

Options Symbology Committee Memorandum

To: Rafi Krikorian - Oppenheimer & Co. Inc.

From: Symbology Committee Representatives

Date: November 27, 2006

Re: Comments received regarding the Options Symbology Implementation Plan.

Dear Mr. Krikorian,

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

The matter of message length was the primary topic of discussion during the committee meetings and the source of the majority of the comments. The data elements identified in the implementation plan, and their recommended sizes were the result of a desire to support the current listed products and some obvious potential new products such as fixed income, OTC and long-term contracts. In addition, the notion of a conversion process for all transactions in listed options was deemed undesirable. Furthermore, the lack of intuitive value associated with a cusip concept was not considered a progressive measure when addressing the problems associated with exception processing in the current listed options environment.

The Committee also recognized the inability to dictate specific data and technical requirements for the internal workings of independent organizations supporting various business models. Therefore, the recommendations set forth in the implementation plan will be used to determine the appropriate symbology for new and existing products by listing exchanges and the clearinghouse. Market constituents will be required to accept and deliver data subject to these recommendations in the exchange and clearing interfaces but are not subject to these requirements for internal processes. The Committee recognized that many organizations may devise encoding mechanisms to reduce the size of the messages for internal systems used to support the trading and settlement of listed options.

The Options Symbology Committee stands behind its original recommendation regarding message size and structure.

Respectfully,

Mark Baumgardner
Spokesperson for the Options Symbology Committee.