

Regulatory Circular RG99-54

Date: February 22, 1999
To: Members and Member Firms
From: 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, YHQ options may be twice as wide as the markets allowed under the provisions of Rule 8.7, with the following exceptions:

If the bid is from \$30 1/8 to \$50, the bid/ask spread may be up to 3 points wide.
If the bid is greater than \$50, the bid/ask spread may be up to 4 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This relief is granted from the opening of business on February 22, 1999 through the March 1999 Expiration Cycle unless withdrawn by the Committee prior to that time.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.

Replaces Regulatory Circular RG99-31