

Equities # 3007-07

MEMORANDUM

To: All XLE Equity Participants and Member Organizations
From: Equity Surveillance Department
Date: December 13, 2007
Subject: Qualified Contingent Order Documentation

As referenced in Memo #230-07, XLE Participants have an affirmative obligation to record information regarding derivative components of any transactions marked as “Qualified Contingent” according to PHLX and SEC rules. (Please see PHLX Rule 185 for the conditions which meet the requirements for a trade to be marked as Qualified Contingent.)

In order for PHLX to fulfill its regulatory responsibilities for surveillance of these trades, the following three (3) items will be required on all order memorandums for trades marked as “Qualified Contingent”:

- 1) Option Symbol
- 2) Option Series
- 3) Option trade contract volume

Effective tomorrow, December 14, 2007, these three (3) pieces of information will be required on all XLE Participant order memorandums for trades marked “Qualified Contingent”, relieving XLE Participants of other data previously requested in Memo #230-07.

If you have any questions regarding this memo, please contact Christine McMaster, Vice President Equities Surveillance at (215) 496-1486 or christine.mcmaster@phlx.com.