

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: March 15, 2007

Re: MidCap SPDR (LSP/DIX/XTY) - Special Cash Dividend

MidCap SPDR (MDY) has declared a special cash dividend of \$.3864 payable to share holders of record on Tuesday, March 20, 2007. Distribution date for the special cash dividend will be Monday, April 30, 2007. **The AMEX has declared Friday, March 16, 2007 as the ex-distribution date for the special cash dividend.**

EFFECTIVE DATE: Fridav, March 16, 2007

SYMBOL(s): **DIX becomes JHB**
XTY becomes CUN
LSP becomes ASJ
JDY becomes KDO
YLU becomes KEC
OVW becomes XDY

STRIKE PRICE: No Change

POSITION LIMITS: No Change

MULTIPLIER: 100*(eg., premium of 1.00=\$100)

NEW DELIVERABLE: 1) 100 S&P MidCap 400 SPDR shares (MDY)
2) \$38.64 (\$0.3864 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:

MidCap SPDR (LSP/DIX/XTY)					MidCap SPDR (ASJ/JHB/CUN)				
(Before 3/16/2007)					(Beginning 3/16/2007)				
(100 shrs MDY)					(See new deliverable above)				
			Calls	Puts			Calls	Puts	
DIX	MAR	119	CO	OO	JHB	MAR	119	CO	OO
DIX	MAR	120	CP	OP	JHB	MAR	120	CP	OP
DIX	MAR	121	CQ	OQ	JHB	MAR	121	CQ	OQ
DIX	MAR	122	CR	OR	JHB	MAR	122	CR	OR
DIX	MAR	123	CS	OS	JHB	MAR	123	CS	OS
DIX	MAR	124	CT	OT	JHB	MAR	124	CT	OT
DIX	MAR	125	CU	OU	JHB	MAR	125	CU	OU
DIX	MAR	126	CV	OV	JHB	MAR	126	CV	OV
DIX	MAR	127	CW	OW	JHB	MAR	127	CW	OW
DIX	MAR	128	CX	OX	JHB	MAR	128	CX	OX
DIX	MAR	129	CY	OY	JHB	MAR	129	CY	OY
DIX	MAR	130	CZ	OZ	JHB	MAR	130	CZ	OZ
DIX	MAR	131	CA	OA	JHB	MAR	131	CA	OA
DIX	MAR	132	CB	OB	JHB	MAR	132	CB	OB
DIX	MAR	133	CC	OC	JHB	MAR	133	CC	OC
DIX	MAR	134	CD	OD	JHB	MAR	134	CD	OD
DIX	MAR	135	CE	OE	JHB	MAR	135	CE	OE
DIX	MAR	136	CF	OF	JHB	MAR	136	CF	OF
DIX	MAR	137	CG	OG	JHB	MAR	137	CG	OG
DIX	MAR	138	CH	OH	JHB	MAR	138	CH	OH
DIX	MAR	139	CI	OI	JHB	MAR	139	CI	OI
DIX	MAR	140	CJ	OJ	JHB	MAR	140	CJ	OJ

MidCap SPDR (LSP/DIX/XTY)
 (Before 3/16/2007)
 (100 shrs MDY)

MidCap SPDR (ASJ/JHB/CUN)
 (Beginning 3/16/2007)
 (See new deliverable above)

			Calls	Puts				Calls	Puts
LSP	MAR	141	CK	OK	ASJ	MAR	141	CK	OK
LSP	MAR	142	CL	OL	ASJ	MAR	142	CL	OL
LSP	MAR	143	CM	OM	ASJ	MAR	143	CM	OM
LSP	MAR	144	CN	ON	ASJ	MAR	144	CN	ON
LSP	MAR	145	CO	OO	ASJ	MAR	145	CO	OO
LSP	MAR	146	CP	OP	ASJ	MAR	146	CP	OP
LSP	MAR	147	CQ	OQ	ASJ	MAR	147	CQ	OQ
LSP	MAR	148	CR	OR	ASJ	MAR	148	CR	OR
LSP	MAR	149	CS	OS	ASJ	MAR	149	CS	OS
LSP	MAR	150	CT	OT	ASJ	MAR	150	CT	OT
LSP	MAR	151	CU	OU	ASJ	MAR	151	CU	OU
LSP	MAR	152	CV	OV	ASJ	MAR	152	CV	OV
LSP	MAR	153	CW	OW	ASJ	MAR	153	CW	OW
LSP	MAR	154	CX	OX	ASJ	MAR	154	CX	OX
LSP	MAR	155	CY	OY	ASJ	MAR	155	CY	OY
LSP	MAR	156	CZ	OZ	ASJ	MAR	156	CZ	OZ
LSP	MAR	157	CA	OA	ASJ	MAR	157	CA	OA
LSP	MAR	158	CB	OB	ASJ	MAR	158	CB	OB
LSP	MAR	159	CC	OC	ASJ	MAR	159	CC	OC
LSP	MAR	160	CD	OD	ASJ	MAR	160	CD	OD
LSP	MAR	161	CE	OE	ASJ	MAR	161	CE	OE
LSP	MAR	162	CF	OF	ASJ	MAR	162	CF	OF
LSP	MAR	163	CG	OG	ASJ	MAR	163	CG	OG
LSP	MAR	164	CH	OH	ASJ	MAR	164	CH	OH
DIX	APR	135	DE	PE	JHB	APR	135	DE	PE
DIX	APR	136	DF	PF	JHB	APR	136	DF	PF
DIX	APR	137	DG	PG	JHB	APR	137	DG	PG
DIX	APR	138	DH	PH	JHB	APR	138	DH	PH
DIX	APR	139	DI	PI	JHB	APR	139	DI	PI
DIX	APR	140	DJ	PJ	JHB	APR	140	DJ	PJ
LSP	APR	141	DK	PK	ASJ	APR	141	DK	PK
LSP	APR	142	DL	PL	ASJ	APR	142	DL	PL
LSP	APR	143	DM	PM	ASJ	APR	143	DM	PM
LSP	APR	144	DN	PN	ASJ	APR	144	DN	PN
LSP	APR	145	DO	PO	ASJ	APR	145	DO	PO
LSP	APR	146	DP	PP	ASJ	APR	146	DP	PP
LSP	APR	147	DQ	PQ	ASJ	APR	147	DQ	PQ
LSP	APR	148	DR	PR	ASJ	APR	148	DR	PR
LSP	APR	149	DS	PS	ASJ	APR	149	DS	PS
LSP	APR	150	DT	PT	ASJ	APR	150	DT	PT
LSP	APR	151	DU	PU	ASJ	APR	151	DU	PU
LSP	APR	152	DV	PV	ASJ	APR	152	DV	PV
LSP	APR	153	DW	PW	ASJ	APR	153	DW	PW
LSP	APR	154	DX	PX	ASJ	APR	154	DX	PX
LSP	APR	155	DY	PY	ASJ	APR	155	DY	PY
LSP	APR	156	DZ	PZ	ASJ	APR	156	DZ	PZ
LSP	APR	157	DA	PA	ASJ	APR	157	DA	PA
LSP	APR	158	DB	PB	ASJ	APR	158	DB	PB
LSP	APR	159	DC	PC	ASJ	APR	159	DC	PC
LSP	APR	160	DD	PD	ASJ	APR	160	DD	PD
LSP	APR	161	DE	PE	ASJ	APR	161	DE	PE
LSP	APR	162	DF	PF	ASJ	APR	162	DF	PF
LSP	APR	163	DG	PG	ASJ	APR	163	DG	PG
LSP	APR	164	DH	PH	ASJ	APR	164	DH	PH
XTY	APR	165	DI	PI	CUN	APR	165	DI	PI

MidCap SPDR (LSP/DIX/XTY)
 (Before 3/16/2007)
 (100 shrs MDY)

MidCap SPDR (ASJ/JHB/CUN)
 (Beginning 3/16/2007)
 (See new deliverable above)

			Calls	Puts				Calls	Puts
DIX	JUN	120	FP	RP	JHB	JUN	120	FP	RP
DIX	JUN	121	FQ	RQ	JHB	JUN	121	FQ	RQ
DIX	JUN	122	FR	RR	JHB	JUN	122	FR	RR
DIX	JUN	123	FS	RS	JHB	JUN	123	FS	RS
DIX	JUN	124	FT	RT	JHB	JUN	124	FT	RT
DIX	JUN	125	FU	RU	JHB	JUN	125	FU	RU
DIX	JUN	126	FV	RV	JHB	JUN	126	FV	RV
DIX	JUN	127	FW	RW	JHB	JUN	127	FW	RW
DIX	JUN	128	FX	RX	JHB	JUN	128	FX	RX
DIX	JUN	129	FY	RY	JHB	JUN	129	FY	RY
DIX	JUN	130	FZ	RZ	JHB	JUN	130	FZ	RZ
DIX	JUN	131	FA	RA	JHB	JUN	131	FA	RA
DIX	JUN	132	FB	RB	JHB	JUN	132	FB	RB
DIX	JUN	133	FC	RC	JHB	JUN	133	FC	RC
DIX	JUN	134	FD	RD	JHB	JUN	134	FD	RD
DIX	JUN	135	FE	RE	JHB	JUN	135	FE	RE
DIX	JUN	136	FF	RF	JHB	JUN	136	FF	RF
DIX	JUN	137	FG	RG	JHB	JUN	137	FG	RG
DIX	JUN	138	FH	RH	JHB	JUN	138	FH	RH
DIX	JUN	139	FI	RI	JHB	JUN	139	FI	RI
DIX	JUN	140	FJ	RJ	JHB	JUN	140	FJ	RJ
LSP	JUN	141	FK	RK	ASJ	JUN	141	FK	RK
LSP	JUN	142	FL	RL	ASJ	JUN	142	FL	RL
LSP	JUN	143	FM	RM	ASJ	JUN	143	FM	RM
LSP	JUN	144	FN	RN	ASJ	JUN	144	FN	RN
LSP	JUN	145	FO	RO	ASJ	JUN	145	FO	RO
LSP	JUN	146	FP	RP	ASJ	JUN	146	FP	RP
LSP	JUN	147	FQ	RQ	ASJ	JUN	147	FQ	RQ
LSP	JUN	148	FR	RR	ASJ	JUN	148	FR	RR
LSP	JUN	149	FS	RS	ASJ	JUN	149	FS	RS
LSP	JUN	150	FT	RT	ASJ	JUN	150	FT	RT
LSP	JUN	151	FU	RU	ASJ	JUN	151	FU	RU
LSP	JUN	152	FV	RV	ASJ	JUN	152	FV	RV
LSP	JUN	153	FW	RW	ASJ	JUN	153	FW	RW
LSP	JUN	154	FX	RX	ASJ	JUN	154	FX	RX
LSP	JUN	155	FY	RY	ASJ	JUN	155	FY	RY
LSP	JUN	156	FZ	RZ	ASJ	JUN	156	FZ	RZ
LSP	JUN	157	FA	RA	ASJ	JUN	157	FA	RA
LSP	JUN	158	FB	RB	ASJ	JUN	158	FB	RB
LSP	JUN	159	FC	RC	ASJ	JUN	159	FC	RC
LSP	JUN	160	FD	RD	ASJ	JUN	160	FD	RD
LSP	JUN	161	FE	RE	ASJ	JUN	161	FE	RE
LSP	JUN	162	FF	RF	ASJ	JUN	162	FF	RF
LSP	JUN	163	FG	RG	ASJ	JUN	163	FG	RG
LSP	JUN	164	FH	RH	ASJ	JUN	164	FH	RH
DIX	SEP	135	IE	UE	JHB	SEP	135	IE	UE
DIX	SEP	136	IF	UF	JHB	SEP	136	IF	UF
DIX	SEP	137	IG	UG	JHB	SEP	137	IG	UG
DIX	SEP	138	IH	UH	JHB	SEP	138	IH	UH
DIX	SEP	139	II	UI	JHB	SEP	139	II	UI
DIX	SEP	140	IJ	UJ	JHB	SEP	140	IJ	UJ
LSP	SEP	141	IK	UK	ASJ	SEP	141	IK	UK
LSP	SEP	142	IL	UL	ASJ	SEP	142	IL	UL
LSP	SEP	143	IM	UM	ASJ	SEP	143	IM	UM
LSP	SEP	144	IN	UN	ASJ	SEP	144	IN	UN
LSP	SEP	145	IO	UO	ASJ	SEP	145	IO	UO

MidCap SPDR (LSP/DIX/XTY)
(Before 3/16/2007)
(100 shrs MDY)

			Calls	Puts
LSP	SEP	146	IP	UP
LSP	SEP	147	IQ	UQ
LSP	SEP	148	IR	UR
LSP	SEP	149	IS	US
LSP	SEP	150	IT	UT
LSP	SEP	151	IU	UU
LSP	SEP	152	IV	UV
LSP	SEP	153	IW	UW
LSP	SEP	154	IX	UX
LSP	SEP	155	IY	UY
LSP	SEP	156	IZ	UZ
LSP	SEP	157	IA	UA
LSP	SEP	158	IB	UB
LSP	SEP	159	IC	UC
LSP	SEP	160	ID	UD
LSP	SEP	161	IE	UE
LSP	SEP	162	IF	UF
LSP	SEP	163	IG	UG
LSP	SEP	164	IH	UH
XTY	SEP	165	II	UI
XTY	SEP	166	IJ	UJ
XTY	SEP	167	IK	UK
XTY	SEP	168	IL	UL
XTY	SEP	169	IM	UM
XTY	SEP	170	IN	UN

MidCap SPDR (ASJ/JHB/CUN)
(Beginning 3/16/2007)
(See new deliverable above)

			Calls	Puts
ASJ	SEP	146	IP	UP
ASJ	SEP	147	IQ	UQ
ASJ	SEP	148	IR	UR
ASJ	SEP	149	IS	US
ASJ	SEP	150	IT	UT
ASJ	SEP	151	IU	UU
ASJ	SEP	152	IV	UV
ASJ	SEP	153	IW	UW
ASJ	SEP	154	IX	UX
ASJ	SEP	155	IY	UY
ASJ	SEP	156	IZ	UZ
ASJ	SEP	157	IA	UA
ASJ	SEP	158	IB	UB
ASJ	SEP	159	IC	UC
ASJ	SEP	160	ID	UD
ASJ	SEP	161	IE	UE
ASJ	SEP	162	IF	UF
ASJ	SEP	163	IG	UG
ASJ	SEP	164	IH	UH
CUN	SEP	165	II	UI
CUN	SEP	166	IJ	UJ
CUN	SEP	167	IK	UK
CUN	SEP	168	IL	UL
CUN	SEP	169	IM	UM
CUN	SEP	170	IN	UN

MidCap SPDR - 2008 Leap (YLU/JDY)
(Before 3/16/2007)
(100 shrs MDY)

			Calls	Put
YLU	JAN	128	AX	MX
YLU	JAN	129	AY	MY
YLU	JAN	130	AZ	MZ
YLU	JAN	131	AA	MA
YLU	JAN	132	AB	MB
YLU	JAN	135	AE	ME
JDY	JAN	150	AT	MT
JDY	JAN	160	AD	MD
JDY	JAN	170	AN	MN
JDY	JAN	180	AX	MX

MidCap SPDR - 2008 Leap (KEC/KDO)
(Beginning 3/16/2007)
(See new deliverable above)

			Calls	Put
KEC	JAN	128	AX	MX
KEC	JAN	129	AY	MY
KEC	JAN	130	AZ	MZ
KEC	JAN	131	AA	MA
KEC	JAN	132	AB	MB
KEC	JAN	135	AE	ME
KDO	JAN	150	AT	MT
KDO	JAN	160	AD	MD
KDO	JAN	170	AN	MN
KDO	JAN	180	AX	MX

MidCap SPDR - 2009 Leap (OVW)
(Before 3/16/2007)
(100 shrs MDY)

			Calls	Put
OVW	JAN	120	AP	MP
OVW	JAN	130	AZ	MZ
OVW	JAN	132	AB	MB
OVW	JAN	133	AC	MC
OVW	JAN	134	AD	MD
OVW	JAN	135	AE	ME
OVW	JAN	136	AF	MF
OVW	JAN	140	AJ	MJ
OVW	JAN	144	AN	MN
OVW	JAN	148	AR	MR
OVW	JAN	150	AT	MT
OVW	JAN	152	AV	MV

MidCap SPDR - 2009 Leap (XDY)
(Beginning 3/16/2007)
(See new deliverable above)

			Calls	Put
XDY	JAN	120	AP	MP
XDY	JAN	130	AZ	MZ
XDY	JAN	132	AB	MB
XDY	JAN	133	AC	MC
XDY	JAN	134	AD	MD
XDY	JAN	135	AE	ME
XDY	JAN	136	AF	MF
XDY	JAN	140	AJ	MJ
XDY	JAN	144	AN	MN
XDY	JAN	148	AR	MR
XDY	JAN	150	AT	MT
XDY	JAN	152	AV	MV

OVW	JAN	160	AG	MG	XDY	JAN	160	AG	MG
OVW	JAN	170	AI	MI	XDY	JAN	170	AI	MI
OVW	JAN	180	AX	MX	XDY	JAN	180	AX	MX
OVW	JAN	190	AH	MH	XDY	JAN	190	AH	MH
OVW	JAN	200	AK	MK	XDY	JAN	200	AK	MK
OVW	JAN	210	AM	AM	XDY	JAN	210	AM	AM
OVW	JAN	220	AL	ML	XDY	JAN	220	AL	ML

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