

MEMORANDUM

TO: Specialists, Streaming Quote Traders (“SQTs”), Remote Streaming Quote Traders (“RSQTs”), Directed Streaming Quote Traders (“DSQTs”), and Directed Remote Streaming Quote Traders (“DRSQTs”).

FROM: Options Surveillance

DATE: April 24, 2007

SUBJECT: Requirement to Quote Options with less than 9 months to expiration

This is a reminder to all Specialists, SQTs, RSQTs, DSQTs and DRSQTs regarding their quoting obligations in option series where the time to expiration is less than nine months away.

In accordance to Rule 1014 (b)(ii)(D)4 “Obligations and Restrictions Applicable to Specialists and Registered Options Traders”, in relevant part, states:

“for a six-month period beginning on the date of approval of this sub-paragraph by the Securities and Exchange Commission, SQTs, DSQTs, RSQTs and DRSQTs shall be deemed not to be assigned in any option series until the time to expiration for such series is less than nine months. Accordingly, the market making obligations set forth in this rule shall not apply to SQTs, DSQTs, RSQTs and DRSQTs respecting series with an expiration of nine months or greater.”

Accordingly, the Exchange will consider options series referenced above as assigned beginning on the first Monday following the expiration of the option that was previously longer than nine months away.

Any questions regarding this memorandum should be directed to Michael Blackson, Senior Manager, On-Floor Surveillance at (215) 496-5295, Dawn Kelly Reim, Director, On-Floor Surveillance at (215) 496-5161 or Edward Deitzel, Vice President, Options Surveillance at (215) 496-5298.