

MEMORANDUM

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

FROM: Office of the Secretary

RE: Executive Committee Meeting of September 21, 2007

DATE: September 24, 2007

The Executive Committee of the Philadelphia Stock Exchange, Inc. (“Phlx” or the “Exchange”) Board of Governors convened on Friday, September 21, 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 and authorized the recommendations of the Compensation Committee related to executive compensation.
- Approved the draft minutes of the Executive Committee Meeting of August 29, 2007.
- Approved and authorized staff to file a proposed rule change amending Phlx Rule 1009 to enable the Exchange to list and trade options that meet Phlx continued options maintenance requirements and are already listed on another national securities exchange, to eliminate the alternate original listing requirements for “not covered” underlying securities, and to authorize staff to make any additional changes or amendments need for Commission authorization of the proposal or for purposes of uniformity.
- Approved and authorized staff to file a proposed rule change amending Phlx Rule 1010 (Withdrawal of Approval of Underlying Securities) to enable the Exchange to: (i) not open for trading any additional series of equity option contracts of a class overlying securities and/or to determine to delist such securities where the securities have been listed on the Exchange not less than six (6) months and the Exchange average daily volume of a series of options or the entire class of options overlying such securities over the last six (6) month period was less than twenty (20) contracts; (ii) if the option is singly listed only on the Exchange, to cease to add new series and/or delist the option when there is no remaining open interest; and (iii) to authorize staff to make any additional changes or amendments needed for Commission authorization of the proposal or for purposes of uniformity.

- Approved and authorized staff to file a proposed rule change to eliminate position limits on full value and reduced value index and FLEX options on the Russell 2000® Index from Phlx Rules 1001A (Position Limits) and 1079 (FLEX Index and Equity Options), and to authorize staff to make any additional changes or amendments needed for Commission authorization of the proposal or for purposes of uniformity.
- Approved and authorized staff to indicate to the Options Price Reporting Authority (“OPRA”) to file an amendment to the OPRA Plan that would eliminate separate fees for access to market data concerning foreign currency options (“FCOs”), and to authorize staff to make any additional changes or amendments needed for Commission authorization of the proposal.
- Approved and authorized staff to file a proposed rule change to permit the listing of an additional cycle month of U.S. Dollar-Settled Foreign Currency Options (“WCOs”), and also authorized staff to make any further additional clarifying, stylistic and nonsubstantive changes that are necessary that are necessary or appropriate to obtain Commission approval of the proposed rule change.
- Approved and authorized staff to file to adopt, amendments to Plan for the Purpose of Creating and Operating an Intermarket Option Linkage (the “Linkage Plan”), together with corresponding Exchange Rules, to: (i) modify Section 7 (a)(iii)(C) of the Plan so as to eliminate the “Class Gate” restriction on Principal Order Access through the Linkage; and (ii) permit the use of Linkage prior to the opening of trading.
- Approved and authorized a budgeted capital request to purchase: (i) two Juniper routers for IRON Network regression testing; (ii) additional CPU’s and memory to upgrade the existing Options SUN Solaris Development Testbed server; (iii) an options trading floor wireless network upgrade; (iv) Nortel Meridian Option voice switch software upgrade for the Navy Yard Data Center; and (v) software licenses for the HP Openview monitoring platform.
- Approved and authorized staff to file a proposed rule change to amend the NASD fingerprinting fees that appear on the Phlx fee schedule, so that the charge for the first and third submission of a fingerprint card will be lowered from \$35.00 to \$30.25. The Exchange also proposes to replace references to “NASD” on the Exchange’s fee schedules with “FINRA.”