

MEMORANDUM

To: All Option Members, Member Organizations and ROTs
From: Market Watch
Date: July 11, 2007
Subject: ****UPDATE** Lear Corporation (LEA) Pending Merger**

On June 27, 2007, the shareholders of Lear Corporation (LEA) voted to approve the proposed merger with American Real Estate Partners, L.P. Pursuant to the merger terms each LEA share will **NOW** be converted into the right to receive **\$37.25 cash**. **The merger is anticipated to become effective on a date to be announced in the 2nd quarter of 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 LEA options will be adjusted as follows:

EFFECTIVE DATE: Option changes are expected to become effective on a date to be announced
NEW DELIVERABLE: **\$3,725.00 cash per contract (\$37.25 x 100)**

Existing open interest in all LEA options will remain until options are exercised or expire. Since they are American style options, they are exercisable at the option of the holder.

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