

Regulatory Circular RG99-156

Date: July 16, 1999
To: Members and Member Firms
From: The Market Performance Committee
Re: Long-Term Equity Option Series (LEAPS) on Yahoo! Inc. (YHQ)

The Market Performance Committee ("Committee"), by its authority under the provisions of Exchange Rule 8.7(b)(iv), has temporarily established modified bid/ask differentials in the Long-Term Equity Option Series ("LEAPS") on YHOO! Inc (YHQ). These LEAPS expire in the years 2000 and 2001. Due to the volatility in the underlying stock, the Market Performance Committee has determined to modify the bid/ask differentials as they apply to these LEAPS. The modified bid/ask differentials for the Yahoo! Inc. LEAPS are as follows:

If the bid is from \$0 to \$20, the bid/ask spread may be up to 2 points wide.
If the bid is from \$20 1/8 to \$50, the bid/ask spread may be up to 3 points wide.
If the bid is greater than \$50, the bid/ask spread may be up to 4 points wide.

The above bid/ask differentials are the maximum allowable for the Yahoo! Inc. LEAPS. In many instances, however these differentials may be narrower than the above stated. This relief is granted from the opening of business on July 19, 1999 through the August 1999 Expiration Cycle unless withdrawn by the Committee prior to that time.

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

Replaces Regulatory Circular RG99-142