
Memorandum

To:	ISE Members
From:	Office of the CFO
Date:	April 3, 2006
Re:	Fee Notice

Transaction Fee

Per the average daily volume formula presented in the current ISE Fee Schedule, the transaction fee for ISE market makers will be \$0.07 per contract less than standard rate.

Fee	Standard Rate	Current Rate	Rate as of 04/03/2006
Market Maker Execution Fee	\$0.21	\$0.14	\$0.14

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

New Fee Structure

Flat Execution Fee for non-linkage FARMM orders: The current combined execution/comparison fee for FARMMs is \$0.18. The new fee is a flat \$0.16 per contract execution fee (plus the standard \$0.03 charge for comparison or a total of \$0.19) for non-linkage FARMM orders.

Fee Change

Effective immediately, the annual regulatory fee would be as follows:

- Primary Market Makers (PMMs): \$7,500 for the first PMM membership; \$1,500 for each additional PMM membership; and \$1,000 for each CMM membership;



- Competitive Market Makers (CMMs) who are not PMMs: \$5,000 for the first CMM membership, and \$1,000 for each additional CMM membership; and
- Electronic Access Members (EAMs): \$5,000 per each EAM membership.

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Fee Waiver

Effective April 3, 2006 through September 29, 2006, the \$0.10 per contract surcharge fee assessed on transactions in options on the Russell 1000 Index, or RUI, is waived.

PrecISE Trade Fees

ISE is establishing fees for its new, front-end order entry terminal, PrecISE. ISE shall charge each EAM \$250 per terminal per month, with a \$500 minimum and \$1,500 maximum. However, ISE is waiving these fees for an EAM's first two months of PrecISE Trade terminal usage. Additionally, ISE shall charge each Intermediate Routing Destination, or IRD (an IRD is an EAM that routes another EAM's orders to away markets utilizing the "away market routing" functionality in the PrecISE Trade terminal), a flat monthly fee of \$20 per each PrecISE Trade terminal that is authorized to send orders to that IRD.

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.