

MEMORANDUM

TO: Members, Member Organizations, Participants and Participant Organizations

**FROM: Edward Deitzel
Vice President On-Floor Options Surveillance**

DATE: January 2, 2008

RE: Bid/Ask Differentials in Certain High Priced Securities

Philadelphia Stock Exchange, Inc. ("PHLX") Rule 1014 (C)(i)(A)(1)(a) requires market makers to maintain certain bid/ask differentials (quote spreads) during the opening rotation. Due to the high price and/or volatility of certain underlying equities, the PHLX has modified its Quote Spread Parameter Relief Schedule form to include requests for weekly and monthly opening parameter relief in those issues.

If you have any questions regarding the information contained in this circular, please feel free to contact Michael Blackson at 215-496-5295, Ed Deitzel at 215-496-5298 or e-mail us at onfloorsurv@phlx.com.