

Regulatory Circular RG99-182

Date: September 16, 1999

To: Membership

From: Legal Division
Regulatory Services Division

Re: Impact of Hurricane Floyd on Options Trading and Exercise

The Exchange has been advised that the impact of Hurricane Floyd on the east coast may result in the early closing of one or more primary stock markets today, and may prevent one or more of these markets from opening on Friday. No decision has yet been made as to whether any markets may close early today or not open tomorrow.

CBOE has determined to also modify its trading hours for affected classes if primary markets for underlying securities close early today.

In the event of an early close of trading today, with respect to OEX options contracts, exercise will be permitted during trading and for five (5) minutes after the close of trading in OEX. For American-style FLEX Index options, exercise will also be permitted during trading and for five (5) minutes after the close of index options trading. Assuming underlying futures markets remain open, OEX and all other broad-based index options, international index options, including American-style FLEX index contracts, will continue to trade for the normal 15 minutes following the close of the underlying markets. Today's exercise settlement values for OEX and all American-style FLEX Index options will be based upon today's last reported index values.

If the primary securities markets do not open for trading on Friday, September 17th, expiration settlement values for all CBOE index products, including both a.m.- settled and p.m.- settled, are expected to be based upon today's last reported index values in accordance with the rules of CBOE and OCC.

.

