

**MEMORANDUM**

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

**FROM:** Office of the Secretary

**RE:** Executive Committee Meeting of February 20, 2007

**DATE:** February 21, 2007

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The Executive Committee of the Philadelphia Stock Exchange, Inc. (“Phlx” or the “Exchange”) Board of Governors convened on Tuesday, February 20, 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 February 7, 2007.
- Approved and authorized an officer of the Exchange to sign and submit the 24<sup>th</sup> Amendment to the Intermarket Trading System (“ITS”) Plan to eliminate the plan itself and for staff to file with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend Phlx rules and the XLE Fee Schedule related to the ITS Plan, in anticipation of the adoption of the Order Protection Rule in Regulation NMS.
- Approved and authorized staff to file with the SEC a rule change to amend Phlx Rule 162(b)(2) and (3) to change the 2-day settlement from “Next Day” to “Seller’s Option.” The proposed change does not alter the availability or the attributes of a 2-day settlement transaction but simply changes the form of submission to the National Securities Clearing Corporation (“NSCC.”)
- Approved and authorized staff to file with the SEC amendments to Phlx Rule 625, *Training*, Rule 970, *Floor Procedure Advices: Violations, Penalties and Procedures*, Equity Floor Procedure Advice F-30, *Training*, and Options Floor Procedure Advice, F-30, *Options Trading Floor Training*. The amendments would clarify the training requirements for Exchange members and persons employed by or associated with such member or member organization. The Committee also approved the Exchange’s proposal to update the language in Exchange Rule 970 to reflect that any authorized official of the Exchange may sign a citation for violating a floor procedure advice.

- Approved and authorized staff to file with the SEC for a one-year extension, until March 1, 2008, of the pilot programs for: (1) the \$1,000 and \$25,000 fee caps on equity option transaction and comparison charges on dividend, merger, and short stock interest strategies; and (2) the license fee of \$0.05 per contract side imposed on dividend and short stock interest strategies. Such programs are currently set to expire on March 1, 2007.