

**MEMORANDUM**

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

**FROM:** Office of the Secretary

**RE:** Executive Committee Meeting of May 22, 2008

**DATE:** May 27, 2008

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The Executive Committee of the Philadelphia Stock Exchange, Inc. (“Phlx” or the “Exchange”) Board of Governors convened on Thursday, May 22, 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 May 8, 2008.
- Approved and authorized staff to file to adopt, with the Securities and Exchange Commission (“SEC”), amendments to Exchange Rule 1080(c) to provide that: (i) Order Entry Firms may not execute as principal against orders on the limit order book they represent as agent unless such agency orders are first exposed on the limit order book for at least one (1) second, or the Order Entry Firm has been bidding or offering on the Exchange for at least one (1) second prior to receiving an agency order that is executable against such order, and (ii) Order Entry Firms must expose orders they represent as agent for at least one (1) second before such orders may be automatically executed, in whole or in part, against orders solicited from members and non-member broker-dealers to transact with such orders.
- Approved and authorized staff to file for the Exchange to join the Options Order Protection and Locked/Crossed Market Plan.
- Approved and authorized staff to indicate to the Operating Committee and the SEC that the Exchange will join in the filing of Amendment No. 20 of the national market system plan under which Nasdaq securities are traded on an unlisted trading privileges basis.

