



Regulatory Circular RG01-152

DATE: October 17, 2001

TO: Members and Member Firms

FROM: Market Operations Department

RE: Restrictions on Transactions in
Polaroid Corporation (PRD)

Trading in Polaroid Corporation, Inc. (PRD) common stock on the NYSE trading in PRD options on CBOE was halted on September 26, 2001 and the NYSE subsequently delisted PRD common stock.

Trading on CBOE in existing series of PRD options will reopen on October 19, 2001, subject to the following restrictions. Only closing transactions may be effected in any series of PRD 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). The firm quotation provisions under Rule 8.51 will be suspended in PRD options and the options will not be traded on RAES.

The execution of opening transactions in PRD 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 are no restrictions in place with respect to the exercise of PRD options and the Options Clearing Corporation (OCC) has advised CBOE that the expiration of PRD options will remain subject to OCC's Exercise-by-Exception Procedures.

The provisions of this circular apply to any options on Polaroid Corporations Inc. traded on CBOE, including any Polaroid Corporations, Inc. option series with a different option symbol than PRD.

Any questions regarding this circular may directed to Kerry Winters at (312) 786-7312 or Patricia Cerny at (312) 786-7722.