

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: May 30, 2007

Re: Brookfield Asset Management, Inc. (BAM) - 3 for 2 Stock Split

Brookfield Asset Management, Inc. (BAM) has declared a 3 for 2 stock split payable to shareholders of record on Thursday, May 24, 2007. Distribution date for the stock split will be Friday, June 1, 2007. **Ex-distribution date for the stock split will be Monday, June 4, 2007.**

Accordingly, pursuant to OCC By-Laws, all BAM 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 150 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 BAM/YUJ/ZAO options will be to change the symbol(s) to BAD/KCD/ZON, increase the number of underlying shares represented by each contract to 150, and to reduce the strike price for each series proportionately. The Exchange has further determined that new BAM option contracts, representing 100 shares of BAM, will start trading on Tuesday, June 5, 2007. The PHLX has established that effective on the ex-distribution date, and until January 17, 2009 expiration, the position and exercise limits shall be any combination of BAM/YUJ/ZAO and BAD/KCD/ZON options not to exceed 30,000,000 shares of BAM. Following January 17, 2009 expiration, the position and exercise limit will return to the established limit of 200,000 contracts. Therefore, commencing Monday, June 4, 2007, the current BAM/YUJ/ZAO strike prices will be adjusted and identified by the symbols BAD/KCD/ZON respectively.

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

Brookfield Asset Management, Inc. (BAM)					Brookfield Asset Management, Inc. (BAD)				
(Before 6/4/2007)					(Beginning 6/4/2007)				
(100 shrs BAM)					(150 shrs BAM)				
			Calls	Puts			Calls	Puts	
BAM	JUN	40	FH	RH	BAD	JUN	26 5/8	FU	RU
BAM	JUN	45	FI	RI	BAD	JUN	30	FF	RF
BAM	JUN	50	FJ	RJ	BAD	JUN	33 3/8	FV	RV
BAM	JUN	55	FK	RK	BAD	JUN	36 5/8	FW	RW
BAM	JUN	60	FL	RL	BAD	JUN	40	FH	RH
BAM	JUN	65	FM	RM	BAD	JUN	43 3/8	FX	RX
BAM	JUN	70	FN	RN	BAD	JUN	46 5/8	FY	RY
BAM	JUN	75	FO	RO	BAD	JUN	50	FJ	RJ
BAM	JUN	80	FP	RP	BAD	JUN	53 3/8	FZ	RZ
BAM	JUL	60	GL	SL	BAD	JUL	40	GH	SH
BAM	JUL	65	GM	SM	BAD	JUL	43 3/8	GX	SX
BAM	JUL	70	GN	SN	BAD	JUL	46 5/8	GY	SY
BAM	JUL	75	GO	SO	BAD	JUL	50	GJ	SJ

Brookfield Asset Management, Inc. (BAM)
(Before 6/4/2007)
(100 shrs BAM)

			Calls	Puts
BAM	SEP	45	II	UI
BAM	SEP	50	IJ	UJ
BAM	SEP	55	IK	UK
BAM	SEP	60	IL	UL
BAM	SEP	65	IM	UM
BAM	SEP	70	IN	UN
BAM	SEP	75	IO	UO
BAM	SEP	80	IP	UP
BAM	DEC	50	LJ	XJ
BAM	DEC	55	LK	XK
BAM	DEC	60	LL	XL
BAM	DEC	65	LM	XM
BAM	DEC	70	LN	XN
BAM	DEC	75	LO	XO
BAM	DEC	80	LP	XP

Brookfield Asset Management, Inc. (BAD)
(Beginning 6/4/2007)
(150 shrs BAM)

			Calls	Puts
BAD	SEP	30	IF	UF
BAD	SEP	33 3/8	IV	UV
BAD	SEP	36 5/8	IW	UW
BAD	SEP	40	IH	UH
BAD	SEP	43 3/8	IX	UX
BAD	SEP	46 5/8	IY	UY
BAD	SEP	50	IJ	UJ
BAD	SEP	53 3/8	IZ	UZ
BAD	DEC	33 3/8	LV	XV
BAD	DEC	36 5/8	LW	XW
BAD	DEC	40	LH	XH
BAD	DEC	43 3/8	LX	XX
BAD	DEC	46 5/8	LY	XY
BAD	DEC	50	LJ	XJ
BAD	DEC	53 3/8	LZ	XZ

Brookfield Asset Management, Inc. - 2008 Leap (YUJ)
(Before 6/4/2007)
(100 shrs BAM)

			Calls	Put
YUJ	JAN	40	AH	MH
YUJ	JAN	45	AI	MI
YUJ	JAN	50	AJ	MJ
YUJ	JAN	55	AK	MK
YUJ	JAN	60	AL	ML
YUJ	JAN	65	AM	MM
YUJ	JAN	70	AN	MN
YUJ	JAN	75	AO	MO
YUJ	JAN	80	AP	MP

Brookfield Asset Management, Inc. - 2008 Leap (KCD)
(Beginning 6/4/2007)
(150 shrs BAM)

			Calls	Put
KCD	JAN	26 5/8	AU	MU
KCD	JAN	30	AF	MF
KCD	JAN	33 3/8	AV	MV
KCD	JAN	36 5/8	AW	MW
KCD	JAN	40	AH	MH
KCD	JAN	43 3/8	AX	MX
KCD	JAN	46 5/8	AY	MY
KCD	JAN	50	AJ	MJ
KCD	JAN	53 3/8	AZ	MZ

Brookfield Asset Management, Inc. - 2009 Leap (ZAO)
(Before 6/4/2007)
(100 shrs BAM)

			Calls	Put
ZAO	JAN	20	AD	MD
ZAO	JAN	30	AF	MF
ZAO	JAN	35	AG	MG
ZAO	JAN	40	AH	MH
ZAO	JAN	45	AI	MI
ZAO	JAN	50	AJ	MJ
ZAO	JAN	55	AK	MK
ZAO	JAN	60	AL	ML
ZAO	JAN	65	AM	MM
ZAO	JAN	70	AN	MN
ZAO	JAN	75	AO	MO
ZAO	JAN	80	AP	MP
ZAO	JAN	85	AQ	MQ

Brookfield Asset Management, Inc. - 2009 Leap (ZON)
(Beginning 6/4/2007)
(150 shrs BAM)

			Calls	Put
ZON	JAN	13 3/8	AQ	MQ
ZON	JAN	20	AD	MD
ZON	JAN	23 3/8	AR	MR
ZON	JAN	26 5/8	AU	MU
ZON	JAN	30	AF	MF
ZON	JAN	33 3/8	AV	MV
ZON	JAN	36 5/8	AW	MW
ZON	JAN	40	AH	MH
ZON	JAN	43 3/8	AX	MX
ZON	JAN	46 5/8	AY	MY
ZON	JAN	50	AJ	MJ
ZON	JAN	53 3/8	AZ	MZ
ZON	JAN	56 5/8	AT	MT

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

The new BAM option contracts representing 100 shares of BAM, will be admitted to trading on Tuesday, June 5, 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 150, a bid of 2 would indicate a dollar premium of \$300.00.

Brokers must advise their customers of this fact in connection with the adjusted BAD/KCD/ZON 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 BAM if they are to remain fully covered. Customers initiating opening writing positions in BAM on or after Monday, June 4, 2007 must own 150 shares of BAM common stock for each contract held in order to be fully covered. Commencing on June 5, 2007 and thereafter, customers purchasing 100 shares of BAM 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.