

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Listings Administration

Date: March 25, 2008

Re: Verizon Communications (VZ) - Stock Distribution

Verizon Communications (VZ) has declared a distribution of Common Shares of FairPoint Communications, Inc. (FRP) to VZ shareholders of record, March 7, 2008. Distribution will be Monday, March 31, 2008. **Ex-distribution is April 1, 2008.** The distribution will be approximately 0.0188 shares of FairPoint Communications, Inc. per share of Verizon Communications. Cash will be paid in lieu of fractional shares.

Accordingly, pursuant to OCC By-Laws, all VZ options on the ex-distribution date must be adjusted as follows:

Adjustment Date: **Effective Tuesday, April 1, 2008.**
 Symbol(s): **VZ/VBU/WLE becomes VZL/VBI/WLR**
 Strike Price: Unchanged
 Multiplier: 100 (e.g., Premium of 1.00 = \$100)
 New Deliverable: **1) 100 Shares of Verizon Communications (VZ)**
2) Approximately 1 Share of FairPoint Communications, Inc. (FRP)
3) Cash in lieu of approximately 0.88 fractional FRP shares

FOR PREVIOUSLY ADJUSTED OUTSTANDING UCE SERIES:

The deliverable for all adjusted options contracts will be further adjusted to require delivery of 100 Common Shares of Verizon Communications Inc. (VZ), 5 Common Shares of Idearc Inc. (IAR), approximately 1 Common Share FairPoint Communications, Inc. (FRP), plus cash in lieu of approximately 0.88 fractional FRP shares. The option symbols, strike prices and multiplier will remain unchanged.

GOOD-TILL-CANCELLED (GTC) ORDERS

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the ex-distribution or effective date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

Verizon Communications (VZ)					Verizon Communications (VZL)				
(Before 4/1/2008)					(Beginning 4/1/2008)				
(100 shrs VZ)					(See new deliverable above)				
			Calls	Puts			Calls	Puts	
VZ	APR	25	DE	PE	VZL	APR	25	DE	PE
VZ	APR	27 1/2	DY	PY	VZL	APR	27 1/2	DY	PY
VZ	APR	30	DF	PF	VZL	APR	30	DF	PF
VZ	APR	32 1/2	DZ	PZ	VZL	APR	32 1/2	DZ	PZ
VZ	APR	35	DG	PG	VZL	APR	35	DG	PG
VZ	APR	37 1/2	DU	PU	VZL	APR	37 1/2	DU	PU
VZ	APR	40	DH	PH	VZL	APR	40	DH	PH
VZ	APR	42 1/2	DV	PV	VZL	APR	42 1/2	DV	PV
VZ	APR	45	DI	PI	VZL	APR	45	DI	PI
VZ	APR	47 1/2	DW	PW	VZL	APR	47 1/2	DW	PW
VZ	APR	50	DJ	PJ	VZL	APR	50	DJ	PJ
VZ	APR	52 1/2	DX	PX	VZL	APR	52 1/2	DX	PX
VZ	APR	55	DK	PK	VZL	APR	55	DK	PK

Verizon Communications (VZ)
(Before 4/1/2008)
(100 shrs VZ)

			Calls	Puts
VZ	MAY	25	EE	QE
VZ	MAY	27 1/2	EY	QY
VZ	MAY	30	EF	QF
VZ	MAY	32 1/2	EZ	QZ
VZ	MAY	35	EG	QG
VZ	MAY	37 1/2	EU	QU
VZ	MAY	40	EH	QH
VZ	MAY	42 1/2	EV	QV
VZ	MAY	45	EI	QI
VZ	JUL	25	GE	SE
VZ	JUL	27 1/2	GY	SY
VZ	JUL	30	GF	SF
VZ	JUL	32 1/2	GZ	SZ
VZ	JUL	35	GG	SG
VZ	JUL	37 1/2	GU	SU
VZ	JUL	40	GH	SH
VZ	JUL	42 1/2	GV	SV
VZ	JUL	45	GI	SI
VZ	JUL	47 1/2	GW	SW
VZ	JUL	50	GJ	SJ
VZ	JUL	52 1/2	GX	SX
VZ	JUL	55	GK	SK
VZ	JUL	60	GL	SL
VZ	OCT	22 1/2	JT	VT
VZ	OCT	25	JE	VE
VZ	OCT	27 1/2	JY	VY
VZ	OCT	30	JF	VF
VZ	OCT	32 1/2	JZ	VZ
VZ	OCT	35	JG	VG
VZ	OCT	37 1/2	JU	VU
VZ	OCT	40	JH	VH
VZ	OCT	42 1/2	JV	VV
VZ	OCT	45	JI	VI
VZ	OCT	47 1/2	JW	VW

Verizon Communications (VZL)
(Beginning 4/1/2008)
(See new deliverable above)

			Calls	Puts
VZL	MAY	25	EE	QE
VZL	MAY	27 1/2	EY	QY
VZL	MAY	30	EF	QF
VZL	MAY	32 1/2	EZ	QZ
VZL	MAY	35	EG	QG
VZL	MAY	37 1/2	EU	QU
VZL	MAY	40	EH	QH
VZL	MAY	42 1/2	EV	QV
VZL	MAY	45	EI	QI
VZL	JUL	25	GE	SE
VZL	JUL	27 1/2	GY	SY
VZL	JUL	30	GF	SF
VZL	JUL	32 1/2	GZ	SZ
VZL	JUL	35	GG	SG
VZL	JUL	37 1/2	GU	SU
VZL	JUL	40	GH	SH
VZL	JUL	42 1/2	GV	SV
VZL	JUL	45	GI	SI
VZL	JUL	47 1/2	GW	SW
VZL	JUL	50	GJ	SJ
VZL	JUL	52 1/2	GX	SX
VZL	JUL	55	GK	SK
VZL	JUL	60	GL	SL
VZL	OCT	22 1/2	JT	VT
VZL	OCT	25	JE	VE
VZL	OCT	27 1/2	JY	VY
VZL	OCT	30	JF	VF
VZL	OCT	32 1/2	JZ	VZ
VZL	OCT	35	JG	VG
VZL	OCT	37 1/2	JU	VU
VZL	OCT	40	JH	VH
VZL	OCT	42 1/2	JV	VV
VZL	OCT	45	JI	VI
VZL	OCT	47 1/2	JW	VW

Verizon Communications - 2009 Leap (VBU)
(Before 4/1/2008)
(100 shrs VZ)

			Calls	Put
VBU	JAN	20	AD	MD
VBU	JAN	22 1/2	AX	MX
VBU	JAN	25	AE	ME
VBU	JAN	27 1/2	AY	MY
VBU	JAN	30	AF	MF
VBU	JAN	32 1/2	AZ	MZ
VBU	JAN	35	AG	MG
VBU	JAN	37 1/2	AU	MU
VBU	JAN	40	AH	MH
VBU	JAN	42 1/2	AV	MV
VBU	JAN	45	AI	MI
VBU	JAN	50	AJ	MJ
VBU	JAN	55	AK	MK
VBU	JAN	60	AL	ML

Verizon Communications - 2009 Leap (VBI)
(Beginning 4/1/2008)
(See new deliverable above)

			Calls	Put
VBI	JAN	20	AD	MD
VBI	JAN	22 1/2	AX	MX
VBI	JAN	25	AE	ME
VBI	JAN	27 1/2	AY	MY
VBI	JAN	30	AF	MF
VBI	JAN	32 1/2	AZ	MZ
VBI	JAN	35	AG	MG
VBI	JAN	37 1/2	AU	MU
VBI	JAN	40	AH	MH
VBI	JAN	42 1/2	AV	MV
VBI	JAN	45	AI	MI
VBI	JAN	50	AJ	MJ
VBI	JAN	55	AK	MK
VBI	JAN	60	AL	ML

Verizon Communications - 2010 Leap (WLE)
 (Before 4/1/2008)
 (100 shrs VZ)

			Calls	Put
WLE	JAN	20	AD	MD
WLE	JAN	30	AF	MF
WLE	JAN	40	AH	MH
WLE	JAN	45	AI	MI
WLE	JAN	50	AJ	MJ
WLE	JAN	60	AL	ML

Verizon Communications - 2010 Leap (WLR)
 (Beginning 4/1/2008)
 (See new deliverable above)

			Calls	Put
WLR	JAN	20	AD	MD
WLR	JAN	30	AF	MF
WLR	JAN	40	AH	MH
WLR	JAN	45	AI	MI
WLR	JAN	50	AJ	MJ
WLR	JAN	60	AL	ML

Any additional VZ series that are added prior to the ex-date will also be adjusted in the manner described above.

The new VZ option contracts representing 100 shares of VZ, will be admitted to trading on Wednesday, April 2, 2008. Strike prices and expiration months will be announced on a separate release prior to that date.

Questions regarding this release may be directed to Listings Administration at 1-800-THE-PHLX, choice #2, or (215) 496-5380.