

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: September 12, 2007

**Subject: A.G. Edwards, Inc. (AGE) Pending Merger With Wachovia Corporation (WB)**

On Friday, September 28, 2007, the shareholders of A.G. Edwards, Inc. (AGE) will vote to approve the proposed merger with Wachovia Corporation (WB). Pursuant to the merger terms each AGE share will be converted into the right to receive 0.9844 WB Common Shares plus \$35.80 cash. Cash will be paid in lieu of fractional WB shares. **The merger is anticipated to become effective in the fourth quarter of 2007.**

*\*\*The foregoing is an unofficial summary of the terms of the Merger, prepared by the PHLX for the convenience of its members. PHLX accepts no responsibility for the accuracy or completeness of the summary. Members should refer to the proxy statement for the authoritative description of the merger terms and conditions.*

Pursuant to Options Clearing Corporation (OCC) By-Laws, all outstanding AGE options will be adjusted as follows:

**EFFECTIVE DATE:** Option changes are expected to become effective on a date to be announced  
**SYMBOL(s):** AGE/OGR/YEG becomes AOU/OUE/LKP respectively  
**POS/EXERCISE LIMIT:** 762,500 contracts until January 2009 expiration; where limits become 500,000 contracts until January 2010 expiration; where limits reverts to 250,000 contracts  
**MULTIPLIER:** 100\*(eg., Premium of 1.00 = \$100)  
**NEW DELIVERABLE:** 1) 98 WB common shares.  
 2) \$3,580.00 cash per contract (\$35.80 x 100)  
 3) Cash in lieu of 0.44 fractional WB Shares

A.G. Edwards, Inc. (AGE) (Before - Date To Be Announced) 100 shares AGE					A.G. Edwards, Inc. (AOU) (Beginning - Date To Be Announced) (See New Deliverable Above)				
			Calls	Puts				Calls	Puts
AGE	SEP	70	IN	UN	AOU	SEP	70	IN	UN
AGE	SEP	75	IO	UO	AOU	SEP	75	IO	UO
AGE	SEP	80	IP	UP	AOU	SEP	80	IP	UP
AGE	SEP	85	IQ	UQ	AOU	SEP	85	IQ	UQ
AGE	SEP	90	IR	UR	AOU	SEP	90	IR	UR
AGE	SEP	95	IS	US	AOU	SEP	95	IS	US
AGE	SEP	100	IT	UT	AOU	SEP	100	IT	UT
AGE	OCT	65	JM	VM	AOU	OCT	65	JM	VM
AGE	OCT	70	JN	VN	AOU	OCT	70	JN	VN
AGE	OCT	75	JO	VO	AOU	OCT	75	JO	VO
AGE	OCT	80	JP	VP	AOU	OCT	80	JP	VP
AGE	OCT	85	JQ	VQ	AOU	OCT	85	JQ	VQ
AGE	OCT	90	JR	VR	AOU	OCT	90	JR	VR
AGE	OCT	95	JS	VS	AOU	OCT	95	JS	VS
AGE	NOV	45	KI	WI	AOU	NOV	45	KI	WI
AGE	NOV	50	KJ	WJ	AOU	NOV	50	KJ	WJ
AGE	NOV	55	KK	WK	AOU	NOV	55	KK	WK
AGE	NOV	60	KL	WL	AOU	NOV	60	KL	WL
AGE	NOV	65	KM	WM	AOU	NOV	65	KM	WM
AGE	NOV	70	KN	WN	AOU	NOV	70	KN	WN
AGE	NOV	75	KO	WO	AOU	NOV	75	KO	WO
AGE	NOV	80	KP	WP	AOU	NOV	80	KP	WP

AGE	NOV	85	KQ	WQ	AOU	NOV	85	KQ	WQ
AGE	NOV	90	KR	WR	AOU	NOV	90	KR	WR
AGE	NOV	95	KS	WS	AOU	NOV	95	KS	WS
AGE	NOV	100	KT	WT	AOU	NOV	100	KT	WT
AGE	JAN	20	AD	MD	AOU	JAN	20	AD	MD
AGE	JAN	30	AF	MF	AOU	JAN	30	AF	MF
AGE	JAN	40	AH	MH	AOU	JAN	40	AH	MH
AGE	JAN	50	AJ	MJ	AOU	JAN	50	AJ	MJ
AGE	JAN	55	AK	MK	AOU	JAN	55	AK	MK
AGE	JAN	60	AL	ML	AOU	JAN	60	AL	ML
AGE	JAN	65	AM	MM	AOU	JAN	65	AM	MM
AGE	JAN	70	AN	MN	AOU	JAN	70	AN	MN
AGE	JAN	75	AO	MO	AOU	JAN	75	AO	MO
AGE	JAN	80	AP	MP	AOU	JAN	80	AP	MP
AGE	JAN	85	AQ	MQ	AOU	JAN	85	AQ	MQ
AGE	JAN	90	AR	MR	AOU	JAN	90	AR	MR
AGE	JAN	95	AS	MS	AOU	JAN	95	AS	MS
AGE	JAN	100	AT	MT	AOU	JAN	100	AT	MT
AGE	FEB	70	BN	NN	AOU	FEB	70	BN	NN
AGE	FEB	75	BO	NO	AOU	FEB	75	BO	NO
AGE	FEB	80	BP	NP	AOU	FEB	80	BP	NP
AGE	FEB	85	BQ	NQ	AOU	FEB	85	BQ	NQ
AGE	FEB	90	BR	NR	AOU	FEB	90	BR	NR
AGE	FEB	95	BS	NS	AOU	FEB	95	BS	NS
AGE	FEB	100	BT	NT	AOU	FEB	100	BT	NT

A. G. Edwards - 2009 Leap (AGE/OGR)

(Before - Date To Be Announced)

100 shares AGE

			Call	Put
OGR	JAN	30	AF	MF
OGR	JAN	40	AH	MH
OGR	JAN	50	AJ	MJ
OGR	JAN	60	AL	ML
OGR	JAN	70	AN	MN
OGR	JAN	75	AO	MO
OGR	JAN	80	AP	MP
OGR	JAN	85	AQ	MQ
OGR	JAN	90	AR	MR
OGR	JAN	95	AS	MS
OGR	JAN	100	AT	MT

A. G. Edwards - 2009 Leap (AGE/OUE)

(Beginning - Date To Be Announced)

(See New Deliverable Above)

			Call	Put
OUE	JAN	30	AF	MF
OUE	JAN	40	AH	MH
OUE	JAN	50	AJ	MJ
OUE	JAN	60	AL	ML
OUE	JAN	70	AN	MN
OUE	JAN	75	AO	MO
OUE	JAN	80	AP	MP
OUE	JAN	85	AQ	MQ
OUE	JAN	90	AR	MR
OUE	JAN	95	AS	MS
OUE	JAN	100	AT	MT

A. G. Edwards - 2010 Leap (AGE/YEG)

(Before - Date To Be Announced)

100 shares AGE

			Call	Put
YEG	JAN	70	AN	MN
YEG	JAN	80	AP	MP
YEG	JAN	90	AR	MR
YEG	JAN	100	AT	MT
YEG	JAN	110	AB	MB

A. G. Edwards - 2010 Leap (AGE/LKP)

(Beginning - Date To Be Announced)

(See New Deliverable Above)

			Call	Put
LKP	JAN	70	AN	MN
LKP	JAN	80	AP	MP
LKP	JAN	90	AR	MR
LKP	JAN	100	AT	MT
LKP	JAN	110	AB	MB

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the effective 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.