

M E M O R A N D U M

TO: Equity, Index and Foreign Currency Option Floor Members

FROM: Options Surveillance

DATE: October 5, 2007

RE: ORDER AND DECORUM

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This memorandum serves as a reminder that the Philadelphia Stock Exchange ("PHLX") and standing Floor Committees will not tolerate disorderly conduct in any form that is disruptive to the conduct of business on the trading floor and will strictly enforce order and decorum rules in accordance to Option Floor Procedure Advice ("OFPA") Rule 60 "Sanctions for Breach of Regulations" and Regulation 4 "Order".

Member participants and/or their associated persons that are in violation of Rule 60 and/or Regulation 4 will be subject to disciplinary action in accordance to aforementioned OFPAs.

The standing Floor Committees and/or the PHLX may impose fines and/or may exclude a member participant, any associated person of member organizations or participant organizations ("member") from the trading floor for breaches of regulations that relate to administration or order, decorum, health, safety and welfare on the Exchange that occurred on the trading floor or on the premises immediately adjacent to the trading floor.

Any questions regarding this matter may be directed to Michael Blackson, Director, On-Floor Surveillance at 215.496.5295 or Edward Deitzel, Vice President, Options Surveillance at 215.496.5298.