

Regulatory Circular RG99-162

Date: August 19, 1999

To: Members

From: Department of Market Regulation

Re: Iridium World Communications, Inc. (IRIDQ/QAK)

Trading in Iridium World Communications, Inc. (IRIDQ) common stock on the NASDAQ National Market System and trading in QAK options on the CBOE has been halted since August 13, 1999.

At this time, there is no plan to reopen trading in QAK options on the CBOE or to hold a closing rotation for expiring August, 1999 option contracts.

There currently are no exercise restrictions in place for QAK options and the Options Clearing Corporation (OCC) has advised the CBOE that the August expiration of QAK options will remain subject to OCC's Exercise-by-Exception Procedures.

Members are advised that the procedures for submitting Contrary Exercise Advices (CEAs) pursuant to Exchange Rule 11.1 Interpretations and Policies .06, will remain in full force and effect. Pursuant to Rule 11.1.06, all exercise decisions with respect to expiring August options must be communicated to the Exchange by 4:30 p.m. (CT) on Friday, August 20, 1999. 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. (CT) 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 disgorement.

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