

Regulatory Circular RG99-131

Date: May 27, 1999

To: Members and Member Firms

From: The Market Performance Committee

Re: Long-Term Equity Option Series (LEAPS) on Qualcomm Inc. (QAQ)

The Market Performance Committee ("Committee"), by its authority under the provisions of Exchange Rule 8.7(b)(iv), has temporarily established modified bid/ask differentials in the Long-Term Equity Option Series ("LEAPS") on Qualcomm Inc. (QAQ). These LEAPS expire in the years 2001 and 2002. Due to the volatility in the underlying stock, the Market Performance Committee has determined to modify the bid/ask differentials to be twice as wide as the markets allowed under the provisions of Rule 8.7. This relief is granted from the opening of business on May 27, 1999 through the June 1999 Expiration Cycle unless withdrawn by the Committee prior to that time.

The Market Performance Committee will continue to monitor the activity in the underlying security of QAQ Leap options, and will modify the bid/ask differentials in the respective options accordingly.

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