

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: July 2, 2007

Subject: Investors Financial Services Corp. (IFIN/FLQ) Merger **EFFECTIVE**

On Wednesday, June 20, 2007, the shareholders of Investors Financial Services Corp. (IFIN) voted to approve the proposed merger with State Street Corporation (STT). Pursuant to the merger terms each IFIN share will be converted into the right to receive 0.906 STT common shares. Cash will be paid in lieu of fractional shares.

**The merger became effective on Tuesday, July 2, 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 FLQ options will be adjusted as follows:

**EFFECTIVE DATE:** Tuesday, July 3, 2007  
**SYMBOL(s):** FLQ becomes IFI  
**STRIKE PRICE:** No Change  
**POS/EXERCISE LIMIT:** 500,000 contracts until January 19, 2008; where the limits revert to 250,000 contracts  
**MULTIPLIER:** 100\*(eg., Premium of 1.00 = \$100)  
**NEW DELIVERABLE:** 1) 90 STT common shares.  
 2) Cash in lieu of 0.6 fractional STT shares.

Investors Financial Services Corp. (IFIN/FLQ) (Before - Date To Be Announced)					Investors Financial Services Corp. (IFIN/IFI) (Beginning - Date To Be Announced)				
100 shares IFIN					(See New Deliverable Above)				
			Calls	Puts			Calls	Puts	
FLQ	JUL	32 1/2	GZ	SZ	IFI	JUL	32 1/2	GZ	SZ
FLQ	JUL	35	GG	SG	IFI	JUL	35	GG	SG
FLQ	JUL	37 1/2	GU	SU	IFI	JUL	37 1/2	GU	SU
FLQ	JUL	40	GH	SH	IFI	JUL	40	GH	SH
FLQ	JUL	42 1/2	GV	SV	IFI	JUL	42 1/2	GV	SV
FLQ	JUL	45	GI	SI	IFI	JUL	45	GI	SI
FLQ	JUL	47 1/2	GW	SW	IFI	JUL	47 1/2	GW	SW
FLQ	JUL	50	GJ	SJ	IFI	JUL	50	GJ	SJ
FLQ	JUL	52 1/2	GX	SX	IFI	JUL	52 1/2	GX	SX
FLQ	JUL	55	GK	SK	IFI	JUL	55	GK	SK
FLQ	JUL	60	GL	SL	IFI	JUL	60	GL	SL
FLQ	JUL	65	GM	SM	IFI	JUL	65	GM	SM
FLQ	JUL	70	GN	SN	IFI	JUL	70	GN	SN
FLQ	AUG	55	HK	TK	IFI	AUG	55	AK	MK
FLQ	AUG	57 1/2	HY	TY	IFI	AUG	57 1/2	AY	MY
FLQ	AUG	60	HL	TL	IFI	AUG	60	AL	ML
FLQ	AUG	65	HM	TM	IFI	AUG	65	AM	MM
FLQ	OCT	50	JJ	VJ	IFI	OCT	50	JJ	VJ
FLQ	OCT	55	JK	VK	IFI	OCT	55	JK	VK
FLQ	OCT	60	JL	VL	IFI	OCT	60	JL	VL
FLQ	OCT	65	JM	VM	IFI	OCT	65	JM	VM
FLQ	OCT	70	JN	VN	IFI	OCT	70	JN	VN
FLQ	OCT	75	JO	VO	IFI	OCT	75	JO	VO
FLQ	OCT	80	JP	VP	IFI	OCT	80	JP	VP

FLQ	JAN	55	AK	MK	IFI	JAN	55	AK	MK
FLQ	JAN	57 1/2	AY	MY	IFI	JAN	57 1/2	AY	MY
FLQ	JAN	60	AL	ML	IFI	JAN	60	AL	ML
FLQ	JAN	65	AM	MM	IFI	JAN	65	AM	MM

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 Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-5380.