

MEMORANDUM

TO: Members and Member Organizations

FROM: John Dayton

DATE: January 3, 2007

RE: Trading of SPY on XLE

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The Exchange will begin trading the Standard & Poor's Depositary Receipts®, (Symbol SPY) on its XLE equity trading platform on Thursday, January 4, 2007. SPY will trade on XLE from 8:00 AM until 6:00 PM. The Core Session for SPY on XLE will be from 9:30 AM until 4:15 PM. In addition, SPY is exempt from the short sale tick test in Rule 10a-1 and Phlx Rule 455.

Questions regarding XLE functionality may be directed to the XLE Help Desk at (215) 496-5311 or 1-877-678-PHLX.