

Options Symbology Committee Memorandum

To: Eric Miller - NASD

From: Symbology Committee Representatives

Date: November 27, 2006

Re: Comments received regarding the Options Symbology Implementation Plan.

Dear Mr. Miller

Representatives of the Options Symbology Committee (the Committee) commend your organization for their thoughtful comment on the options symbology implementation plan published in May 2006. Your comment was commensurate with one of the most difficult issues discussed in generating the plan.

The matter of identifying non-standard deliverables on all transactions was discussed at length by Symbology Committee representatives. The majority of the committee members determined the requirement of an extra field for non-standard deliverables on every transmission would create extraneous overhead for a relatively small percentage of open interest. The fact that option contracts delivering non-standard share or cash amounts tend to be stagnant in terms of growth in open interest and generally become illiquid over time was the primary determining factor. In addition, the fight for real estate on the OPRA message was fierce and the five character symbol field was deemed sufficient.

Therefore, the Symbology Committee stands by its recommendation to imbed a numeric corporate action indicator into the symbol field for non-standard listed options contracts that have undergone a corporate event. The Symbology Committee representatives did acknowledge that this decision could restrict the use of the common underlying symbol in describing new listed options products that deliver anything other than 100 shares of a single underlying security.

Best regards,

Mark Baumgardner
Spokesperson for the Options Symbology Committee.