



Regulatory Circular RG02-112

DATE: December 11, 2002

TO: Members and Member Firms

FROM: Market Operations Department

RE: UAL Corporation (UAL) Options

CBOE is issuing this circular in response to questions CBOE has received from members and member firms regarding the status of trading on CBOE in UAL options.

The New York Stock Exchange (NYSE) has announced that it has completed a review of the continued listing status of the common stock of the UAL Corporation (UAL). According to the announcement, NYSE determined to begin the procedure to resume trading in UAL common stock following the review. Accordingly, UAL common stock is now trading on NYSE. However, NYSE also announced that it will move to immediately suspend trading in UAL common stock if, among other reasons, UAL falls below NYSE's listing standards. The complete announcement is posted on NYSE's website, www.nyse.com.

CBOE Floor Officials have determined that if trading in UAL common stock is suspended on NYSE, trading in UAL options on CBOE will be halted. If UAL common stock is then traded on the OTC Bulletin Board, trading on CBOE in existing series of UAL options will reopen, subject to the restrictions below. None of these restrictions is currently in place and the purpose of this circular is to advise members and member firms of the restrictions that will come into effect if trading in UAL common stock is suspended on NYSE and is subsequently traded on the OTC Bulletin Board.

CBOE Restrictions if UAL Common Stock Is Suspended from Trading on NYSE and Subsequently Traded on OTC Bulletin Board:

Only closing transactions will be permitted to be effected in any series of UAL options, except for (i) opening transactions by market-makers executed to accommodate closing transactions of other market participants and (ii) opening transactions by CBOE member organizations to facilitate the closing transactions of public customers executed as crosses pursuant to and in accordance with CBOE Rule 6.74(b) or (d). Pursuant to Rule 8.51, floor officials have determined that all series of UAL option will be in non-firm mode. In addition, UAL will not be traded on RAES.

The execution of opening transactions in UAL options, except as permitted above, and/or the misrepresentation as to whether an order is opening

or closing, will constitute a violation of CBOE rules, and may result in disciplinary action.

There will be no restrictions in place with respect to the exercise of UAL options.

The provisions of this circular apply to any options on UAL Corporation traded on CBOE, including any UAL Corporation option series with a different option symbol than UAL.

In addition, this circular does not preclude CBOE from taking different or further action with respect to trading in UAL options as permitted by CBOE rules.

Any questions regarding this circular may directed to Kerry Winters at (312) 786-7312 or Mike Felty at (312) 786-7504.