



Memorandum

To:	ISE Members
From:	Office of the CFO
Date:	September 1, 2005
Re:	Transaction Fee as of September 1, 2005

Per the Average Daily Volume formula presented in the current ISE Fee Schedule, non-public customer transaction fees will be \$0.06 per contract less than standard rates.

Fee	Standard Rate	Current Rate	Rate as of 09/01/2005
Market Maker & Proprietary Execution Fee	\$0.21	\$0.15	\$0.15

The above rates do not include a \$.03 per contract comparison fee that is assessed on all transactions (unless otherwise waived) and licensing surcharge that is assessed on all transactions (unless otherwise waived) in the licensed products that are reflected in the ISE fee schedule.

Fee Change

Cancelled Transactions

Effective August 1, 2005 and continuing until further notice, ISE is reverting back to its cancellation fee that was in effect prior to the modification in July 2005. Using this method, each Electronic Access Member that cancels at least 500 orders in a month will be charged at a rate of \$1.00 per cancellation for each order cancellation in excess of the total number of orders such member executed that month.

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ISE's fee schedule is available at: http://www.iseoptions.com/legal/pdf/fee/fee_schedule.pdf

Please call Meinie Cheok at (212) 897-0246 or Amit Muni at (212) 897-0211 if you have any questions.