

MEMORANDUM

TO: PHLX Members, Participants, Member Organizations and Participant Organizations

FROM: Office of the Secretary

RE: Executive Committee Meeting of April 10, 2008

DATE: April 14, 2008

The Executive Committee of the Philadelphia Stock Exchange, Inc. (“Phlx” or the “Exchange”) Board of Governors convened on Thursday, April 10, 2008, and, pursuant to delegated authority of the Board of Governors under By-Law Article X, Section 10-14(b), took the following actions:

- Approved the draft minutes of the Executive Committee Meeting of February 27, 2008.
- Approved and authorized staff to execute three agreements with FINRA and the exchanges trading equity securities relating to insider trading surveillance, investigation and enforcement. The first agreement is a plan pursuant to Rule 17d-2 under the 34 Act that would delegate the responsibility for certain insider trading surveillance, investigation and enforcement of Phlx members who are also members of FINRA to FINRA, and who are also members of NYSE or NYSEArca to NYSE Regulation. The other two agreements are contracts with FINRA and NYSE Regulation, respectively that would engage those organizations to investigate and enforce insider trading violations against certain Phlx members that are not members of FINRA, nor NYSE and NYSEArca, respectively.
- Approved and authorized staff to file with the Securities and Exchange Commission (“SEC”), a proposed rule change to permanently establish position limits of 300,000 contracts for options on the Diamonds Trust (DIA), and to authorize staff to make any additional changes or amendments needed for Commission authorization of the proposal or for purposes of uniformity.

- Approved and authorized staff to file a proposed rule change to allow the Exchange to: a) modify Phlx Rule 1009, Criteria for Underlying Securities, to facilitate the initial listing and trading of options on Index Multiple Exchange Traded Fund Shares ("Index Multiple ETFs") and Index Inverse Exchange Traded Fund Shares ("Index Inverse ETFs"), and to facilitate the initial listing and trading of options on interests in a trust (or trusts) that holds a non-U.S. currency or currencies deposited with the trust and aggregated in some specified minimum number ("Funds"); b) modify Phlx Rule 1010, Withdrawal of Approval of Underlying Securities or Options, to facilitate the continued or maintenance listing of Index Multiple ETFs and Index Reverse ETFs; c) make any necessary conforming rule changes; and d) additionally make any changes or amendments needed for Commission authorization of the proposal or for purposes of uniformity.
- Approved the delegation of authority to the Chief Operating Officer of the Exchange, or his designee, to approve any future options listing rule changes.
- Approved and authorized staff to file a proposed rule change in respect of Phlx Rule 1079 to: a) establish a one and one half year long pilot program in subsection (a)(8)(A)(ii) to reduce from 250 to 150 contracts the minimum size of an Request for Quote ("RFQ") in any FLEX equity option series in which there is no open interest at the time the RFQ is submitted; b) to modify the 100 contracts requirement in subsection (a)(8)(B)(ii) to the lesser of 100 contracts or the number of contracts overlying \$1 million for the minimum size of an RFQ where there is open interest; and c) additionally to make any changes or amendments needed for Commission authorization of the proposal or for purposes of uniformity.
- Authorized and approved contributions from the Phlx Foundation to the Crohn's and Colitis Foundation and the School for Children with Hidden Intelligence.