

M E M O R A N D U M

TO: Members and Member Organizations

FROM: William N. Briggs, Executive Vice President – Administration,
Finance & Business Development

DATE: March 3, 2007

RE: Options Specialist Shortfall Fee – May 2007

As previously announced in memorandum no. 2000-130 dated August 24, 2000, the options specialists shortfall transaction fee became effective on August 1, 2000. Modifications to the fee were announced in memorandum no. 2001-2255-01 dated December 19, 2001. This fee of \$0.35 per contract is paid by the specialist trading any Top 120 Option if at least 12% (effective July 1, 2003) of the total national monthly contract volume for such Top 120 Option is not effected on the PHLX in that month.

Attached is a list of the Top 120 Options for the March 2007 billing.

The Exchange believes it is necessary to continue to attract order flow to the Exchange in order to remain competitive. This fee should encourage specialists to compete for order flow, which not only enhances the specialist's role, but also provides additional revenue to the Exchange. For questions regarding the billing and collection of this fee, please contact Joseph Jennings at (215)-496-1467.

**TOP 120 Multiply-Listed Options
For Charges in May 2007
(Comparative Volume, February 2007)**

#	Symbol	Company
1	QQQQ	NASDAQ-100 Index Tracking Stock
2	IWM	iShares Russell 2000 Index Fund
3	SPY	SPDR Trust Series 1
4	DO	Diamond Offshore Drilling
5	AAPL	Apple Computers, Inc.
6	GM	General Motors Corporation
7	MSFT	Microsoft Corporation
8	GOOG	Google, Inc.
9	CSCO	Cisco Systems, Inc.
10	INTC	Intel Corporation
11	QCOM	QUALCOMM, Inc.
12	COP	ConocoPhillips
13	NYX	NYSE Group, Inc.
14	OIH	Oil Services HOLDERS
15	MO	Altria Group Inc.
16	AMD	Advanced Micro Devices, Inc.
17	DIA	DIAMONDS Trust Series I
18	GE	General Electric Company
19	YHOO	Yahoo!, Inc.
20	XLE	S&P Energy Select Sector SPDR
21	RIMM	Research in Motion Ltd.
22	AMGN	Amgen, Inc.
23	DELL	Dell Inc.
24	PCU	Southern Copper Corporation
25	XLF	S&P Financial Select Sector SPDR
26	PFE	Pfizer, Inc.
27	AMZN	Amazon.com, Inc.
28	GS	Goldman Sachs Group, Inc.
29	BMJ	Bristol-Meyers Squibb Company
30	BRCM	Broadcom Corporation
31	SNDK	SanDisk Corporation
32	C	Citigroup, Inc.
33	GLW	Corning Inc
34	AGIX	Atherogenics, Inc.
35	FCX	Freeport-McMoRan Cooper & Gold, Inc.
36	HAL	Halliburton Co
37	MOT	Motorola, Inc.
38	NEW	New Century Financial Corporation
39	RMBS	Rambus, Inc.
40	VLO	Valero Energy Corporation
41	SMH	Semiconductor HOLDERS
42	WMT	Wal-Mart Stores, Inc.
43	F	Ford Motor Company
44	WY	Weyerhaeuser Company
45	NEM	Newmont Mining Corp.
46	AA	Alcoa Inc
47	DTC	Domtar Inc

48	XOM	Exxon Mobil Corporation
49	EOP	Equity Office Properties Trust
50	EBAY	eBay, Inc.
51	NFI	Novastar Financial, Inc.
52	EEM	iShares MSCI Emerging Markets
53	BAC	Bank of America Corporation
54	WFMI	Whole Foods Market, Inc.
55	HPQ	Hewlett-Packard Company
56	X	USX-U.S. Steel Group
57	MA	MasterCard, Inc.
58	S	Sprint Nextel Corporation
59	ICE	IntercontinentalExchange, Inc
60	ONXX	Onyx Pharmaceuticals, Inc.
61	AMAT	Applied Materials, Inc.
62	HD	Home Depot, Inc.
63	ELN	Elan Corporation PLC
64	MRVL	Marvell Technology Group Ltd.
65	CAT	Caterpillar Inc
66	RIO	Companhia Vale do Rio Doce
67	BIDU	Baidu.com, Inc.
68	HET	Harrah's Entertainment, Inc.
69	SLB	Schlumberger Ltd.
70	IBM	International Business Machines Corporation
71	TXN	Texas Instruments, Inc.
72	CFC	Countrywide Financial Corporation
73	NVDA	NVIDIA Corporation
74	TXU	TXU Corporation
75	XMSR	XM Satellite Radio Holdings, Inc.
76	CHK	Chesapeake Energy Corporation
77	JPM	JP Morgan Chase & Co.
78	KO	Coca-Cola Company, The
79	AKS	AK Steel Holding Corporation
80	SBUX	Starbucks Corporation
81	AMR	AMR Corporation
82	SIRI	Sirius Satellite Radio, Inc.
83	ORCL	Oracle Corporation
84	NTRI	NutriSystem, Inc.
85	UTHR	United Therapeutics Corporation
86	TEVA	Teva Pharmaceuticals SP
87	LEH	Lehman Brothers Holdings Inc
88	AIG	American International Group
89	AXP	American Express Company
90	DOW	Dow Chemical
91	BTU	Peabody Energy Corporation
92	TWX	Time Warner, Inc.
93	MU	Micron Technology, Inc.
94	UPS	United Parcel Service, Inc.
95	MER	Merrill Lynch & Co., Inc.
96	RIG	Transocean, Inc.
97	JBLU	Jet Blue Airways Corporation
98	AKAM	Akamai Technologies, Inc.
99	MRK	Merck & Co., Inc.

100	GG	Goldcorp, Inc.
101	CVX	Chevron Corporation
102	BHI	Baker Hughes Inc
103	FD	Federated Department Stores
104	BBY	Best Buy Company Inc
105	ADM	Archer-Daniels-Midland Company
106	TOL	Toll Brothers, Inc.
107	ABX	Barrick Gold Corporation
108	JNJ	Johnson & Johnson
109	XLB	S&P Materials Select Sector SPDR
110	NDAQ	Nasdaq Stock Market, Inc
111	SHLD	Sears Holdings Corporation
112	CMCSA	Comcast Corp (CI A Com)
113	SUNW	Sun Microsystems, Inc.
114	GRMN	Garmin Ltd.
115	IYR	iShares Dow Jones US Real Estate Sector Index
116	GILD	Gilead Sciences, Inc.
117	EMC	EMC Corporation
118	ACI	Arch Coal, Inc.
119	CROX	Crocs, Inc.
120	PALM	Palm, Inc.