

MEMORANDUM

To: All Option Members, Member Organizations and ROTs  
 From: Market Watch  
 Date: May 3, 2007  
 Re: **Valley National Bancorp (VLY) - 5% Stock Dividend**

Valley National Bancorp (VLY) has declared a 5% stock dividend payable to shareholders of record on Friday, May 11, 2007. Distribution date for the stock dividend will be Friday, May 25, 2007. **Ex-distribution date for the stock dividend will be Wednesday, May 9, 2007.**

Accordingly, pursuant to OCC By-Laws, all VLY options on the ex-distribution date must be adjusted as follows:

1. The number of underlying shares represented by each option contract will be increased to 105 shares.
2. The strike price of each outstanding option series will be reduced proportionately and rounded to the nearest eighth of a point.

The effect of these adjustments on all outstanding VLY options will be to change the symbol(s) to GAY, increase the number of underlying shares represented by each contract to 105, and to reduce the strike price for each series proportionately. The Exchange has further determined that new VLY option contracts, representing 100 shares of VLY, will start trading on Thursday, May 10, 2007. The PHLX has established that effective on the ex-distribution date, and until December 22, 2007 expiration, the position and exercise limits shall be any combination of VLY and GAY options not to exceed 5,250,000 shares of VLY. Following December 22, 2007 expiration, the position and exercise limit will return to the established limit of 50,000 contracts. Therefore, commencing Wednesday, May 9, 2007, the current VLY strike prices will be adjusted and identified by the symbol GAY.

The resulting list of adjusted strike prices and symbols is as shown on the following pages:

Valley National Bancorp (VLY) (Before 5/9/2007) (100 shrs VLY)					Valley National Bancorp (GAY) (Beginning 5/9/2007) (105 shrs VLY)				
			Calls	Puts				Calls	Puts
VLY	MAY	22 1/2	EX	QX	GAY	MAY	21 3/8	EU	QU
VLY	MAY	25	EE	QE	GAY	MAY	23 3/4	EV	QV
VLY	MAY	30	EF	QF	GAY	MAY	28 5/8	EW	QW
VLY	JUN	22 1/2	FX	RX	GAY	JUN	21 3/8	FU	RU
VLY	JUN	25	FE	RE	GAY	JUN	23 3/4	FV	RV
VLY	JUN	30	FF	RF	GAY	JUN	28 5/8	FW	RW
VLY	SEP	22 1/2	IX	UX	GAY	SEP	21 3/8	IU	UU
VLY	SEP	25	IE	UE	GAY	SEP	23 3/4	IV	UV
VLY	SEP	30	IF	UF	GAY	SEP	28 5/8	IW	UW
VLY	DEC	22 1/2	LX	XX	GAY	DEC	21 3/8	LU	XU
VLY	DEC	25	LE	XE	GAY	DEC	23 3/4	LV	XV
VLY	DEC	30	LF	XF	GAY	DEC	28 5/8	LW	XW

**Any additional VLY series that are added prior to the ex-date will also be adjusted in the manner described above.**

The new VLY option contracts representing 100 shares of VLY, will be admitted to trading on Thursday, May 10, 2007. Strike prices and expiration months will be announced on a separate release prior to that date.

The bids and offers for listed options are usually expressed in price per share of the underlying security. If the unit of trading is 100 shares, a bid of 2 would indicate a dollar premium of \$200.00 per contract. If, however, the unit of trading is 105, a bid of 2 would indicate a dollar premium of \$210.00.

Brokers must advise their customers of this fact in connection with the adjusted GAY options. Brokers are cautioned to be certain that customers entering closing transactions make the proper description of the options. Failure to do this could result in closing out an existing position in the adjusted series. Customers should also be advised that if they are 'covered writers', they must retain and not liquidate the additional shares of VLY if they are to remain fully covered. Customers initiating opening writing positions in VLY on or after Wednesday, May 9, 2007 must own 105 shares of VLY common stock for each contract held in order to be fully covered. Commencing on May 10, 2007 and thereafter, customers purchasing 100 shares of VLY and selling one option should be certain to sell 'NEW' contracts to avoid being uncovered writers.

Customers should be advised that Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the ex-distribution 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) 496-1508.