

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: April 2, 2007

**Subject: Integrated Alarm Services Group, Inc. (IASG/IQK) Merger EFFECTIVE**

On Tuesday, March 27, 2007, the shareholders of Integrated Alarm Services Group, Inc. (IASG) voted to approve the proposed merger with Protection One, Inc. (PONE). Pursuant to the merger terms each IASG share will be converted into the right to receive 0.29 PONE common shares. **The merger became effective on Monday, April 2, 2007.**

*\*\*The foregoing is an unofficial summary of the terms of the Merger, prepared by the PHLX for the convenience of its members. PHLX accepts no responsibility for the accuracy or completeness of the summary. Members should refer to the proxy statement for the authoritative description of the merger terms and conditions.*

Pursuant to Options Clearing Corporation (OCC) By-Laws, all outstanding IQK options will be adjusted as follows:

**EFFECTIVE DATE:** Tuesday, April 3, 2007  
**SYMBOL(s):** IQK becomes IBJ  
**STRIKE PRICE:** No Change  
**POS/EXERCISE LIMIT:** No Change  
**MULTIPLIER:** 100\*(eg., Premium of 1.00 = \$100)  
**NEW DELIVERABLE:** 1) 29 PONE common shares.

Integrated Alarm Services Group, Inc. (IASG/IQK) (Before 4/3/2007) 100 shares IASG					Integrated Alarm Services Group, Inc. (IASG/IBJ) (Beginning 4/3/2007) (See New Deliverable Above)				
			Calls	Puts				Calls	Puts
IQK	APR	2 1/2	DZ	PZ	IBJ	APR	2 1/2	DZ	PZ
IQK	APR	5	DA	PA	IBJ	APR	5	DA	PA
IQK	APR	7 1/2	DU	PU	IBJ	APR	7 1/2	DU	PU
IQK	JUN	2 1/2	FZ	RZ	IBJ	JUN	2 1/2	FZ	RZ
IQK	JUN	5	FA	RA	IBJ	JUN	5	FA	RA
IQK	JUN	7 1/2	FU	RU	IBJ	JUN	7 1/2	FU	RU
IQK	SEP	2 1/2	IZ	UZ	IBJ	SEP	2 1/2	IZ	UZ
IQK	SEP	5	IA	UA	IBJ	SEP	5	IA	UA
IQK	SEP	7 1/2	IU	UU	IBJ	SEP	7 1/2	IU	UU

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the effective date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

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