



Memo #: 0141-08

MEMORANDUM

TO: All Option Members, Member Organizations and ROTs

FROM: Market Watch

DATE: January 17, 2008

RE: **Novastar Financial Inc. (NFI)**  
**Closing Transactions Only**

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Novastar Financial Inc. (NFI) will be suspended from trading on the NYSE following the close of business on Wednesday, January 16, 2008. A market for the underlying shares will be available on the OTC Bulletin Board, beginning on Thursday, January 17, 2008, under the symbol NOVS. There will be no change to the underlying options.

**Therefore, the Philadelphia Stock Exchange (PHLX) has determined to limit activity to closing customer transactions only.**

All non-AUTOM opening orders must be manually cancelled. GTC AUTOM orders will be deleted by the PHLX Service Desk/AUTOM personnel.

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