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## Memorandum

<b>To:</b>	<b>ISE Members</b>
<b>From:</b>	<b>Office of the CFO</b>
<b>Date:</b>	<b>May 1, 2006</b>
<b>Re:</b>	<b>Fee Notice</b>

### ***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.

<b>Fee</b>	<b>Standard Rate</b>	<b>Current Rate</b>	<b>Rate as of 05/01/2006</b>
<b>Market Maker Execution Fee</b>	<b>\$0.21</b>	<b>\$0.14</b>	<b>\$0.14</b>

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.

### ***Cancellation Fee***

Effective May 1, 2006, all orders from the same clearing Electronic Access Member executed in the same series on the same side of the market at the same price within a 30 second period will be aggregated and counted as one executed order for purposes of calculating the total number of orders executed.

### ***New Products***

In April, ISE added the following 2 new products to its list of "Premium Products:"

- iShares MSCI Hong Kong Index Fund (EWH)<sup>1</sup>
- iShares Trust S&P 500 Index Fund (IVV)<sup>2</sup>



The amount of the transaction fees for all market participants for options on these new Premium Products are the same as those transaction fees that currently apply for all other Premium Products.

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ISE's fee schedule is available at: [http://www.iseoptions.com/legal/pdf/fee/fee\\_schedule.pdf](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.

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