

MEMORANDUM

To: All Option Members, Member Organizations and ROTs  
 From: Listings Administration  
 Date: March 25, 2008  
 Re: **MCG Capital Corporation (QML/MCGC) - Rights Distribution**

MCG Capital Corporation (QML/MCGC) is offering to its holders the rights to subscribe to additional shares of MCG Capital Corporation. **Each shareholder of record as of March 28, 2008, will receive one (1) transferable right for every seven (7) MCG Capital Corporation shares held. Each right will entitle the holder to purchase one (1) share of MCGC stock at a subscription price that will be determined at the expiration of the offer. MCG Capital Corporation option holders wishing to obtain rights must exercise prior to Friday, April 18, 2008, 5:00 p.m., New York City time, unless extended.** Rights may be exercised without the deposit of Rights if a properly executed "Notice of Guaranteed Delivery" is received by the Subscription Agent prior to the expiration date. The guarantee period is three (3) NASDAQ trading days. **There will be an oversubscription privilege available.**

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

Adjustment Date: **Effective Wednesday, March 26, 2008.**  
 Symbol(s): **QML becomes QRM**  
 Strike Price: Unchanged  
 Multiplier: 100 (e.g., Premium of 1.00 = \$100)  
 New Deliverable: **1) 100 Shares of MCG Capital Corporation (MCGC)**  
**2) 15 Rights (MCGCR) to purchase 15 shares of MCG Capital Corporation**

## 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.

MCG Capital Corporation (MCGC/QML) (Before 3/26/2008) (100 shrs MCGC)					MCG Capital Corporation (MCGC/QRM) (Beginning 3/26/2008) (See new deliverable above)				
			Calls	Puts				Calls	Puts
QML	APR	7 1/2	DU	PU	QRM	APR	7 1/2	DU	PU
QML	APR	10	DB	PB	QRM	APR	10	DB	PB
QML	APR	12 1/2	DV	PV	QRM	APR	12 1/2	DV	PV
QML	APR	15	DC	PC	QRM	APR	15	DC	PC
QML	MAY	7 1/2	EU	QU	QRM	MAY	7 1/2	EU	QU
QML	MAY	10	EB	QB	QRM	MAY	10	EB	QB
QML	MAY	12 1/2	EV	QV	QRM	MAY	12 1/2	EV	QV
QML	JUN	7 1/2	FU	RU	QRM	JUN	7 1/2	FU	RU
QML	JUN	10	FB	RB	QRM	JUN	10	FB	RB
QML	JUN	12 1/2	FV	RV	QRM	JUN	12 1/2	FV	RV
QML	JUN	15	FC	RC	QRM	JUN	15	FC	RC
QML	JUN	17 1/2	FW	RW	QRM	JUN	17 1/2	FW	RW
QML	SEP	7 1/2	IU	UU	QRM	SEP	7 1/2	IU	UU
QML	SEP	10	IB	UB	QRM	SEP	10	IB	UB
QML	SEP	12 1/2	IV	UV	QRM	SEP	12 1/2	IV	UV
QML	SEP	15	IC	UC	QRM	SEP	15	IC	UC

The new QML option contracts representing 100 shares of MCGC, will be admitted to trading on Thursday, March 27, 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