Regulatory Circular No. #98-130

Date: November 30, 1998

To: Members and Member Firms

From: The Market Performance Committee

Re: Options on Yahoo! Inc. (YHQ)

The Market Performance Committee (MPC), by its authority under the provisions of Exchange Rule 8.7 (b)(iv), has temporarily established modified bid/ask differentials in the options series on Yahoo! Inc. (YHQ). Due to the volatility in the underlying stock, the Market Performance Committee has determined to modify the bid/ask differentials as they apply to YHQ options. The modified bid/ask differentials are as follows:

If the bid is less than $2, the bid/ask spread may be up to ¼ point wide.
If the bid is from $2 to $3 the bid /ask spread may be up to 3/8 point wide
If the bid is from $3 1/8 to $5, the bid/ask spread may be 1/2 point wide.
If the bid is from $5 1/8 to $10, the bid/ask spread may be 3/4 point wide.
If the bid is from $10 1/8 to $20, the bid/ask spread may be 1 ¼ points wide.
If the bid is greater than $20 1/8, the bid/ask spread may be 2 points wide.

The above bid/ask differentials are the maximum allowable, and in many instances, may be narrower. This relief is granted from the opening of business on December 1, 1998 through the January, 1999 Expiration Cycle unless withdrawn by the Committee prior to that time.

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