

MEMORANDUM

TO: Members and Member Organizations

FROM: William N. Briggs, Executive Vice President – Administration,
Finance & Business Development

DATE: February 2, 2007

RE: Options Specialist Shortfall Fee – April 2007

As previously announced in memorandum no. 2000-130 dated August 24, 2000, the options specialists shortfall transaction fee became effective on August 1, 2000. Modifications to the fee were announced in memorandum no. 2001-2255-01 dated December 19, 2001. This fee of \$0.35 per contract is paid by the specialist trading any Top 120 Option if at least 12% (effective July 1, 2003) of the total national monthly contract volume for such Top 120 Option is not effected on the PHLX in that month.

Attached is a list of the Top 120 Options for the April 2007 billing.

The Exchange believes it is necessary to continue to attract order flow to the Exchange in order to remain competitive. This fee should encourage specialists to compete for order flow, which not only enhances the specialist's role, but also provides additional revenue to the Exchange. For questions regarding the billing and collection of this fee, please contact Joseph Jennings at (215)-496-1467.

**TOP 120 Multiply-Listed Options
For Charges in April 2007
(Comparative Volume, January 2007)**

#	Symbol	Company
1	QQQQ	NASDAQ-100 Index Tracking Stock
2	IWM	iShares Russell 2000 Index Fund
3	SPY	SPDR Trust Series 1
4	MSFT	Microsoft Corporation
5	AAPL	Apple Computers, Inc.
6	MO	Altria Group Inc.
7	INTC	Intel Corporation
8	YHOO	Yahoo!, Inc.
9	GOOG	Google, Inc.
10	VZ	Verizon Communications
11	OIH	Oil Services HOLDERS
12	MCD	McDonald's Corporation
13	AMD	Advanced Micro Devices, Inc.
14	GM	General Motors Corporation
15	SNDK	SanDisk Corporation
16	EBAY	eBay, Inc.
17	HAL	Halliburton Co
18	QCOM	QUALCOMM, Inc.
19	DIA	DIAMONDS Trust Series I
20	VLO	Valero Energy Corporation
21	XLE	S&P Energy Select Sector SPDR
22	T	AT&T, Inc
23	RIMM	Research in Motion Ltd.
24	DELL	Dell Inc.
25	PFE	Pfizer, Inc.
26	AMZN	Amazon.com, Inc.
27	XOM	Exxon Mobil Corporation
28	GS	Goldman Sachs Group, Inc.
29	MOT	Motorola, Inc.
30	CSCO	Cisco Systems, Inc.
31	CAT	Caterpillar Inc
32	IBM	International Business Machines Corporation
33	WMT	Wal-Mart Stores, Inc.
34	COP	ConocoPhillips
35	S	Sprint Nextel Corporation
36	C	Citigroup, Inc.
37	PD	Phelps Dodge Corporation
38	XMSR	XM Satellite Radio Holdings, Inc.
39	SMH	Semiconductor HOLDERS
40	CY	Cypress Semiconductor Corp
41	PG	Procter & Gamble Company, The
42	GE	General Electric Company
43	NEM	Newmont Mining Corp.
44	BSX	Boston Scientific Corporation
45	BRCM	Broadcom Corporation
46	F	Ford Motor Company
47	AXP	American Express Company

48 HET	Harrah's Entertainment, Inc.
49 TXN	Texas Instruments, Inc.
50 AMR	AMR Corporation
51 KO	Coca-Cola Company, The
52 AMGN	Amgen, Inc.
53 RHAT	Red Hat, Inc.
54 X	USX-U.S. Steel Group
55 HPQ	Hewlett-Packard Company
56 DNA	Genentech, Inc.
57 AA	Alcoa Inc
58 MRVL	Marvell Technology Group Ltd.
59 TWX	Time Warner, Inc.
60 SLB	Schlumberger Ltd.
61 MU	Micron Technology, Inc.
62 ORCL	Oracle Corporation
63 SHLD	Sears Holdings Corporation
64 NVDA	NVIDIA Corporation
65 XLF	S&P Financial Select Sector SPDR
66 CELG	Celgene Corp
67 AVNR	AVANIR Pharmaceuticals
68 STX	Seagate Technology
69 CHK	Chesapeake Energy Corporation
70 JPM	JP Morgan Chase & Co.
71 ELN	Elan Corporation PLC
72 CMCSA	Comcast Corp (CI A Com)
73 AKAM	Akamai Technologies, Inc.
74 BTU	Peabody Energy Corporation
75 RIG	Transocean, Inc.
76 BMY	Bristol-Meyers Squibb Company
77 NRPH	New River Pharmaceuticals, Inc.
78 LVL	Level 3 Communications, Inc.
79 GLW	Corning Inc
80 UNH	Unitedhealth Group, Inc.
81 HD	Home Depot, Inc.
82 BAC	Bank of America Corporation
83 NBR	Nabors Industries, Ltd.
84 JNPR	Juniper Networks, Inc.
85 UPS	United Parcel Service, Inc.
86 NUE	Nucor Corporation
87 GG	Goldcorp, Inc.
88 SEPR	Sepracor Inc
89 SUNW	Sun Microsystems, Inc.
90 RMBS	Rambus, Inc.
91 MRK	Merck & Co., Inc.
92 AMAT	Applied Materials, Inc.
93 SBUX	Starbucks Corporation
94 MER	Merrill Lynch & Co., Inc.
95 EMC	EMC Corporation
96 WAG	Walgreen Co.
97 DVN	Devon Energy Corporation
98 CVS	CVS Corp
99 JNJ	Johnson & Johnson

100 AIG	American International Group
101 TOL	Toll Brothers, Inc.
102 ACI	Arch Coal, Inc.
103 CVX	Chevron Corporation
104 SYMC	Symantec Corporation
105 DO	Diamond Offshore Drilling
106 NOK	Nokia Corporation
107 MS	Morgan Stanley
108 MMM	3M Company
109 CAL	Continental Airlines, Inc. - Class B
110 LOW	Lowe's Companies, Inc.
111 RIO	Companhia Vale do Rio Doce
112 BBY	Best Buy Company Inc
113 NYX	NYSE Group, Inc.
114 BOBJ	Business Objects S.A.- ADR
115 CME	Chicago Mercantile Exchange
116 GT	Goodyear Tire & Rubber Co
117 WFC	Wells Fargo Company
118 GRMN	Garmin Ltd.
119 LEA	Lear Corporation
120 MT	Mittal Steel Company NV