

MEMORANDUM

TO: Members and Member Organizations
FROM: William N. Briggs
DATE: June 29, 2007
SUBJECT: Stock Execution Clerk Fee

The Exchange filed with the Securities and Exchange Commission a proposed rule change to adopt a monthly fee of \$500.00 for stock execution clerks that handle stand-alone equity orders, (i.e. orders that are not contingent on an options transaction, such as orders to hedge traders' options positions).¹

This proposal is scheduled to become effective on July 1, 2007. Those stock execution clerks who will be assessed the \$500.00 monthly fee will no longer pay the \$25.00 Trading Floor Personnel Registration Fee.

Stock execution clerks provide a service to Exchange members on the options floor by accepting orders for the purchase and sale of securities underlying options transactions. Once such orders are accepted, the stock execution clerk forwards such orders to the appropriate marketplace for execution. The transactions executed are typically hedging transactions in underlying stocks for Exchange specialists and Registered Options Traders. The transaction may be contingent on an options transaction² or may stand independently ("stand-alone equity orders"). The \$500 fee applies to those stock execution clerks that handle stand-alone equity orders.

Consistent with current practice, all stock execution clerks must register as such with the Exchange.³

If you have any questions, please contact Robert Kreszwick at (215) 496-5109.

¹ See Memorandum No. 1408-07 dated June 11, 2007.

² See Exchange Rule 1066(c).

³ See Exchange Rule 620(b).