

MEMORANDUM

To: All Option Members, Member Organizations and ROTs  
 From: Market Watch  
 Date: August 15, 2007  
 Re: **Doral Financial Corp. (DRL) - 1 for 20 Reverse Stock Split**

Doral Financial Corp. (DRL) has declared a 1 for 20 reverse stock split payable to shareholders of record on a date to be announced. As a result of the reverse stock split, each DRL Common Share will be converted into the right to receive 0.05 (New) Doral Financial Corp. Common Shares. Distribution date for the stock split will be on a date to be announced. **Ex-distribution date for the stock split is anticipated to be Monday, August 20, 2007.**

**EFFECTIVE DATE:** Anticipated to be Monday, August 20, 2007  
**SYMBOL:** **DRL becomes DQY**  
**OVL becomes OWU**  
**POSITION LIMITS:** No change  
**STRIKE PRICES** No change  
**NEW DELIVERABLE:** **1) 5 (New) Doral Financial Corporation (DRL) Common shares**

The resulting list of adjusted strike prices and symbols is as shown on the following page:

Doral Financial Corp. (DRL) (Before 8/20/2007) (100 shrs DRL)					Doral Financial Corp. (DQY) (After 8/20/2007) (See new deliverable above)				
			Calls	Puts				Calls	Puts
DRL	JAN	2 1/2	AZ	MZ	DQY	JAN	2 1/2	AZ	MZ
DRL	JAN	5	AA	MA	DQY	JAN	5	AA	MA
DRL	JAN	7 1/2	AU	MU	DQY	JAN	7 1/2	AU	MU
DRL	JAN	10	AB	MB	DQY	JAN	10	AB	MB
DRL	JAN	12 1/2	AV	MV	DQY	JAN	12 1/2	AV	MV
DRL	JAN	15	AC	MC	DQY	JAN	15	AC	MC
DRL	JAN	17 1/2	AW	MW	DQY	JAN	17 1/2	AW	MW

  

Doral Financial Corp. - 2009 Leap (OVL) (Before 8/20/2007) (100 shrs DRL)					Doral Financial Corp. - 2009 Leap (OWU) (After 8/20/2007) (See new deliverable above)				
			Calls	Put				Calls	Put
OVL	JAN	5	AA	MA	OWU	JAN	5	AA	MA
OVL	JAN	7 1/2	AU	MU	OWU	JAN	7 1/2	AU	MU
OVL	JAN	10	AB	MB	OWU	JAN	10	AB	MB

**Any additional DRL series that are added prior to the ex-date will also be adjusted in the manner described above.**

**GOOD-TILL-CANCELLED (GTC) ORDERS:**

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

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-1508.