

Regulatory Circular RG97-51

To: Members and Member Organizations

From: Membership Department

Re: Option Trading Permit Lease Pool Procedures

Date: May 1, 1997

The purpose of this circular is to respond to certain questions that the Membership Department has received regarding the Options Trading Permits that are part of the "lease pool".

The Permits in the lease pool have been allocated to lessees pursuant to the competitive bidding process described in Exchange Regulatory Circular RG97-28. These leases are for a month-to-month term from April 28, 1997 through October 31, 1997. A lessee may terminate his or her Permit lease at any time by written notice to the Membership Department during its business hours. However, unless written notice of termination is received by the Membership Department at least 5 days prior to the first day of a month, the lessee shall remain liable for that month's rent. Following the re-lease of the Permit, the prior lessee shall be reimbursed in the amount of the new lessee's prorated lease payment for the balance of the time period with respect to which the prior lessee is obligated to pay rent. ALL PERMIT LEASE TERMINATION NOTICES SHALL BE IRREVOCABLE.

Bids for lease pool Permits for the remainder of the 6 month period before the next auction may be submitted to the Membership Department at any time by an individual or by a member organization on behalf of a designated individual, provided that the individual (i) is a member or is a non-member who has qualified for membership and (ii) is immediately eligible to go onto a Permit. A non-refundable fee of \$500 will be assessed any time a bid is submitted. However, a bid may be canceled or replaced at no charge.

Upon the receipt of notice of termination of a Permit lease, the Membership Department will post the availability of the Permit for one full trading day. The Permit will then be transferred to the bidder with the highest bid at 4:30 p.m. on that trading day.

Any questions regarding this circular may be directed to RaeDell Tapia-Pancake at (312) 786-7460.