

MEMORANDUM

To: All Option Members, Member Organizations and ROTs
From: Market Watch
Date: July 13, 2007
Subject: Genesis Healthcare Corporation (GHCI/QGR) Merger **EFFECTIVE**

On Wednesday, May 30, 2007, the shareholders of Genesis Healthcare Corporation (GHCI) approved the proposed merger with FC-GEN Investment LLC. Pursuant to the merger terms each GHCI share will be converted into the right to receive \$69.35 cash. **The merger became effective on Friday, July 13, 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 QGR options will be adjusted as follows:

EFFECTIVE DATE: Monday, July 16, 2007
NEW DELIVERABLE: \$6,935.00 cash per contract (\$69.35 x 100)

Existing open interest in all QGR 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) 496-5380.