Memorandum No. 224-07

MEMORANDUM

TO: Members and Member Organizations
FCO Participants and Participant Organizations

FROM: Walt Smith
Vice President, SPDE

DATE: January 31, 2007

RE: U.S. Dollar-Settled FCO Expirations

On January 8, 2007 the Exchange commenced the trading of U.S. dollar-settled options on the British pound and the Euro (together, the "Currencies").[1] This memorandum contains information regarding expirations.

Pursuant to Exchange Rule 1057, the closing settlement value for these options is the day's announced Noon Buying Rate, as determined by the Federal Reserve Bank of New York on the trading day prior to expiration. If the Noon Buying Rate is not announced by 2:00 p.m. Eastern Time the closing settlement value will be the most recently announced Noon Buying Rate, unless the Exchange determines to apply an alternative closing settlement value as a result of extraordinary circumstances.

The Noon Buying Rate will be published by the Federal Reserve Bank of New York and is available on its page http://www.ny.frb.org/markets/fxrates/noon.cfm . The Federal Reserve Bank of New York also offers free daily email notification services of its noon buying rates. After the Noon Buying Rate is published by the Federal Reserve Bank of New York to the public the Exchange will also post it on its website as the closing settlement value. The closing settlement value will not be disseminated over CTA, OPRA or the PBOT Market Data Distribution Network.

Trading of U.S. dollar-settled options on the Currencies will continue after the closing settlement value has been determined and posted, until the normal close of trading.

Questions on this memorandum may be directed to Walt Smith, at (215) 496-5532, or Todd Borneman, at (215) 496-1261. Product inquiries should be directed to Dan Carrigan at (215) 496-5017.

[1] See Securities and Exchange Commission Release No. 34-54989, available on the Exchange's website.