

## MEMORANDUM

TO: ALL EQUITY OPTION FLOOR MEMBERS  
FROM: WILLIAM C. TERRELL  
DATE: MAY 21, 2007  
SUBJECT: USE OF NEW TRADING STRATEGY INDICATORS

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As you know, the Exchange is automating the process for calculating rebates for various strategies. In order to obtain the proper rebate(s), Members executing dividend, merger and short stock interest strategies will be required to designate the type of strategy for each trade by indicating the appropriate designator on the trade ticket(s) as follows:

Z1 – Dividend Strategies  
Z2 – Short Stock Interest Strategies  
Z3 – Merger Strategies

**IMPORTANT NOTE:** In order to receive the proper credit, each trade must be entered into the trading system with the correct code.

**Beginning with trades settling on July 2, 2007, manually submitted dividend, merger and short stock interest strategy rebate request forms will no longer be accepted by the Exchange.** Dividend, merger and short stock interest strategy rebates will be processed automatically based on the information supplied on the trade tickets (i.e. Z1, Z2 and Z3) and input into the Exchange trading system.

In order to receive proper credit **for strategies settling in May and June 2007**, Members must continue to submit to the Accounting Department dividend, merger and short stock interest strategy rebate request forms, along with supporting documentation, which are due three business days following the end of the previous month.

If you have any questions concerning the above, please call Bill Briggs at 496-5199 or me at 496-5205.