

MEMORANDUM

To: All Option Members, Member Organizations and ROPs
 From: Market Watch
 Date: May 11, 2007
 Subject: **The Bank of New York Company, Inc. (BK) Pending Merger With Mellon Financial Corporation (MEL)**

On Thursday, May 24, 2007, the shareholders of The Bank of New York Company, Inc. (BK) will vote 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 become effective on a date to be announced in the 3rd quarter of 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: Option changes are expected to become effective on a date to be announced
SYMBOL(s): BK/WKJ/VKJ becomes BKM/LHC/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 BK common shares.
 2) Cash in lieu of 0.34 fractional BK shares.

The Bank of New York Company, Inc. (BK) (Before - Date To Be Announced) 100 shares BK					The Bank of New York Company, Inc. (BKM) (Beginning - Date To Be Announced) (See New Deliverable Above)				
			Calls	Puts			Calls	Puts	
BK	JUN	35	FG	RG	BKM	JUN	35	FG	RG
BK	JUN	37 1/2	FU	RU	BKM	JUN	37 1/2	FU	RU
BK	JUN	40	FH	RH	BKM	JUN	40	FH	RH
BK	JUN	42 1/2	FV	RV	BKM	JUN	42 1/2	FV	RV
BK	JUN	45	FI	RI	BKM	JUN	45	FI	RI
BK	JUN	47 1/2	FW	RW	BKM	JUN	47 1/2	FW	RW
BK	JUN	50	FJ	RJ	BKM	JUN	50	FJ	RJ
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	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

Bank of New York Co, Inc - 2008 Leap (BK/WKJ)
 (Before - Date To Be Announced)
 100 shares BK

			Call	Put
WKJ	JAN	20	AD	MD
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 - 2008 Leap (BK/LHC)
 (Beginning - Date To Be Announced)
 (See New Deliverable Above)

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

Bank of New York Co, Inc - 2009 Leap (BK/VKJ)
 (Before - Date To Be Announced)
 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 - Date To Be Announced)
 (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

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.