

MEMORANDUM

TO: All Members, Member Organizations, Participants and Participant Organizations

FROM: Meyer S. Frucher, Chairman

RE: Special Board of Governors meeting on Wednesday, June 20, 2007

DATE: June 21, 2007

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On Wednesday, June 20, 2007, the Board of Governors of the Exchange met in a Special Meeting and voted to approve an agreement in principle to resolve the litigation, *Ginsburg v. Philadelphia Stock Exchange, et al*, an action that was brought against the Exchange and its strategic investors. The settlement is subject to final negotiation and approval of the Delaware Court of Chancery. We are compelled at this time, by agreement with the other parties, to keep the terms of the settlement confidential.

With this settlement behind us, the Exchange will continue to vigorously pursue its strategic plan and build on its ongoing growth in the options market.