

MEMORANDUM

To: All Option Members, Member Organizations and ROTs
 From: Market Watch
 Date: June 5, 2007
 Re: **RCN Corporation (KRQ/RCNI) - Special Cash Dividend**

RCN Corporation (KRQ/RCNI) has declared a special cash dividend of \$9.33 payable to share holders of record on Monday, June 4, 2007. Distribution date for the special cash dividend will be Monday, June 11, 2007. **The NASDAQ has declared the ex-distribution date for the special cash dividend will be Tuesday, June 12, 2007.**

Adjustment Date: **Effective Tuesday, June 12, 2007.**
 Symbol(s): **KRQ becomes HGJ**
 Strike Price: Unchanged
 Position/Exercise Limits: Unchanged
 Multiplier: 100 (e.g., Premium of 1.00 = \$100)
 New Deliverable: **1) 100 shares of RCN Corporation (RCNI)**
2) \$933.00 cash (\$9.33 x 100)

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:

RCN Corporation (RCNI/KRQ) (Before 6/12/2007) (100 shrs RCNI)					RCN Corporation (RCNI/HGJ) (Beginning 6/12/2007) (See new deliverable above)				
			Calls	Puts				Calls	Puts
KRQ	JUN	25	FE	RE	HGJ	JUN	25	FE	RE
KRQ	JUN	30	FF	RF	HGJ	JUN	30	FF	RF
KRQ	JUN	35	FG	RG	HGJ	JUN	35	FG	RG
KRQ	JUL	22 1/2	GX	SX	HGJ	JUL	22 1/2	GX	SX
KRQ	JUL	25	GE	SE	HGJ	JUL	25	GE	SE
KRQ	JUL	30	GF	SF	HGJ	JUL	30	GF	SF
KRQ	JUL	35	GG	SG	HGJ	JUL	35	GG	SG
KRQ	OCT	22 1/2	JX	VX	HGJ	OCT	22 1/2	JX	VX
KRQ	OCT	25	JE	VE	HGJ	OCT	25	JE	VE
KRQ	OCT	30	JF	VF	HGJ	OCT	30	JF	VF
KRQ	OCT	35	JG	VG	HGJ	OCT	35	JG	VG
KRQ	JAN	22 1/2	AX	MX	HGJ	JAN	22 1/2	AX	MX
KRQ	JAN	25	AE	ME	HGJ	JAN	25	AE	ME
KRQ	JAN	30	AF	MF	HGJ	JAN	30	AF	MF

The new KRQ option contracts representing 100 shares of RCNI, will be admitted to trading on Wednesday, June 13, 2007. Strike prices and expiration months will be announced on a separate release prior to that date.

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