



MEMO: 1303-07

MEMORANDUM

TO: All Option Members, Member Organizations and ROTs

FROM: Market Watch

DATE: May 30, 2007

RE: **Northwest Airlines Corp. (NWACQ/NAQ)
CONTRACT ADJUSTMENT TO WAW OPTIONS**

On May 18, 2007, the United States Bankruptcy Court for the Southern District of New York confirmed the Plan of Reorganization of Northwest Airlines Corp. under Chapter 11 of the Bankruptcy Code. Pursuant to the Plan of Reorganization, all outstanding NWACQ Common Shares will be canceled once the Plan of Reorganization becomes effective, which is expected to be Thursday, May 31, 2007.

THE FOREGOING IS AN UNOFFICIAL SUMMARY OF THE PERTINENT TERMS OF THE PLAN OF REORGANIZATION AND PREPARED BY OCC FOR THE CONVENIENCE OF CLEARING MEMBERS. OCC ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. CLEARING MEMBERS SHOULD REFER TO THE PLAN OF REORGANIZATION FOR ADDITIONAL INFORMATION.

CONTRACT ADJUSTMENT

Pursuant to Article VI, Section 11, of OCC's By-Laws, a panel of OCC's Securities Committee has determined to adjust all WAW options as indicated below (the panel consists of two representatives from the Exchanges on which the affected option is traded (in this case the Chicago Board Options Exchange ("CBOE") and the Philadelphia Stock Exchange ("PHLX")) and the Chairman of OCC or his delegate, who only votes in case of a tie).

Effective May 31, 2007, existing WAW options are adjusted to no longer call for the delivery of Northwest Airlines Inc. Common Shares (NWACQ) upon exercise.

The option symbol WAW will not change.

In settlement of WAW exercise/assignment activity, a WAW put exerciser (or call assignee) will receive a cash payment of the full aggregate strike price amount on the exercise settlement date. A WAW put assignee (or call exerciser) will pay this amount on the exercise settlement date. Settlement will take place through OCC's cash settlement system on the third business day after exercise. Since WAW options are American-style, they are exercisable at the election of the holder. Expiration processing for WAW options will take place in the normal fashion, including automatic exercise thresholds.

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