



Memorandum

To:	ISE Members
From:	Office of the CFO
Date:	October 3, 2005
Re:	Transaction Fee as of October 3, 2005

Per the Average Daily Volume formula presented in the current ISE Fee Schedule, non-public customer transaction fees will be \$0.07 per contract less than standard rates.

Fee	Standard Rate	Current Rate	Rate as of 10/03/2005
Market Maker & Proprietary Execution Fee	\$0.21	\$0.15	\$0.14

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.

New Product

In September, ISE listed options on the Diamonds® Trust, Series 1.¹ ISE is charging all market participants the regular equity option execution and comparison fees for transactions in this product. There is no surcharge fee applied to transactions in this product.

¹ DIAMONDS® is a registered trademark of Dow Jones & Company, Inc. ("Dow Jones") for securities issued by the Diamonds® Trust, Series 1 and has been licensed for use for certain purposes by Dow Jones to PDR Services Corporation ("PDR") and the American Stock Exchange LLC ("Amex") pursuant to a license agreement with Dow Jones. DIAMONDS and options which have DIAMONDS as their sole underlying interest ("DIAMONDS Options") are not sponsored, endorsed, sold or promoted by Dow Jones. Dow Jones, PDR, and Amex have not licensed or authorized ISE to (i) engage in the creation, listing, provision of a market for trading, marketing, and promotion of DIAMONDS Options or (ii) to use and refer to the DIAMONDS® trademark in connection with the listing, provision of a market for trading, marketing, and promotion of DIAMONDS Options or with making disclosures concerning DIAMONDS Options under any applicable federal or state laws, rules or regulations, and do not sponsor, endorse, or promote such activity by ISE. ISE is not affiliated in any manner with Dow Jones, PDR or Amex.



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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.