

International Securities Exchange Membership Application Form

An applicant for membership on the ISE must complete this Membership Application Form, including Exhibits A and B. Completed Membership Application Forms, including the supplemental materials requested herein, should be sent via certified mail to the International Securities Exchange, 60 Broad Street 26th Floor, New York, New York 10004, to the attention of Membership Application Processing.

Applications must be accompanied by a check for the amount of the applicable application fee (see Application Fee Worksheet). Application fees are non-refundable.

AN APPLICANT MUST UPDATE ANY INFORMATION THAT BECOMES INACCURATE OR INCOMPLETE AFTER THE DATE OF SUBMISSION.

[Please type or print clearly]

Date: _____

Name of Applicant:* _____

Address: _____

Contact:** _____

Title: _____

Phone Number: _____ Fax Number: _____

E-Mail: _____

* If Applicant is a broker-dealer seeking trading privileges on the ISE or a clearing broker seeking to clear transactions effected on the Exchange, indicate the full name of the registered broker-dealer entity proposing to conduct such activities.

** Indicate the name of the person that should be contacted regarding questions related to this application.

1. Type of ISE membership for which Applicant is applying (indicate all that apply):

- Electronic Access Member – doing business with the public (options)
- Electronic Access Member – doing business with the public (equities)
- Electronic Access Member – agency trading (options)
- Electronic Access Member – agency trading (equities)
- Electronic Access Member – proprietary trading (options)
- Electronic Access Member – proprietary trading (equities)
- Electronic Access Member – clearing member
- Electronic Access Member – equity trading
- Competitive Market Maker Member
- Primary Market Maker Member
- Non-broker-dealer owner of an ISE membership (“Lessor”)

2. Self-regulatory organizations (“SRO”) and clearing corporations of which Applicant is a member:

- American Stock Exchange LLC (“AMEX”)
- Boston Stock Exchange, Inc. (“BSE”)
- Chicago Board Options Exchange, Inc. (“CBOE”)
- Chicago Stock Exchange, Inc. (“CHX”)
- National Stock Exchange, Inc. (“NSX”)
- NASDAQ Stock market, Inc. (“NASDAQ”)
- National Association of Securities Dealers, Inc. (“NASD”)
- National Securities Clearing Corporation (“NSCC”)
- New York Stock Exchange, Inc. (“NYSE”)
- NYSE Arca, Inc. (“NYSE Arca”)
- Philadelphia Stock Exchange, Inc. (“PHLX”)
- The Options Clearing Corporation (“OCC”)

3. Applicant’s designated examining authority (“DEA”): _____

4. Applicant’s Central Registration Depository (“CRD”) number: _____

5. The OCC and/or NSCC member through which Applicant will clear transactions effected on the Exchange (if Applicant is self-clearing, so indicate): _____

6. Affiliates of Applicant that are, or are applying to become, ISE members and the type of ISE membership: _____

7. Supplemental Information For Broker-Dealer Applicants. Applicant is requested to provide the following information:
- (a) A copy of Applicant's current Form BD.
 - (b) A copy of Applicant's partnership agreement, LLC operating agreement, charter, by-laws or equivalent documents.
 - (c) An organizational chart, including the names of Applicant's chief executive officer, chief financial officer, chief operating officer, and chief compliance officer.
 - (d) A copy of any contract or agreement with another broker-dealer, a bank, a clearing entity, a service bureau or a similar entity to provide Applicant with services regarding the execution or clearance and settlement of transactions effected on the Exchange.
 - (e) A copy of Applicant's most recent "FOCUS Report" (Form X-17A-5) filed with the SEC pursuant to Rule 17a-5 under the Exchange Act (the most current Parts I, II, and IIA, as applicable).
 - (f) For applicants that propose to clear transactions effected on the Exchange, a copy of Applicant's written procedures for assessing and monitoring potential risks, as required by Exchange Rule 1405.
 - (g) A statement indicating whether Applicant is currently, or has been in the last 10 years, the subject of any investigation or disciplinary proceeding conducted by any SRO, or by any federal or state securities or futures regulatory agency or commission, regarding Applicant's activities that is not disclosed on Applicant's Form BD. If so, the statement must include all relevant details, including any sanctions imposed.
 - (h) A statement indicating whether any person listed on Schedule A of Applicant's Form BD is currently, or has been in the last 10 years, the subject of any investigation or disciplinary proceeding conducted by any SRO, or by any federal or state securities or futures regulatory agency or commission, regarding Applicant's activities that is not disclosed on a Form U-4 for such individuals. If so, the statement must include all relevant details, including any sanctions imposed. If Applicant is not an NASD member, provide a copy of Form U-4 for those individuals on Schedule A of Applicant's Form BD in those cases where such individuals are subject to Form U-4 reporting.
8. *Supplemental Information For Electronic Access Member Applicants.* In addition to the information requested in item 7 above, Applicant is requested to provide the following information:
- (a) A description of Applicant's proposed trading activities on the Exchange, such as whether it will trade options and/or equities, whether it will enter customer orders,

proprietary orders or conduct block trading activities, etc. Include a statement of the extent to which Applicant currently is conducting such activities as a member of other SRO(s).

- (b) A statement as to whether Applicant has written supervisory procedures in place with respect to the activities identified in 8(a) above and, if so, a description of such procedures. State the date of Applicant's last examination during which such supervisory procedures were reviewed and by which SRO, and describe what revisions to Applicant's supervisory procedures, if any, have been made to accommodate ISE membership. Where Applicant has not previously conducted the proposed trading activities identified in 8(a) above and must implement new supervisory procedures, Applicant should provide a copy of such procedures.
- (c) A list of the persons primarily responsible for supervising trading activities, including such persons CRD numbers, if applicable.
- (d) A description of the manner in which Applicant receives orders from customers, such as electronically via internet or proprietary communication devices, and the processes and/or systems used. Include basic diagrams to illustrate processes if necessary.
- (e) A description of the manner in which Applicant will send orders to the Exchange, such as manually, through an internal order processing system or through a third party order routing service. Include basic diagrams to illustrate if necessary.
- (f) If applicable, evidence that Applicant has the Brokers' Blanket Bond required under Exchange Rule 624.

9. *Supplemental Information for Market Maker Member Applicants.* In addition to the information requested in item 7 above, Applicant is requested to provide the following information:

- (a) A listing of (i) the office(s) from which Applicant will conduct its ISE market making activity; (ii) all Designated Trading Representative(s) (as defined in Exchange Rule 802); and (iii) the individuals responsible for supervising such Designated Trading Representative(s).
- (b) Provide a copy of Form U-4 for each of the individuals identified in item 9(a) or, if such individuals are not currently subject to Form U-4 reporting, provide a brief description of their qualifications. (Note that each Designated Trading Representative must take an examination and be approved by the Exchange.)
- (c) A copy of Applicant's written supervisory procedures for market making activities on the Exchange.
- (d) The source and amount of Applicant's capital to support its market making activities on the Exchange, and the source of any additional capital that may become necessary.
- (e) If Applicant will be conducting "Other Business Activities," as that term is defined in Exchange Rule 810, a statement describing such activities and a copy of the "Chinese Wall" procedures required in paragraph (c) of that rule.
- (f) For applicants that are purchasing a membership(s), a copy of the membership sales agreement and a statement describing the manner in which Applicant will finance the purchase. If the purchase agreement has not been finalized,

Applicant should provide a statement indicating the status of its membership purchase agreement and a date by which Applicant expects to finalize the agreement.

- (g) For applicants that are leasing memberships, a copy of the lease agreement, which must include provisions covering (1) the duration of the lease; (2) the consideration to be paid by Applicant; (3) the assignability of the respective interests of Applicant and the lessor; and (4) as between the parties, which party shall exercise the voting rights of the membership and which party shall provide the funds necessary to satisfy all applicable Exchange dues, fees and other charges. If the lease agreement has not been finalized, Applicant should provide a statement indicating the status of agreement and a date by which Applicant expects to finalize the agreement.

10. *Supplemental Information For Lessor Applicants.* Lessor applicants must provide the information requested in 7(b), 7(c), 7(h) and 9(f) above. In addition, Lessor applicants are requested to provide the following information:

- (a) A copy of page 2 of Form U-4 if Applicant is an individual. If Applicant is a corporation, partnership or limited liability company, a copy of page 2 of Form U-4 for each person who would have been listed on Schedule A of Form BD if Applicant were a registered broker-dealer. These pages need not be signed.
- (b) If the membership being purchased currently is under lease, a copy of such lease and a statement as to the effect, if any, the sale will have on the lessee. If the membership is not under lease, a statement as to whom Applicant will lease the membership and the status of any potential lease arrangements.

June 2006

Exhibit A to ISE Membership Application Form
Financial Information

Applicant: _____

Date: _____

Balance Sheet

Assets

Cash or Cash Equivalents	\$ _____
Securities (Market Value)	\$ _____
Spot Commodities (Equity)	\$ _____
Real Estate (Market Value)	\$ _____
Exchange Memberships	\$ _____
Other Assets (Itemize Assets over \$10,000 in Value)	\$ _____
Total Assets	\$ _____

Liabilities

Liabilities Secured by Real Estate	\$ _____
Bank Loans	\$ _____
Debt Financings	\$ _____
Amounts Owed to Exchanges/Members (See 1 Below)	\$ _____
Taxes	\$ _____
Other (Itemize Amounts Over \$10,000)	\$ _____
Total Liabilities	\$ _____
Net Worth (Assets minus Liabilities)	\$ _____

Supplemental Financial Information

1. Under "Liabilities," above, indicate the aggregate amount of any monies Applicant owes to the Exchange, another national securities exchange, a national securities association, a commodities futures exchange, or to any member of such an organization that are overdue. In addition, attach a schedule itemizing such amounts and describing any arrangements Applicant has made to repay such debts.

- 2. If Applicant intends to raise additional capital to finance its business on the Exchange, attach a statement indicating the source and amount of such capital.
- 3. If any other person will guarantee the transactions Applicant will effect on the Exchange, attach a statement indicating the name of the guarantor and the nature of the guarantee.
- 4. Name of Applicant's independent public accountant: _____

Declaration

I am the Chief Financial Officer of Applicant and I hereby state that this financial statement of Applicant is a true and accurate description of Applicant's financial condition as of the date first noted above.

By: _____
(Print Name)

(Print Title)

(Signature)

Exhibit B To ISE Membership Application Form

**Pledge, Authorization and Declaration
of Applicant for Membership**

Applicant: _____

Date: _____

Applicant hereby:

Pledges that it will abide by the Operating Agreement, Constitution and Rules of the International Securities Exchange (Exchange) as amended from time to time, and by all circulars, notices, directives or decisions the Exchange adopts pursuant to or made in accordance with the Operating Agreement, Constitution and Rules;

Authorizes any self-regulatory organization (SRO), commodities exchange, former employer and other persons to furnish to the Exchange, upon its request, any information that such person or entity may have concerning the character, ability, business activities, reputation and employment history of Applicant or its associated persons, and releases such person or entity from any and all liability in furnishing such information to the Exchange;

Authorizes the Exchange to make available to any governmental agency, SRO, commodities exchange or similar entity, any information the Exchange may have concerning Applicant or its associated persons, and releases the Exchange from any and all liability in furnishing such information; and

Declares that all the information contained in the Membership Application Form and supplemental materials it has submitted to the Exchange is true, complete and accurate.

By: _____
(Print Name)

(Print Title)

(Signature)

International Securities Exchange Application Fees Worksheet

February 2000

The Exchange's fees are subject to the approval of the Securities and Exchange Commission ("SEC"). If the fees contained below are not approved by the SEC, any amount paid by applicants that exceeds those that receive SEC approval will be refunded. These fees cover only application processing for new applicants. Training, testing, regulatory and other service fees will be assessed separately.

1. Check the type(s) of membership for which you are applying as indicated in item 1 of the Membership Application Form:

_____ Primary Market Maker ("PMM")
_____ Competitive Market Maker ("CMM")
_____ Electronic Access Member ("EAM")
_____ Non-B/D Owner ("Lessor")

2. Where an applicant is applying to be both a PMM and CMM, one fee of \$5,500 is due. Where an applicant is applying to be a market maker member (PMM and/or CMM) *and* an EAM, the applicant must also pay the \$3,500 fee for EAM applicants.

If you are applying to be a PMM enter \$7,500 ► \$ _____
If you are applying to be a CMM but not an PMM enter \$5,500 ► \$ _____
If you are applying to be an EAM enter \$3,500 ► \$ _____
If you are applying to be a Lessor enter \$1,000 ► \$ _____

3. *For PMM and CMM applicants only*, enter the number of Designated Trading Representatives ("DTRs") listed in item 9(a) of the Membership Application Form and multiply by \$500.

Enter # of DTRs _____ X \$500 ► \$ _____

4. *For Lessor applicants only*, enter the number of individuals for whom a page 2 of Form U-4 must be filed according to item 10(a) of the Membership Application Form and multiply by \$100

Enter # of Individuals _____ X \$100 ► \$ _____

5. Add numbers 2 through 4 for total Application Fees Due \$ _____