



Memorandum No. 1107-08

Memorandum

To: DL-Memos, DL Post

From: Steve Pettibone, Vice President Options Reviews

Date: June 9, 2008

RE: **EXERCISE BY EXCEPTION THRESHOLD CHANGE**

The Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange"), issues an informational notice and reminder regarding the Options Clearing Corporation's (OCC) Exercise by Exception Threshold Change, which will take effect on June 21, 2008.

The Options Clearing Corporation (OCC) has been notified that the Securities Exchange Commission (SEC) has approved a proposed rule change (SR-OCC-2007-18) filed by the OCC to reduce the thresholds applied to equity options for the purposes of exercise by exception processing on expiration. Publication of the order in the Federal Register took place in January 2008. (Rel. 34-57163)

- **THE CHANGE IN THRESHOLDS APPLIED TO EQUITY OPTIONS WILL BE EFFECTIVE FOR THE STANDARD EQUITY EXPIRATION ON JUNE 21, 2008 AND WILL BE EFFECTIVE FOR ALL EQUITY EXPIRATIONS THEREAFTER.**

EXERCISE BY EXCEPTION PROCESSING FOR THE JUNE STANDARD EQUITY EXPIRATION AND ALL EXPIRATIONS THEREAFTER WILL BE CONDUCTED WITH THE NEW THRESHOLD OF \$0.01 FOR ALL ACCOUNT TYPES.