

MEMORANDUM

To: All Option Members, Member Organizations and ROTs
 From: Market Watch
 Date: June 29, 2007
 Subject: The Bank of New York Company, Inc. (BK) Merger **EFFECTIVE**

On Thursday, May 24, 2007, the shareholders of The Bank of New York Company, Inc. (BK) voted to approve the proposed merger with Mellon Financial Corporation (MEL). Pursuant to the merger terms, a newly formed holding company to be called The Bank of New York Mellon Corporation will be created with the symbol "BK". Also, each BK share will be converted into the right to receive 0.9434 "New" BK common shares. Cash will be paid in lieu of fractional shares. **The merger will automatically become effective on Sunday, July 1, 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 BK options will be adjusted as follows:

EFFECTIVE DATE: Monday, July 2, 2007
SYMBOL(s): BK/WKJ/VKJ becomes BKM/WDZ/ZMR respectively
STRIKE PRICE: No Change
POS/EXERCISE LIMIT: 500,000 contracts until January 2009 expiration; where the limits revert to 250,000 contracts
MULTIPLIER: 100*(eg., Premium of 1.00 = \$100)
NEW DELIVERABLE: 1) 94 Bank of New York Mellon (BK) common shares.
 2) Cash in lieu of 0.34 fractional BK shares.

The Bank of New York Company, Inc. (BK) (Before 7/2/2007) 100 shares BK					The Bank of New York Company, Inc. (BKM) (Beginning 7/2/2007) (See New Deliverable Above)				
			Calls	Puts			Calls	Puts	
BK	JUL	27 1/2	GY	SY	BKM	JUL	27 1/2	GY	SY
BK	JUL	30	GF	SF	BKM	JUL	30	GF	SF
BK	JUL	32 1/2	GZ	SZ	BKM	JUL	32 1/2	GZ	SZ
BK	JUL	35	GG	SG	BKM	JUL	35	GG	SG
BK	JUL	37 1/2	GU	SU	BKM	JUL	37 1/2	GU	SU
BK	JUL	40	GH	SH	BKM	JUL	40	GH	SH
BK	JUL	42 1/2	GV	SV	BKM	JUL	42 1/2	GV	SV
BK	JUL	45	GI	SI	BKM	JUL	45	GI	SI
BK	JUL	47 1/2	GW	SW	BKM	JUL	47 1/2	GW	SW
BK	JUL	50	GJ	SJ	BKM	JUL	50	GJ	SJ
BK	AUG	32 1/2	HZ	TZ	BKM	AUG	32 1/2	HZ	TZ
BK	AUG	35	HG	TG	BKM	AUG	35	HG	TG
BK	AUG	37 1/2	HU	TU	BKM	AUG	37 1/2	HU	TU
BK	AUG	40	HH	TH	BKM	AUG	40	HH	TH
BK	AUG	42 1/2	HV	TV	BKM	AUG	42 1/2	HV	TV
BK	AUG	45	HI	TI	BKM	AUG	45	HI	TI
BK	AUG	47 1/2	HW	TW	BKM	AUG	47 1/2	HW	TW
BK	AUG	50	HJ	TJ	BKM	AUG	50	HJ	TJ
BK	OCT	35	JG	VG	BKM	OCT	35	JG	VG
BK	OCT	37 1/2	JU	VU	BKM	OCT	37 1/2	JU	VU
BK	OCT	40	JH	VH	BKM	OCT	40	JH	VH
BK	OCT	42 1/2	JV	VV	BKM	OCT	42 1/2	JV	VV
BK	OCT	45	JI	VI	BKM	OCT	45	JI	VI
BK	OCT	47 1/2	JW	VW	BKM	OCT	47 1/2	JW	VW
BK	OCT	50	JJ	VJ	BKM	OCT	50	JJ	VJ

BK	JAN	20	AD	MD	BKM	JAN	20	AD	MD
BK	JAN	25	AE	ME	BKM	JAN	25	AE	ME
BK	JAN	30	AF	MF	BKM	JAN	30	AF	MF
BK	JAN	35	AG	MG	BKM	JAN	35	AG	MG
BK	JAN	40	AH	MH	BKM	JAN	40	AH	MH
BK	JAN	45	AI	MI	BKM	JAN	45	AI	MI
BK	JAN	47 1/2	AW	MW	BKM	JAN	47 1/2	AW	MW
BK	JAN	50	AJ	MJ	BKM	JAN	50	AJ	MJ

Bank of New York Co, Inc - 2009 Leap (BK/VKJ)
 (Before 7/2/2007)
 100 shares BK

			Call	Put					
VKJ	JAN	25	AE	ME					
VKJ	JAN	30	AF	MF					
VKJ	JAN	35	AG	MG					
VKJ	JAN	40	AH	MH					
VKJ	JAN	45	AI	MI					
VKJ	JAN	47 1/2	AW	MW					
VKJ	JAN	50	AJ	MJ					

Bank of New York Co, Inc - 2009 Leap (BK/ZMR)
 (Beginning 7/2/2007)
 (See New Deliverable Above)

			Call	Put					
ZMR	JAN	25	AE	ME					
ZMR	JAN	30	AF	MF					
ZMR	JAN	35	AG	MG					
ZMR	JAN	40	AH	MH					
ZMR	JAN	45	AI	MI					
ZMR	JAN	47 1/2	AW	MW					
ZMR	JAN	50	AJ	MJ					

Bank of New York Co, Inc - 2010 Leap (BK/WKJ)
 (Before 7/2/2007)
 100 shares BK

			Call	Put					
WKJ	JAN	25	AE	ME					
WKJ	JAN	30	AF	MF					
WKJ	JAN	35	AG	MG					
WKJ	JAN	40	AH	MH					
WKJ	JAN	45	AI	MI					
WKJ	JAN	47 1/2	AW	MW					
WKJ	JAN	50	AJ	MJ					

Bank of New York Co, Inc - 2010 Leap (BK/WDZ)
 (Beginning 7/2/2007)
 (See New Deliverable Above)

			Call	Put					
WDZ	JAN	25	AE	ME					
WDZ	JAN	30	AF	MF					
WDZ	JAN	35	AG	MG					
WDZ	JAN	40	AH	MH					
WDZ	JAN	45	AI	MI					
WDZ	JAN	47 1/2	AW	MW					
WDZ	JAN	50	AJ	MJ					

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the effective date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

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