

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: December 31, 2007

Re: Cummins, Inc. (CMI/CDM) - 2 for 1 Stock Split

Cummins, Inc. (CMI) has declared a 2 for 1 stock split payable to share holders of record on Friday, December 21, 2007. Distribution date for the stock split will be Wednesday, January 2, 2008. **Ex-distribution date for the stock split will be Thursday, January 3, 2008.**

The Options Clearing Corporation (OCC), pursuant to OCC By-Laws, intends to issue on the distribution date (1) additional CMI option contract for each option contract held. Further, on the ex-distribution date each CMI/CDM series will have an adjusted exercise (strike) price equal to 1/2 of the exercise (strike) price for each CMI/CDM series existing on the business day preceding the ex-distribution date. For example, beginning on Thursday, January 3, 2008 an account holding (2) CMI JAN 30 calls (CMI AF) will hold (4) CMI JAN 15 calls (CMI AC). Customers should be advised that (1) contract in the adjusted CMI/CDM series will still represent 100 shares of CMI common shares.

POSITION/EXERCISE LIMITS:

Position and exercise limits will change from 500,000 to 1,000,000 contracts until the expiration date of January 16, 2010

GOOD-TILL-CANCELLED (GTC) ORDERS:

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

The resulting list of adjusted strike prices and symbols is as follows:

Cummins, Inc. (CMI/CDM) (Before 1/3/2008) (1 Contract)					Cummins, Inc. (CMI/CDM) (Beginning 1/3/2008) (2 Contracts)				
			Calls	Puts			Calls	Puts	
CMI	JAN	30	AF	MF	CMI	JAN	15	AC	MC
CMI	JAN	35	AG	MG	CMI	JAN	17 1/2	AW	MW
CMI	JAN	37 1/2	AA	MA	CMI	JAN	18 3/4	AQ	MQ
CMI	JAN	40	AH	MH	CMI	JAN	20	AD	MD
CMI	JAN	42 1/2	AB	MB	CMI	JAN	21 1/4	AR	MR
CMI	JAN	45	AI	MI	CMI	JAN	22 1/2	AX	MX
CMI	JAN	50	AJ	MJ	CMI	JAN	25	AE	ME
CMI	JAN	52 1/2	AC	MC	CMI	JAN	26 1/4	AT	MT
CMI	JAN	55	AK	MK	CMI	JAN	27 1/2	AY	MY
CMI	JAN	60	AL	ML	CMI	JAN	30	AF	MF
CMI	JAN	65	AM	MM	CMI	JAN	32 1/2	AZ	MZ
CMI	JAN	70	AN	MN	CMI	JAN	35	AG	MG
CMI	JAN	75	AO	MO	CMI	JAN	37 1/2	AU	MU
CMI	JAN	80	AP	MP	CMI	JAN	40	AH	MH
CMI	JAN	85	AQ	MQ	CMI	JAN	42 1/2	AV	MV
CDM	JAN	90	AR	MR	CDM	JAN	45	AI	MI
CDM	JAN	95	AS	MS	CDM	JAN	47 1/2	AB	MB
CDM	JAN	100	AT	MT	CDM	JAN	50	AJ	MJ
CDM	JAN	105	AA	MA	CDM	JAN	52 1/2	AC	MC
CDM	JAN	110	AB	MB	CDM	JAN	55	AK	MK
CDM	JAN	115	AC	MC	CDM	JAN	57 1/2	AY	MY

Cummins, Inc. (CMI/CDM) (Before 1/3/2008) (1 Contract)					Cummins, Inc. (CMI/CDM) (Beginning 1/3/2008) (2 Contracts)				
			Calls	Puts				Calls	Puts
CDM	JAN	120	AD	MD	CDM	JAN	60	AL	ML
CDM	JAN	125	AE	ME	CDM	JAN	62 1/2	AZ	MZ
CDM	JAN	130	AF	MF	CDM	JAN	65	AM	MM
CDM	JAN	135	AG	MG	CDM	JAN	67 1/2	AU	MU
CDM	JAN	140	AH	MH	CDM	JAN	70	AN	MN
CDM	JAN	145	AI	MI	CDM	JAN	72 1/2	AV	MV
CDM	JAN	150	AJ	MJ	CDM	JAN	75	AO	MO
CDM	JAN	155	AK	MK	CDM	JAN	77 1/2	AW	MW
CDM	JAN	160	AL	ML	CDM	JAN	80	AP	MP
CDM	JAN	165	AM	MM	CDM	JAN	82 1/2	AX	MX
CDM	JAN	170	AN	MN	CDM	JAN	85	AQ	MQ
CDM	JAN	175	AO	MO	CDM	JAN	87 1/2	AD	MD
CDM	JAN	180	AP	MP	CDM	JAN	90	AR	MR
CDM	JAN	185	AQ	MQ	CDM	JAN	92 1/2	AE	ME
CDM	JAN	190	AW	MW	CDM	JAN	95	AS	MS
CDM	JAN	195	AX	MX	CDM	JAN	97 1/2	AF	MF
CDM	JAN	200	AY	MY	CDM	JAN	100	AT	MT
CMI	FEB	75	BO	NO	CMI	FEB	37 1/2	BU	NU
CMI	FEB	80	BP	NP	CMI	FEB	40	BH	NH
CMI	FEB	85	BQ	NQ	CMI	FEB	42 1/2	BV	NV
CDM	FEB	90	BR	NR	CDM	FEB	45	BI	NI
CDM	FEB	95	BS	NS	CDM	FEB	47 1/2	BB	NB
CDM	FEB	100	BT	NT	CDM	FEB	50	BJ	NJ
CDM	FEB	105	BA	NA	CDM	FEB	52 1/2	BC	NC
CDM	FEB	110	BB	NB	CDM	FEB	55	BK	NK
CDM	FEB	115	BC	NC	CDM	FEB	57 1/2	BY	NY
CDM	FEB	120	BD	ND	CDM	FEB	60	BL	NL
CDM	FEB	125	BE	NE	CDM	FEB	62 1/2	BZ	NZ
CDM	FEB	130	BF	NF	CDM	FEB	65	BM	NM
CDM	FEB	135	BG	NG	CDM	FEB	67 1/2	BU	NU
CDM	FEB	140	BH	NH	CDM	FEB	70	BN	NN
CDM	FEB	145	BI	NI	CDM	FEB	72 1/2	BV	NV
CDM	FEB	150	BJ	NJ	CDM	FEB	75	BO	NO
CDM	FEB	155	BK	NK	CDM	FEB	77 1/2	BW	NW
CMI	MAR	65	CM	OM	CMI	MAR	32 1/2	CZ	OZ
CMI	MAR	70	CN	ON	CMI	MAR	35	CG	OG
CMI	MAR	75	CO	OO	CMI	MAR	37 1/2	CU	OU
CMI	MAR	80	CP	OP	CMI	MAR	40	CH	OH
CMI	MAR	85	CQ	OQ	CMI	MAR	42 1/2	CV	OV
CDM	MAR	95	CS	OS	CDM	MAR	47 1/2	CB	OB
CDM	MAR	100	CT	OT	CDM	MAR	50	CJ	OJ
CDM	MAR	105	CA	OA	CDM	MAR	52 1/2	CC	OC
CDM	MAR	110	CB	OB	CDM	MAR	55	CK	OK
CDM	MAR	115	CC	OC	CDM	MAR	57 1/2	CY	OY
CDM	MAR	120	CD	OD	CDM	MAR	60	CL	OL
CDM	MAR	125	CE	OE	CDM	MAR	62 1/2	CZ	OZ
CDM	MAR	130	CF	OF	CDM	MAR	65	CM	OM
CDM	MAR	135	CG	OG	CDM	MAR	67 1/2	CU	OU
CDM	MAR	140	CH	OH	CDM	MAR	70	CN	ON
CDM	MAR	145	CI	OI	CDM	MAR	72 1/2	CV	OV
CDM	MAR	150	CJ	OJ	CDM	MAR	75	CO	OO

Cummins, Inc. (CMI/CDM) (Before 1/3/2008) (1 Contract)					Cummins, Inc. (CMI/CDM) (Beginning 1/3/2008) (2 Contracts)				
			Calls	Puts				Calls	Puts
CDM	MAR	155	CK	OK	CDM	MAR	77 1/2	CW	OW
CDM	MAR	160	CL	OL	CDM	MAR	80	CP	OP
CDM	MAR	165	CM	OM	CDM	MAR	82 1/2	CX	OX
CDM	MAR	170	CN	ON	CDM	MAR	85	CQ	OQ
CDM	MAR	175	CO	OO	CDM	MAR	87 1/2	CD	OD
CDM	MAR	180	CP	OP	CDM	MAR	90	CR	OR
CDM	MAR	185	CQ	OQ	CDM	MAR	92 1/2	CE	OE
CDM	MAR	190	CW	OW	CDM	MAR	95	CS	OS
CDM	MAR	195	CX	OX	CDM	MAR	97 1/2	CF	OF
CDM	MAR	200	CY	OY	CDM	MAR	100	CT	OT
CMI	JUN	75	FO	RO	CMI	JUN	37 1/2	FU	RU
CMI	JUN	80	FP	RP	CMI	JUN	40	FH	RH
CMI	JUN	85	FQ	RQ	CMI	JUN	42 1/2	FV	RV
CDM	JUN	90	FR	RR	CDM	JUN	45	FI	RI
CDM	JUN	95	FS	RS	CDM	JUN	47 1/2	FB	RB
CDM	JUN	100	FT	RT	CDM	JUN	50	FJ	RJ
CDM	JUN	105	FA	RA	CDM	JUN	52 1/2	FC	RC
CDM	JUN	110	FB	RB	CDM	JUN	55	FK	RK
CDM	JUN	115	FC	RC	CDM	JUN	57 1/2	FY	RY
CDM	JUN	120	FD	RD	CDM	JUN	60	FL	RL
CDM	JUN	125	FE	RE	CDM	JUN	62 1/2	FZ	RZ
CDM	JUN	130	FF	RF	CDM	JUN	65	FM	RM
CDM	JUN	135	FG	RG	CDM	JUN	67 1/2	FU	RU
CDM	JUN	140	FH	RH	CDM	JUN	70	FN	RN
CDM	JUN	145	FI	RI	CDM	JUN	72 1/2	FV	RV
CDM	JUN	150	FJ	RJ	CDM	JUN	75	FO	RO
CDM	JUN	155	FK	RK	CDM	JUN	77 1/2	FW	RW
CDM	JUN	160	FL	RL	CDM	JUN	80	FP	RP
CDM	JUN	165	FM	RM	CDM	JUN	82 1/2	FX	RX
CDM	JUN	170	FN	RN	CDM	JUN	85	FQ	RQ
CDM	JUN	175	FO	RO	CDM	JUN	87 1/2	FD	RD
CDM	JUN	180	FP	RP	CDM	JUN	90	FR	RR

Cummins, Inc. - 2009 Leap (VBE/XCQ/XB) (Before 1/3/2008) (1 Contract)					Cummins, Inc. - 2009 Leap (VBE/XCQ/XB) (Beginning 1/3/2008) (2 Contracts)				
			Calls	Put				Calls	Put
VBE	JAN	45	AI	MI	VBE	JAN	22 1/2	AX	MX
VBE	JAN	50	AJ	MJ	VBE	JAN	25	AE	ME
VBE	JAN	55	AK	MK	VBE	JAN	27 1/2	AY	MY
VBE	JAN	60	AL	ML	VBE	JAN	30	AF	MF
VBE	JAN	65	AM	MM	VBE	JAN	32 1/2	AZ	MZ
VBE	JAN	70	AN	MN	VBE	JAN	35	AG	MG
VBE	JAN	75	AO	MO	VBE	JAN	37 1/2	AU	MU
VBE	JAN	80	AP	MP	VBE	JAN	40	AH	MH
VBE	JAN	82 1/2	AX	MX	VBE	JAN	41 1/4	AA	MA
VBE	JAN	85	AQ	MQ	VBE	JAN	42 1/2	AV	MV
XCQ	JAN	90	AR	MR	XCQ	JAN	45	AI	MI
XCQ	JAN	95	AS	MS	XCQ	JAN	47 1/2	AB	MB
XCQ	JAN	100	AT	MT	XCQ	JAN	50	AJ	MJ
XCQ	JAN	105	AA	MA	XCQ	JAN	52 1/2	AC	MC
XCQ	JAN	110	AB	MB	XCQ	JAN	55	AK	MK

XCQ	JAN	115	AC	MC	XCQ	JAN	57 1/2	AY	MY
XCQ	JAN	120	AD	MD	XCQ	JAN	60	AL	ML
XCQ	JAN	125	AE	ME	XCQ	JAN	62 1/2	AZ	MZ
XCQ	JAN	130	AF	MF	XCQ	JAN	65	AM	MM
XCQ	JAN	135	AG	MG	XCQ	JAN	67 1/2	AU	MU
XCQ	JAN	140	AH	MH	XCQ	JAN	70	AN	MN
XCQ	JAN	145	AI	MI	XCQ	JAN	72 1/2	AV	MV
XCQ	JAN	150	AJ	MJ	XCQ	JAN	75	AO	MO
XCQ	JAN	155	AK	MK	XCQ	JAN	77 1/2	AW	MW
XCQ	JAN	160	AL	ML	XCQ	JAN	80	AP	MP
XCQ	JAN	165	AM	MM	XCQ	JAN	82 1/2	AX	MX
XCQ	JAN	170	AN	MN	XCQ	JAN	85	AQ	MQ
XCQ	JAN	175	AO	MO	XCQ	JAN	87 1/2	AD	MD
XCQ	JAN	180	AP	MP	XCQ	JAN	90	AR	MR
XCQ	JAN	185	AQ	MQ	XCQ	JAN	92 1/2	AE	ME
XCQ	JAN	190	AZ	MZ	XCQ	JAN	95	AS	MS
XCQ	JAN	195	AU	MU	XCQ	JAN	97 1/2	AF	MF
XCQ	JAN	200	AV	MV	XCQ	JAN	100	AT	MT
XCQ	JAN	210	AW	MW	XCQ	JAN	105	AA	MA
XB	JAN	220	AD	MD	XB	JAN	110	AB	MB
XB	JAN	230	AF	MF	XB	JAN	115	AC	MC
XB	JAN	240	AH	MH	XB	JAN	120	AD	MD
XB	JAN	250	AJ	MJ	XB	JAN	125	AE	ME

Cummins, Inc. - 2010 Leap (WEE)
(Before 1/3/2008)
(1 Contract)

			Calls	Put
WEE	JAN	90	AR	MR
WEE	JAN	100	AT	MT
WEE	JAN	110	AB	MB
WEE	JAN	120	AD	MD
WEE	JAN	130	AF	MF
WEE	JAN	140	AH	MH
WEE	JAN	150	AJ	MJ
WEE	JAN	160	AL	ML
WEE	JAN	170	AN	MN
WEE	JAN	180	AP	MP

Cummins, Inc. - 2010 Leap (WEE)
(Beginning 1/3/2008)
(2 Contracts)

			Calls	Put
WEE	JAN	45	AI	MI
WEE	JAN	50	AJ	MJ
WEE	JAN	55	AK	MK
WEE	JAN	60	AL	ML
WEE	JAN	65	AM	MM
WEE	JAN	70	AN	MN
WEE	JAN	75	AO	MO
WEE	JAN	80	AP	MP
WEE	JAN	85	AQ	MQ
WEE	JAN	90	AR	MR

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

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