price should be used to determine the applicable exercise-by-exception thresholds.

It should also be noted that members are being required by clearing firms to submit affirmative exercise instructions to their clearing firm if they wish to exercise expiring February CTN options. This requirement is in addition to the CEA submission requirements of Rule 11.1. To eliminate any confusion with respect to the exercise of expiring February CTN options, the Exchange will accept copies of affirmative exercise instructions in addition to CEAs that are required to be submitted to the Exchange pursuant to Rule 11.1.

Pursuant to Exchange Rule 11.1, all exercise decisions with respect to expiring February CTN options must be made by 4:30 p.m. (CT). The submission or preparation of an exercise instruction or CEA after the 4:30 p.m. cutoff time on the basis of material information released after the cutoff time is activity inconsistent with just and equitable principles of trade and may be subject to severe fines and disgorgement. Questions concerning this circular may be directed to Patricia Cerny at (312) 786-7722 or Karen Charleston at (312) 786-7724 in the Department of Market Regulation.