

MEMORANDUM

To: All Option Members, Member Organizations and ROTs
 From: Market Watch
 Date: November 19, 2007
 Re: **Telecom HOLDRs Trust (TTH) - Cash Distribution**

On November 16, 2007, Alltel Corporation., a component of TTH, was acquired by Atlantis Merger Sub, Inc. and each share was converted into \$71.50 cash. As a result, the merger consideration will be distributed to TTH shareholders. The distribution ratio is \$143.00 per each 100 BBH round lot to shareholders of record, November 26, 2007. The distribution date has yet to be determined. **The AMEX has set the ex-distribution date as Wednesday, November 21, 2007.**

EFFECTIVE DATE: Wednesday, November 21, 2007
SYMBOL(s): TTH becomes TTW
POSITION LIMITS: No Change
STRIKE PRICE: No Change
NEW DELIVERABLE: 1) 100 Telecom HOLDRs Trust (TTH)
 2) \$143.00 cash (\$1.43 x 100)

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:

Telecom HOLDRs Trust (TTH) (Before 11/21/2007) (100 shrs TTH)					Telecom HOLDRs Trust (TTW) (Beginning 11/21/2007) (See new deliverable above)				
			Calls	Puts				Calls	Puts
TTH	DEC	35	LG	XG	TTW	DEC	35	LG	XG
TTH	DEC	40	LH	XH	TTW	DEC	40	LH	XH
TTH	DEC	45	LI	XI	TTW	DEC	45	LI	XI
TTH	JAN	35	AG	MG	TTW	JAN	35	AG	MG
TTH	JAN	40	AH	MH	TTW	JAN	40	AH	MH
TTH	JAN	45	AI	MI	TTW	JAN	45	AI	MI
TTH	FEB	35	BG	NG	TTW	FEB	35	BG	NG
TTH	FEB	40	BH	NH	TTW	FEB	40	BH	NH
TTH	FEB	45	BI	NI	TTW	FEB	45	BI	NI
TTH	MAY	35	EG	QG	TTW	MAY	35	EG	QG
TTH	MAY	40	EH	QH	TTW	MAY	40	EH	QH
TTH	MAY	45	EI	QI	TTW	MAY	45	EI	QI

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