

MEMORANDUM

To: All Option Members, Member Organizations and ROTs  
 From: Market Watch  
 Date: July 5, 2007  
 Re: **Corrections Corporation of America (CXW) - 2 for 1 Stock Split**

Corrections Corporation of America (CXW) has declared a 2 for 1 stock split payable to share holders of record on Friday, June 29, 2007. Distribution date for the stock split will be Friday, July 6, 2007. **Ex-distribution date for the stock split will be Monday, July 9, 2007.**

The Options Clearing Corporation (OCC), pursuant to OCC By-Laws, intends to issue on the distribution date (1) additional CXW option contract for each option contract held. Further, on the ex-distribution date each CXW series will have an adjusted exercise (strike) price equal to 1/2 of the exercise (strike) price for each CXW series existing on the business day preceding the ex-distribution date. For example, beginning on Monday, July 9, 2007 an account holding (2) CXW JUL 55 calls (CXW GK) will hold (4) CXW JUL 27 1/2 calls (CXW GY). Customers should be advised that (1) contract in the adjusted CXW series will still represent 100 shares of CXW common shares.

**POSITION/EXERCISE LIMITS:**

Position and exercise limits will change from 75,000 to 150,000 contracts until the expiration date of March 22, 2008

**GOOD-TILL-CANCELLED (GTC) ORDERS:**

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

The resulting list of adjusted strike prices and symbols is as follows:

Corrections Corporation of America (CXW) (Before 7/9/2007) (1 Contract)					Corrections Corporation of America (CXW) (Beginning 7/9/2007) (2 Contracts)				
			Calls	Puts				Calls	Puts
CXW	JUL	55	GK	SK	CXW	JUL	27 1/2	GY	SY
CXW	JUL	60	GL	SL	CXW	JUL	30	GF	SF
CXW	JUL	65	GM	SM	CXW	JUL	32 1/2	GZ	SZ
CXW	JUL	70	GN	SN	CXW	JUL	35	GG	SG
CXW	AUG	60	HL	TL	CXW	AUG	30	HF	TF
CXW	AUG	65	HM	TM	CXW	AUG	32 1/2	HZ	TZ
CXW	AUG	70	HN	TN	CXW	AUG	35	HG	TG
CXW	SEP	40	IH	UH	CXW	SEP	20	ID	UD
CXW	SEP	45	II	UI	CXW	SEP	22 1/2	IX	UX
CXW	SEP	50	IJ	UJ	CXW	SEP	25	IE	UE
CXW	SEP	55	IK	UK	CXW	SEP	27 1/2	IY	UY
CXW	SEP	60	IL	UL	CXW	SEP	30	IF	UF
CXW	SEP	65	IM	UM	CXW	SEP	32 1/2	IZ	UZ
CXW	SEP	70	IN	UN	CXW	SEP	35	IG	UG
CXW	DEC	50	LJ	XJ	CXW	DEC	25	LE	XE
CXW	DEC	55	LK	XK	CXW	DEC	27 1/2	LY	XY
CXW	DEC	60	LL	XL	CXW	DEC	30	LF	XF
CXW	DEC	65	LM	XM	CXW	DEC	32 1/2	LZ	XZ
CXW	DEC	70	LN	XN	CXW	DEC	35	LG	XG

**Any additional CXW series that are added prior to the ex-date will also be adjusted in the manner described above.**

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