

Regulatory Circular No. #94-13

Date: February 22, 1994

To: Members and Member Firms

From: The Market Performance and Equity Floor Procedure Committees

Re: Options on CBS Inc. (CBS) and Capital Cities/ABC (CCB)

The Market Performance and Equity Floor Procedure Committees have been monitoring the trading characteristics of the stocks underlying the CBS and CCB option classes. As a result of that review, the Committees have determined that as of the opening on February 22, 1994, pursuant to the provisions of Chicago Board Options Exchange Rules 6.8(e), 8.7(b)(iv) and 8.51(c) the following rules of trading procedure will be effective in the CBS and CCB option classes until further notice:

Markets in all CBS and CCB in-the-money option series may be as wide as the posted markets in the respective underlying securities on their principal exchange.

Markets in all CBS and CCB out-of-the-money option series may be made twice as wide as the bid/ask differentials as stated in Rule 8.7(b)(iv).

Disseminated markets in all CBS and CCB options will be firm for either ten contracts or for the equivalent number of contracts represented by the size of the market in the underlying security on the principal exchange, whichever is less.

RAES operation in all CBS and CCB option classes will be temporarily suspended.

Activity in CBS and CCB options and stock will be monitored by the Committees on an ongoing basis. The above modification to the application of Rules 6.8(e), 8.7(b)(iv) and 8.51(c) to CBS and CCB option trading should only be considered temporary and will be reviewed by the Market Performance and Equity Floor Procedure Committees .

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