

Regulatory Circular RG98-87

Date: August 18, 1998

To: Members

From: Market Operations Department
Market Regulation Department

Re: FPA Medical Management Inc.

FPA Medical Management Inc. (FPAMQ/FFQ) common stock on the NASDAQ was delisted on August 12, 1998 and trading in FFQ options on the CBOE has been halted.

At this time, there is no plan to reopen trading in FFQ options on the CBOE or to hold a closing rotation for expiring August, 1998 option contracts. There are no exercise restrictions in place for FFQ options and the Options Clearing Corporation (OCC) has advised the CBOE that the June expiration of FFQ options will remain subject to OCC's Exercise-by-Exception process. Members are advised that the procedures for submitting Contrary Exercise Advices (CEAs) pursuant to Exchange Rule 11.1.06 will remain in full force and effect. Pursuant to Rule 11.1.06, all exercise decisions with respect to expiring August FFQ options must be made and communicated to the Exchange by 4:30 p.m. (CT) on Friday, August 21, 1998. The submission or preparation of a CEA after the 4:30 p.m. (CT) cut off time may result in disciplinary action. Additionally, the submission or preparation of a CEA after the 4:30 p.m. cut off time on the basis of material information released after the cut off is activity inconsistent with just and equitable principles of trade and may be subject to severe fines and disgorgement.

Questions pertaining to this circular can be directed to Pat Cerny at (312) 786-7722 in the Department of Market Regulation.