



INTERNATIONAL SECURITIES EXCHANGE

## **SERIES ADJUSTMENTS - 2005-165**

### **ONN INFORMATION CIRCULAR #1189**

**October 17, 2005**

#### **Update**

#### **MCI, Inc. (MCIP) Pending Merger with Verizon Communications, Inc. (VZ)**

On Thursday, October 6, 2005, the shareholders of MCI, Inc. (MCIP) voted concerning the proposed merger with Verizon Communications, Inc. (VZ). The merger was approved, and, when consummated, each existing MCIP Common Share will be converted into the right to receive 0.5743 VZ Common Shares. Cash will be paid in lieu of fractional VZ shares. If the average trading price of VZ as described in the proxy statement/prospectus is less than \$35.52, the merger consideration will be increased by additional VZ stock or cash to ensure that the merger consideration is valued at a minimum of \$20.40, assuming no downward purchase price adjustment, as described in the proxy statement/prospectus.

#### **Pending Contract Adjustments**

Pursuant to Options Clearing Corporation (OCC) by-laws, all outstanding MCI, Inc. options will be adjusted as follows:

<b>Adjustment Date:</b>	<b>Effective with the opening of the business day after the merger is consummated. The merger is expected to occur late 2005 or early 2006.</b>
<b>ISE Underlying Symbol</b>	<b>MCIP becomes MJR</b>
<b>ISE Commodity Code:</b>	8131
<b>OPRA Option Symbols:</b>	<b>MQI Becomes MJR</b> OWQ Becomes ZBU YXW Becomes LMU
<b>Strike Prices:</b>	No Change
<b>No. Of Contracts:</b>	No Change
<b>Multiplier:</b>	100*(eg., Premium of 1.00 = \$100)
<b>New Deliverable/Contract:</b>	<b>1) 57 Verizon Communications, Inc. ( VZ) Common Shares, subject to adjustment if the VZ average price as described in the proxy statement/prospectus is less than \$35.52</b> <b>2) Cash in lieu of .43 VZ fractional shares, subject to adjustment</b>
<b>Previously Adjusted:</b>	<b><u>MFO/ZSL/LIQ</u></b> <b>1) 57 Verizon Communications, Inc. ( VZ) Common Shares, subject to adjustment if the VZ average price as described in the proxy statement/prospectus is less than \$35.52</b> <b>2) Cash in lieu of .43 VZ fractional shares, subject to adjustment</b> <b>3) \$560.00 Cash (\$5.60 X 100)</b>

*\*\*The foregoing is an unofficial summary of the terms of the Merger, prepared by the ISE for the convenience of its members. ISE 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.*

#### **GTC Order Cancellation:**

Immediately after the ISE close on the effective date of the merger, all resting orders in the MCIP order book will be cancelled.

Questions regarding this release may be directed to Iris Rodriguez at (212) 897-0264.