

MEMORANDUM

TO: PHLX Members, Participants, Member Organizations and Participant Organizations

FROM: Office of the Secretary

RE: Executive Committee Meeting of November 20, 2007

DATE: November 21, 2007

The Executive Committee of the Philadelphia Stock Exchange, Inc. (“Phlx” or the “Exchange”) Board of Governors convened on Tuesday, November 20, 2007, and, pursuant to delegated authority of the Board of Governors under By-Law Article X, Section 10-14(b), took the following actions:

- Approved the draft minutes of the Executive Committee Meeting of October 9, 2007.
- Approved and authorized staff to file to adopt, amendments to Exchange Rules 1084, Operation of the Linkage, and 1085, Order Protection, to reduce the time period within which a participant in the Plan for the Purpose of Creating and Operating an Intermarket Option Linkage (the “Linkage Plan”) must respond to Linkage Orders, from five (5) seconds to three (3) seconds.
- Approved and authorized staff to file a proposed rule change amending Rule 1012, Series of Options Open for Trading, to indicate that the interval of strike prices of series of options on Exchange –Traded Funds will be \$5 or greater when the strike price is over \$200, and to authorize staff to make any additional changes or amendments needed for Commission authorization of the proposal or for the purposes of uniformity.
- Approved and authorized staff to file a proposed rule change amending Rule 1012, Series of Options Open for Trading, to enable the Exchange to: (i) expand the \$1 Pilot to allow the Exchange to list options on ten (10) chosen classes of options at strike prices from \$3 to \$50; and (ii) to authorize staff to make any additional changes or amendments needed for Commission authorization of the proposal or for the purposes of uniformity.

- Authorized and approved contributions from the Phlx Foundation to the Waldron Mercy Academy Golf and Tennis Classic, the Leon H. Sullivan Memorial Golf Tournament, Outward Bound Philadelphia, Waldron Mercy Academy Auction, St. Mark's Church, and International House.
- Approved and authorized staff to file a proposed rule change to amend the Exchange's current Examinations Fee in order to assess this fee on: (i) member/participant organizations, for whom the Exchange is the Designated Examining Authority ("DEA"), that do not employ any off-floor traders; and (ii) "inactive organizations." This proposal is scheduled to become effective beginning January 1, 2008.
- Approved and authorized the following budgeted capital requests: (i) funds to purchase storage equipment for the options business; (ii) Windows server hardware and software for data replication for essential Information Services; (iii) software to facilitate desktop client consolidation; (iv) a 10-ton air conditioner for cooling of vendor and member organization equipment and; (v) a Diesel Fuel Filtration System for the standby diesel generator.