

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Listings/Market Watch

Date: January 22, 2007

**Subject: McData Corporation - Class A (MCDTA/MQG) & McData Corporation - Class B (MCDT/DXZ)
Pending Merger With Brocade Communications Systems, Inc. (BRCD)**

On Thursday, January 25, 2007, the shareholders of McData Corporation - Class A (MCDTA) and McData Corporation - Class B (MCDT) will vote to approve the proposed merger with Brocade Communications Systems, Inc. (BRCD). Pursuant to the merger terms each MCDTA and MCDT common share will be converted into the right to receive .75 BRCD common shares. Cash will be paid in lieu of fractional BRCD shares. **The merger is anticipated to become effective by the end of January 2007.**

***The foregoing is an unofficial summary of the terms of the Merger, prepared by the PHLX for the convenience of its members. PHLX accepts no responsibility for the accuracy or completeness of the summary. Members should refer to the proxy statement for the authoritative description of the merger terms and conditions.*

Pursuant to Options Clearing Corporation (OCC) By-Laws, all outstanding MQG options will be adjusted as follows:

EFFECTIVE DATE: Option changes are expected to become effective on a date to be announced

SYMBOL(s): 1) MQG/YGV/OVK becomes MZV/YXL/ZDC, respectively
2) DXZ/YTO/VGF becomes AWU/LMM/ZME, respectively

STRIKE PRICE: No Change

POS/EXERCISE LIMIT: 700,000 contracts until January 2009 expiration; where the limits revert to 250,000 contracts

MULTIPLIER: 100*(eg., Premium of 1.00 = \$100)

NEW DELIVERABLE: 1) 75 BRCD common shares.
2) Cash in lieu of fractional BRCD shares

McData Corporation - Class A

McData Corporation - Class A (MCDTA/MQG) (Before - Date To Be Announced) 100 shares MCDTA					McData Corporation - Class A (MCDTA/MZV) (Beginning - Date To Be Announced) (See New Deliverable Above)				
			Calls	Puts				Calls	Puts
MQG	FEB	2 1/2	BZ	NZ	MZV	FEB	2 1/2	BZ	NZ
MQG	FEB	5	BA	NA	MZV	FEB	5	BA	NA
MQG	FEB	7 1/2	BU	NU	MZV	FEB	7 1/2	BU	NU
MQG	FEB	10	BB	NB	MZV	FEB	10	BB	NB
MQG	MAR	2 1/2	CZ	OZ	MZV	MAR	2 1/2	CZ	OZ
MQG	MAR	5	CA	OA	MZV	MAR	5	CA	OA
MQG	MAR	7 1/2	CU	OU	MZV	MAR	7 1/2	CU	OU
MQG	MAR	10	CB	OB	MZV	MAR	10	CB	OB
MQG	APR	2 1/2	DZ	PZ	MZV	APR	2 1/2	DZ	PZ
MQG	APR	5	DA	PA	MZV	APR	5	DA	PA
MQG	APR	7 1/2	DU	PU	MZV	APR	7 1/2	DU	PU
MQG	APR	10	DB	PB	MZV	APR	10	DB	PB
MQG	JUL	2 1/2	GZ	SZ	MZV	JUL	2 1/2	GZ	SZ
MQG	JUL	5	GA	SA	MZV	JUL	5	GA	SA
MQG	JUL	7 1/2	GU	SU	MZV	JUL	7 1/2	GU	SU
MQG	JUL	10	GB	SB	MZV	JUL	10	GB	SB

McData Corp Cl. A - 2008 Leap (MCDTA/YGV)
 (Before - Date To Be Announced)
 100 shares MCDTA

			Call	Put
YGV	JAN	2 1/2	AZ	MZ
YGV	JAN	5	AA	MA
YGV	JAN	7 1/2	AU	MU
YGV	JAN	10	AB	MB
YGV	JAN	12 1/2	AV	MV
YGV	JAN	15	AC	MC

McData Corp Cl. A - 2008 Leap (MCDTA/YXL)
 (Beginning - Date To Be Announced)
 (See New Deliverable Above)

			Call	Put
YXL	JAN	2 1/2	AZ	MZ
YXL	JAN	5	AA	MA
YXL	JAN	7 1/2	AU	MU
YXL	JAN	10	AB	MB
YXL	JAN	12 1/2	AV	MV
YXL	JAN	15	AC	MC

McData Corp Cl. A - 2009 Leap (MCDTA/OVK)
 (Before - Date To Be Announced)
 100 shares MCDTA

			Call	Put
OVK	JAN	2 1/2	AZ	MZ
OVK	JAN	5	AA	MA
OVK	JAN	7 1/2	AU	MU

McData Corp Cl. A - 2009 Leap (MCDTA/ZDC)
 (Beginning - Date To Be Announced)
 (See New Deliverable Above)

			Call	Put
ZDC	JAN	2 1/2	AZ	MZ
ZDC	JAN	5	AA	MA
ZDC	JAN	7 1/2	AU	MU

McData Corporation - Class B

McData Corporation - Class B (MCDT/DXZ)
 (Before - Date To Be Announced)
 100 shares MCDT

			Calls	Puts
DXZ	FEB	2 1/2	BZ	NZ
DXZ	FEB	5	BA	NA
DXZ	FEB	7 1/2	BU	NU
DXZ	FEB	10	BB	NB
DXZ	FEB	12 1/2	BV	NV
DXZ	FEB	15	VC	NC
DXZ	FEB	17 1/2	BW	NW
DXZ	MAR	2 1/2	CZ	OZ
DXZ	MAR	5	CA	OA
DXZ	MAR	7 1/2	CU	OU
DXZ	MAR	10	CB	OB
DXZ	MAR	12 1/2	CV	OV
DXZ	MAR	15	CC	OC
DXZ	MAR	17 1/2	CW	OW
DXZ	APR	2 1/2	DZ	PZ
DXZ	APR	5	DA	PA
DXZ	APR	7 1/2	DU	PU
DXZ	APR	10	DB	PB
DXZ	APR	12 1/2	DV	PV
DXZ	APR	15	DC	PC
DXZ	APR	17 1/2	DW	PW
DXZ	JUL	2 1/2	GZ	SZ
DXZ	JUL	5	GA	SA
DXZ	JUL	7 1/2	GU	SU
DXZ	JUL	10	GB	SB
DXZ	JUL	12 1/2	GV	SV
DXZ	JUL	15	GC	SC
DXZ	JUL	17 1/2	GW	SW

McData Corporation - Class B (MCDT/AWU)
 (Beginning - Date To Be Announced)
 (See New Deliverable Above)

			Calls	Puts
AWU	FEB	2 1/2	BZ	NZ
AWU	FEB	5	BA	NA
AWU	FEB	7 1/2	BU	NU
AWU	FEB	10	BB	NB
AWU	FEB	12 1/2	BV	NV
AWU	FEB	15	VC	NC
AWU	FEB	17 1/2	BW	NW
AWU	MAR	2 1/2	CZ	OZ
AWU	MAR	5	CA	OA
AWU	MAR	7 1/2	CU	OU
AWU	MAR	10	CB	OB
AWU	MAR	12 1/2	CV	OV
AWU	MAR	15	CC	OC
AWU	MAR	17 1/2	CW	OW
AWU	APR	2 1/2	DZ	PZ
AWU	APR	5	DA	PA
AWU	APR	7 1/2	DU	PU
AWU	APR	10	DB	PB
AWU	APR	12 1/2	DV	PV
AWU	APR	15	DC	PC
AWU	APR	17 1/2	DW	PW
AWU	JUL	2 1/2	GZ	SZ
AWU	JUL	5	GA	SA
AWU	JUL	7 1/2	GU	SU
AWU	JUL	10	GB	SB
AWU	JUL	12 1/2	GV	SV
AWU	JUL	15	GC	SC
AWU	JUL	17 1/2	GW	SW

McData Corp Cl. B - 2008 Leap (MCDT/YTO)
 (Before - Date To Be Announced)
 100 shares MCDT

			Call	Put
YTO	JAN	2 1/2	AZ	MZ
YTO	JAN	5	AA	MA
YTO	JAN	7 1/2	AU	MU

McData Corp Cl. B - 2008 Leap (MCDT/LMM)
 (Beginning - Date To Be Announced)
 (See New Deliverable Above)

			Call	Put
LMM	JAN	2 1/2	AZ	MZ
LMM	JAN	5	AA	MA
LMM	JAN	7 1/2	AU	MU

McData Corp Cl. B - 2009 Leap (MCDT/VGF)
 (Before - Date To Be Announced)
 100 shares MCDT

			Call	Put
VGF	JAN	2 1/2	AZ	MZ
VGF	JAN	5	AA	MA
VGF	JAN	7 1/2	AU	MU

McData Corp Cl. B - 2009 Leap (MCDT/ZME)
 (Beginning - Date To Be Announced)
 (See New Deliverable Above)

			Call	Put
ZME	JAN	2 1/2	AZ	MZ
ZME	JAN	5	AA	MA
ZME	JAN	7 1/2	AU	MU

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

Questions regarding this release may be directed to Listings/Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-1508.