

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: November 26, 2007

Re: ****UPDATE** Oil Service HOLDRs (OIH/ODL) - Cash Distribution**

On November 27, 2007, the merger between Transocean Inc. (RIG) & GlobalSantaFe Corp. (GSF), both components of TTH, is expected to become effective. As a result, the merger consideration for both issues will be distributed to OIH shareholders. The distribution ratio is \$10.431785 per each 100 OIH round lot to shareholders of record, November 30, 2007. The distribution date has yet to be determined. **The AMEX has set the ex-distribution date as Wednesday, November 28, 2007.**

EFFECTIVE DATE: Wednesday, November 28, 2007
SYMBOL(s): OIH/ODL/ZJO/LLB becomes JVL/JVP/XXG/YJR
POSITION LIMITS: No Change
STRIKE PRICE: No Change
NEW DELIVERABLE: 1) 100 Oil Service HOLDRs Trust (OIH)
 2) \$1,043.18 cash (\$10.431785 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:

Oil Service HOLDRs (OIH/ODL) (Before 11/28/2007) (100 shrs OIH)					Oil Service HOLDRs (JVL/JVP) (Beginning 11/28/2007) (See new deliverable above)				
			Calls	Puts			Calls	Puts	
OIH	DEC	150	LJ	XJ	JVL	DEC	150	LJ	XJ
OIH	DEC	155	LK	XK	JVL	DEC	155	LK	XK
OIH	DEC	160	LL	XL	JVL	DEC	160	LL	XL
OIH	DEC	165	LM	XM	JVL	DEC	165	LM	XM
OIH	DEC	170	LZ	XZ	JVL	DEC	170	LZ	XZ
ODL	DEC	175	LO	XO	JVP	DEC	175	LO	XO
ODL	DEC	180	LP	XP	JVP	DEC	180	LP	XP
ODL	DEC	185	LQ	XQ	JVP	DEC	185	LQ	XQ
ODL	DEC	190	LR	XR	JVP	DEC	190	LR	XR
ODL	DEC	195	LS	XS	JVP	DEC	195	LS	XS
ODL	DEC	200	LT	XT	JVP	DEC	200	LT	XT
ODL	DEC	210	LB	XB	JVP	DEC	210	LB	XB
ODL	DEC	220	LD	XD	JVP	DEC	220	LD	XD
ODL	DEC	230	LF	XF	JVP	DEC	230	LF	XF
OIH	JAN	90	AR	MR	JVL	JAN	90	AR	MR
OIH	JAN	95	AS	MS	JVL	JAN	95	AS	MS
OIH	JAN	100	AT	MT	JVL	JAN	100	AT	MT
OIH	JAN	105	AA	MA	JVL	JAN	105	AA	MA
OIH	JAN	110	AB	MB	JVL	JAN	110	AB	MB
OIH	JAN	115	AC	MC	JVL	JAN	115	AC	MC
OIH	JAN	120	AD	MD	JVL	JAN	120	AD	MD
OIH	JAN	125	AE	ME	JVL	JAN	125	AE	ME
OIH	JAN	130	AF	MF	JVL	JAN	130	AF	MF

Oil Service HOLDRs (OIH/ODL)
 (Before 11/28/2007)
 (100 shrs OIH)

Oil Service HOLDRs (JVL/JVP)
 (Beginning 11/28/2007)
 (See new deliverable above)

			Calls	Puts				Calls	Puts
OIH	JAN	135	AG	MG	JVL	JAN	135	AG	MG
OIH	JAN	140	AH	MH	JVL	JAN	140	AH	MH
OIH	JAN	145	AI	MI	JVL	JAN	145	AI	MI
OIH	JAN	150	AJ	MJ	JVL	JAN	150	AJ	MJ
OIH	JAN	155	AK	MK	JVL	JAN	155	AK	MK
OIH	JAN	160	AL	ML	JVL	JAN	160	AL	ML
OIH	JAN	165	AM	MM	JVL	JAN	165	AM	MM
OIH	JAN	170	AZ	MZ	JVL	JAN	170	AZ	MZ
ODL	JAN	175	AO	MO	JVP	JAN	175	AO	MO
ODL	JAN	180	AP	MP	JVP	JAN	180	AP	MP
ODL	JAN	185	AQ	MQ	JVP	JAN	185	AQ	MQ
ODL	JAN	190	AR	MR	JVP	JAN	190	AR	MR
ODL	JAN	195	AS	MS	JVP	JAN	195	AS	MS
ODL	JAN	200	AT	MT	JVP	JAN	200	AT	MT
ODL	JAN	210	AB	MB	JVP	JAN	210	AB	MB
ODL	JAN	220	AD	MD	JVP	JAN	220	AD	MD
ODL	JAN	230	AF	MF	JVP	JAN	230	AF	MF
ODL	JAN	240	AH	MH	JVP	JAN	240	AH	MH
ODL	JAN	250	AJ	MJ	JVP	JAN	250	AJ	MJ
OIH	APR	125	DE	PE	JVL	APR	125	DE	PE
OIH	APR	130	DF	PF	JVL	APR	130	DF	PF
OIH	APR	135	DG	PG	JVL	APR	135	DG	PG
OIH	APR	140	DH	PH	JVL	APR	140	DH	PH
OIH	APR	145	DI	PI	JVL	APR	145	DI	PI
OIH	APR	150	DJ	PJ	JVL	APR	150	DJ	PJ
OIH	APR	155	DK	PK	JVL	APR	155	DK	PK
OIH	APR	160	DL	PL	JVL	APR	160	DL	PL
OIH	APR	165	DM	PM	JVL	APR	165	DM	PM
OIH	APR	170	DZ	PZ	JVL	APR	170	DZ	PZ
ODL	APR	175	DO	PO	JVP	APR	175	DO	PO
ODL	APR	180	DP	PP	JVP	APR	180	DP	PP
ODL	APR	185	DQ	PQ	JVP	APR	185	DQ	PQ
ODL	APR	190	DR	PR	JVP	APR	190	DR	PR
ODL	APR	195	DS	PS	JVP	APR	195	DS	PS
ODL	APR	200	DT	PT	JVP	APR	200	DT	PT
ODL	APR	210	DB	PB	JVP	APR	210	DB	PB
ODL	APR	220	DD	PD	JVP	APR	220	DD	PD
ODL	APR	230	DF	PF	JVP	APR	230	DF	PF
ODL	APR	240	DH	PH	JVP	APR	240	DH	PH
ODL	APR	250	DJ	PJ	JVP	APR	250	DJ	PJ
OIH	JUL	130	GF	SF	JVL	JUL	130	GF	SF
OIH	JUL	135	GG	SG	JVL	JUL	135	GG	SG
OIH	JUL	140	GH	SH	JVL	JUL	140	GH	SH
OIH	JUL	145	GI	SI	JVL	JUL	145	GI	SI
OIH	JUL	150	GJ	SJ	JVL	JUL	150	GJ	SJ
OIH	JUL	155	GK	SK	JVL	JUL	155	GK	SK
OIH	JUL	160	GL	SL	JVL	JUL	160	GL	SL
OIH	JUL	165	GM	SM	JVL	JUL	165	GM	SM
OIH	JUL	170	GZ	SZ	JVL	JUL	170	GZ	SZ
ODL	JUL	175	GO	SO	JVP	JUL	175	GO	SO
ODL	JUL	180	GP	SP	JVP	JUL	180	GP	SP
ODL	JUL	185	GQ	SQ	JVP	JUL	185	GQ	SQ

ODL	JUL	190	GR	SR	JVP	JUL	190	GR	SR
ODL	JUL	195	GS	SS	JVP	JUL	195	GS	SS
ODL	JUL	200	GT	ST	JVP	JUL	200	GT	ST
ODL	JUL	210	GB	SB	JVP	JUL	210	GB	SB
ODL	JUL	220	GD	SD	JVP	JUL	220	GD	SD
ODL	JUL	230	GF	SF	JVP	JUL	230	GF	SF
ODL	JUL	240	GH	SH	JVP	JUL	240	GH	SH
ODL	JUL	250	GJ	SJ	JVP	JUL	250	GJ	SJ
ODL	JUL	260	GL	SL	JVP	JUL	260	GL	SL
ODL	JUL	270	GN	SN	JVP	JUL	270	GN	SN
ODL	JUL	280	GU	SU	JVP	JUL	280	GU	SU

Oil Service HOLDRs - 2009 Leap (ZJO)
(Before 11/28/2007)
(100 shrs OIH)

			Calls	Put
ZJO	JAN	110	AB	MB
ZJO	JAN	120	AD	MD
ZJO	JAN	130	AF	MF
ZJO	JAN	140	AH	MH
ZJO	JAN	150	AJ	MJ
ZJO	JAN	160	AL	ML
ZJO	JAN	170	AN	MN
ZJO	JAN	180	AP	MP
ZJO	JAN	185	AQ	MQ
ZJO	JAN	190	AR	MR
ZJO	JAN	195	AS	MS
ZJO	JAN	200	AT	MT
ZJO	JAN	210	AX	MX
ZJO	JAN	220	AY	MY
ZJO	JAN	230	AZ	MZ
ZJO	JAN	240	AW	MW
ZJO	JAN	250	AA	MA
ZJO	JAN	260	AU	MU
ZJO	JAN	270	AV	MV
ZJO	JAN	280	AC	MC
ZJO	JAN	290	AE	ME
ZJO	JAN	300	AG	MG

Oil Service HOLDRs - 2009 Leap (XXG)
(Beginning 11/28/2007)
(See new deliverable above)

			Calls	Put
XXG	JAN	110	AB	MB
XXG	JAN	120	AD	MD
XXG	JAN	130	AF	MF
XXG	JAN	140	AH	MH
XXG	JAN	150	AJ	MJ
XXG	JAN	160	AL	ML
XXG	JAN	170	AN	MN
XXG	JAN	180	AP	MP
XXG	JAN	185	AQ	MQ
XXG	JAN	190	AR	MR
XXG	JAN	195	AS	MS
XXG	JAN	200	AT	MT
XXG	JAN	210	AX	MX
XXG	JAN	220	AY	MY
XXG	JAN	230	AZ	MZ
XXG	JAN	240	AW	MW
XXG	JAN	250	AA	MA
XXG	JAN	260	AU	MU
XXG	JAN	270	AV	MV
XXG	JAN	280	AC	MC
XXG	JAN	290	AE	ME
XXG	JAN	300	AG	MG

Oil Service HOLDRs - 2010 Leap (LLB)
(Before 11/28/2007)
(100 shrs OIH)

			Calls	Put
LLB	JAN	140	AH	MH
LLB	JAN	150	AJ	MJ
LLB	JAN	160	AL	ML
LLB	JAN	170	AZ	MZ
LLB	JAN	180	AP	MP
LLB	JAN	190	AR	MR
LLB	JAN	200	AT	MT
LLB	JAN	210	AX	MX
LLB	JAN	220	AY	MY

Oil Service HOLDRs - 2010 Leap (YYR)
(Beginning 11/28/2007)
(See new deliverable above)

			Calls	Put
YYR	JAN	140	AH	MH
YYR	JAN	150	AJ	MJ
YYR	JAN	160	AL	ML
YYR	JAN	170	AZ	MZ
YYR	JAN	180	AP	MP
YYR	JAN	190	AR	MR
YYR	JAN	200	AT	MT
YYR	JAN	210	AX	MX
YYR	JAN	220	AY	MY

The new OIH option contracts representing 100 shares of OIH, will be admitted to trading on Thursday, November 29, 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) 496-5380.