

M E M O R A N D U M

Date: July 21, 2008
To: Members and Member Firms
From: Options Surveillance
Re: Options on the NASDAQ 100 Index (NDX)

The Philadelphia Stock Exchange (PHLX) would like to announce modified and extended quoting relief for NDX options through August 15, 2008.

The modified bid/ask differentials for the opening and open outcry are as follows:

- If the bid is less than \$2, the bid/ask spread may be up to .75 cents wide.
- If the bid is from \$2 to \$4.90, the bid/ask spread may be \$1 wide.
- If the bid is from \$5 to \$9.90, the bid/ask spread may be \$1.50 wide.
- If the bid is from \$10 to \$19.90, the bid/ask spread may be \$3 wide.
- If the bid is from \$20 to \$39.90, the bid/ask spread may be \$6 wide.
- If the bid is from \$40 to \$79.90, the bid/ask spread may be \$12 wide.
- If the bid is from \$80 to 199.90, the bid/ask spread may be \$18 wide.
- If the bid is greater than \$200, the bid/ask spread may be \$22 wide.

The modified bid/ask differentials for electronic quotes are as follows:

- If the bid is under \$20, the bid/ask spread may be up to \$5 wide.
- If the bid is from \$20 to \$39.90, the bid/ask spread may be up to \$6 wide.
- If the bid is from \$40 to \$79.90, the bid/ask spread may be up to \$12 wide.
- If the bid is from \$80 to \$199.90, the bid/ask spread may be up to \$18 wide.
- If the bid is from \$200 or greater, the bid/ask spread may be up to \$22 wide.

This relief was granted by the PHLX Options Exchange Officials (OEO's) in accordance with PHLX Rule 1014. However, PHLX OEO's will continue to monitor the activity in the underlying securities of these options, and will modify the bid/ask differentials in the respective options accordingly. This extended relief is granted through the August 2008 expiration cycle unless withdrawn by the PHLX Options Exchange Officials prior to that time.

Any questions regarding this memorandum may be directed to On-Floor Surveillance at (215) 496-5295 or onfloorsurv@phlx.com.