

MEMORANDUM

To: All Option Members, Member Organizations and ROTs
 From: Market Watch
 Date: May 24, 2007
 Re: **Avici Systems Inc. (UQE/AVCI) - Special Cash Dividend**

Avici Systems Inc. (UQE/AVCI) has declared a special cash dividend of \$2.00 payable to share holders of record on Monday, June 11, 2007. Distribution date for the special cash dividend will be Friday, June 22, 2007. **The NASDAQ has set the ex-distribution date for Thursday, June 7, 2007.**

Adjustment Date: **Effective Thursday, June 7, 2007.**
 Symbol(s): **UQE becomes ACJ**
 Strike Price: Unchanged
 Multiplier: 100 (e.g., Premium of 1.00 = \$100)
 New Deliverable: **1) 100 Shares of Avici Systems Inc. (AVCI)
 2) \$200.00 cash**

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:

Avici Systems Inc. (AVCI/UQE) (Before 6/7/2007) (100 shrs AVCI)					Avici Systems Inc. (AVCI/ACJ) (Beginning 6/7/2007) (See new deliverable above)				
			Calls	Puts				Calls	Puts
UQE	JUN	2 1/2	FZ	RZ	ACJ	JUN	2 1/2	FZ	RZ
UQE	JUN	5	FA	RA	ACJ	JUN	5	FA	RA
UQE	JUN	7 1/2	FU	RU	ACJ	JUN	7 1/2	FU	RU
UQE	JUN	10	FB	RB	ACJ	JUN	10	FB	RB
UQE	JUN	12 1/2	FV	RV	ACJ	JUN	12 1/2	FV	RV
UQE	JUN	15	FC	RC	ACJ	JUN	15	FC	RC
UQE	JUL	2 1/2	GZ	SZ	ACJ	JUL	2 1/2	GZ	SZ
UQE	JUL	5	GA	SA	ACJ	JUL	5	GA	SA
UQE	JUL	7 1/2	GU	SU	ACJ	JUL	7 1/2	GU	SU
UQE	JUL	10	GB	SB	ACJ	JUL	10	GB	SB
UQE	JUL	12 1/2	GV	SV	ACJ	JUL	12 1/2	GV	SV
UQE	SEP	2 1/2	IZ	UZ	ACJ	SEP	2 1/2	IZ	UZ
UQE	SEP	5	IA	UA	ACJ	SEP	5	IA	UA
UQE	SEP	7 1/2	IU	UU	ACJ	SEP	7 1/2	IU	UU
UQE	SEP	10	IB	UB	ACJ	SEP	10	IB	UB
UQE	SEP	12 1/2	IV	UV	ACJ	SEP	12 1/2	IV	UV
UQE	SEP	15	IC	UC	ACJ	SEP	15	IC	UC

Avici Systems Inc. (AVCI/UQE)
 (Before 6/7/2007)
 (100 shrs AVCI)

			Calls	Puts
UQE	DEC	5	LA	XA
UQE	DEC	7 1/2	LU	XU
UQE	DEC	10	LB	XB
UQE	DEC	12 1/2	LV	XV
UQE	DEC	15	LC	XC
UQE	DEC	17 1/2	LW	XW

Avici Systems Inc. (AVCI/ACJ)
 (Beginning 6/7/2007)
 (See new deliverable above)

			Calls	Puts
ACJ	DEC	5	LA	XA
ACJ	DEC	7 1/2	LU	XU
ACJ	DEC	10	LB	XB
ACJ	DEC	12 1/2	LV	XV
ACJ	DEC	15	LC	XC
ACJ	DEC	17 1/2	LW	XW

The new UQE option contracts representing 100 shares of AVCI, will be admitted to trading on Friday, June 8, 2007. Strike prices and expiration months will be announced on a separate release prior to that date.

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-1508.