

MEMORANDUM

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

FROM: Office of the Secretary

RE: Executive Committee Meeting of December 11, 2007

DATE: December 12, 2007

The Executive Committee of the Philadelphia Stock Exchange, Inc. (“Phlx” or the “Exchange”) Board of Governors convened on Tuesday, December 11, 2007, 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 November 20, 2007.
- Approved and authorized staff to file to adopt, an amendment to Exchange Rules 1014(b)(ii)(C) that would require Exchange non-SQT ROTs to notify the Exchange in writing of the options in which such non-SQT ROT intends to make markets or in which they intend to terminate their assignment.
- Approved the constitution of the Special Committee on Strategic Alliances.
- Approved and authorized staff to recommend to the Board of Governors for final approval the following amendment to the 2007/2008 Standing Committees as follows: the addition of John P. Hughes to the Business Conduct Committee.
- Approved and authorized the following budgeted capital requests: (i) software licenses for the Tidal Enterprise scheduler platform and; (ii) purchase of Forensics Recovery of Evidence Device, as per an SEC ARP Audit finding
- Authorized and approved contributions from the Phlx Foundation to the Iona College DeFeo Scholarship Fund.
- Approved and authorized staff to file a proposed rule change amending Rules 511 (Specialist Performance Evaluation) and 515 (Specialist Evaluations) to: (i) establish the content and use of Specialist Evaluations for specialists; (ii) establish minimum performance standards for options specialists and possible remedial action for failure to meet such minimum standards; (iii) establish the factors that the Options, Allocation, Evaluation and Securities Committee (“OAES”) may take into consideration when making allocation decisions; (iv) eliminate Rule 515; (v) establish allocations procedures after mergers or other corporate events; and (vi) authorize staff to make any additional changes or amendments needed for Commission authorization of the proposal or for purposes of uniformity.