

MEMORANDUM

TO: All Option Members, Member Organizations & ROTs

FROM: Market Watch

DATE: July 27, 2007

RE: **Change in the PHLX Housing SectorSM (HGXSM)**

The Philadelphia Stock Exchange (“PHLX”) has learned that American Standard Companies Inc. (ASD), a member of the HGXSM, is scheduled to spin-off WABCO (WBC), effective before the open of business on Wednesday, August 1, 2007. Due to the price adjustment in ASD, the RXSSM divisor will be adjusted.

The revised HGXSM divisor will be announced on a separate release following the close of business on Tuesday, July 31, 2007.

Questions concerning this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2 or (215) 496-5380.