



Memorandum

To:	ISE Members
From:	Office of the CFO
Date:	July 5, 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 07/03/2006
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.

Fee Change

Payment for Order Flow (PFOF) fee: Effective July 3, 2006, the PFOF fee is \$0.65 per contract. In addition, effective July 3, 2006, the PFOF fee shall apply to Complex Orders – the exemption for Complex Orders has been removed.

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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.