

MEMORANDUM

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

FROM: Office of the Secretary

RE: Executive Committee Meeting of January 16, 2008

DATE: January 30, 2008

The Executive Committee of the Philadelphia Stock Exchange, Inc. (“Phlx” or the “Exchange”) Board of Governors convened on Wednesday, January 16, 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 December 11, 2007 and January 14, 2008.
- Approved and authorized staff to submit a proposed rule change with the Securities and Exchange Commission (“SEC”) clarifying that members and member organizations on the Phlx Options Floor are permitted to have connectivity to XLE. In conjunction, the proposed rule change would delete Phlx Rule 1014(e)(iii), which limited the actions of Registered Options Traders (“ROTs”) related to trading in Phlx’s equity market in certain situations, and adopt Phlx Rule 175, prohibiting XLE Market Makers from acting as an options specialist or option market maker in options overlying the securities in which the XLE Market Maker is registered.
- Approved and authorized staff to file a proposed rule change with the SEC to list and trade cash-settled index options on the Susquehanna International Group, LLP (“SIG”) Energy MLP Index (SVO). The Index was developed and is to be maintained by SIG; Phlx will calculate and disseminate the new index.
- Approved and authorized the following budgeted capital requests for Options Trading Systems: (i) Stratus disk array to host the development of an application that combines all storage applications into a single host for all trading system data storage; (ii) purchase of CPU/Memory Boards to upgrade the SUN testbed server; and (iii) software to provide publishing/subscription based guaranteed message delivery capabilities for the NGA II version of Phlx XL.

- Approved and authorized staff to file proposed rule changes with the SEC to amend Rules 722, *Margin Accounts*, 1000, *Applicability, Definitions and References*, and 1012, *Series of Options Open for Trading*, in order to accommodate certain changes to the Phlx's current spot price calculations, and to make such further changes thereto as in the opinion of staff are necessary for clarification or to secure SEC approval.

- Authorized and approved contributions from the Phlx Foundation to the Arthritis Foundation, the Boys & Girls Clubs of America, Congress of Racial Equality, Culinary Arts Program for Children with Learning Differences, and Project H.O.M.E.