

Regulatory Circular RG98-50

To: Members and Member Organizations

From: Membership Department

Re: Option Trading Permit Lease Pool Procedures

Date: May 7, 1998

The Option Trading Permits in the lease pool administered by the Exchange have been re-allocated to lessees pursuant to the bi-annual auction process described in Exchange Regulatory Circular RG98-26. These leases are for a month-to-month term from May 1, 1998 through October 31, 1998. A lessee may terminate his or her Permit lease at any time by written notice to the Membership Department during its business hours. However, unless written notice of termination is received by the Membership Department at least 5 days prior to the first day of a month, the lessee shall remain liable for that month's rent. Following the re-lease of the Permit, the prior lessee shall be reimbursed in the amount of the new lessee's prorated lease payment for the balance of the time period with respect to which the prior lessee is obligated to pay rent. ALL PERMIT LEASE TERMINATION NOTICES SHALL BE IRREVOCABLE.

Any bid submitted during the most recent bi-annual auction which was not matched with a Permit shall remain an active bid with respect to the current 6 month lease period until the bid is canceled, the bid is matched with a Permit, or the current 6 month lease period expires. Additionally, bids for lease pool Permits for the remainder of the current 6 month lease period may be submitted to the Membership Department at any time by an individual who is eligible to receive a Permit or by a member organization on behalf of a designated individual who is eligible to receive a Permit. A non-refundable fee of \$500 will be assessed any time a bid is submitted. However, a bid may be canceled or replaced at no charge.

Any bid submitted on behalf of an individual who becomes ineligible to receive a Permit shall be automatically canceled. In order to be eligible to receive a Permit, and thus to submit and maintain a Permit bid, the individual proposed to occupy the Permit must (i) be a member or be a non-member who has qualified for membership and (ii) be immediately eligible to go onto a Permit.

Upon the receipt of notice of termination of a Permit lease, the Membership Department will post the availability of the Permit for one full trading day. The Permit will then be transferred to the bidder with the highest bid at 4:30 p.m. on that trading day.

Any questions regarding this circular may be directed to RaeDell Pancake at (312) 786-7460.

(Regulatory Circulars RG97-51 and RG97-156, Revised)