



Memorandum

To:	ISE Members
From:	Office of the CFO
Date:	January 03, 2013
Re:	Fee Notice

OPTIONS EXCHANGE

Transaction Fee Changes

Select Modified Maker/Taker pricing model for both Regular and Complex orders: Subject to regulatory clearance, effective **Thursday, January 3, 2013** ISE will add 39 Symbols to the 'Select' Modified Maker/Taker pricing model for both regular and complex orders.

The symbols moving to Select are: AET, AMGN, AMRN, CELG, CF, CMCSA, COST, CREE, EA, ESRX, FB, FITB, GPS, GRPN, HOT, IOC, JDSU, JNPR, KCG, KEY, LEN, LLY, LNG, LNKD, M, MRO, NE, NLY, OXY, PCS, PHM, PM, STP, STX, TNA, VRNG, XLY, XME, XRX

Priority Customer Complex Orders rebates: Subject to regulatory clearance, effective **Wednesday, January 2, 2013**, ISE will increase Priority Customer complex order rebates for all symbols as follows (yellow indicates change from December 2012):

Priority Customer complex orders that trade against non-Priority Customer complex orders, regardless of adding/removing liquidity, will be rebated according to the following rates:

Priority Customer Rebate by ADV				
Priority Customer Complex ADV*	Select Symbols	Non-Select Penny Symbols	Non-Penny Symbols	SPY
0-39,999	(\$0.34)	(\$0.33)	(\$0.66)	(\$0.36)
40,000-74,999	(\$0.37)	(\$0.35)	(\$0.72)	(\$0.38)



75,000-124,999	(\$0.38)	(\$0.37)	(\$0.75)	(\$0.39)
125,000-224,999	(\$0.39)	(\$0.38)	(\$0.77)	(\$0.40)
225,000+	(\$0.40)	(\$0.39)	(\$0.78)	(\$0.41)
Once a tier level is reached, the higher rebate level applies retroactively to all traded contracts.				

Priority Customer complex orders that trade against quotes and orders on the regular orderbook will be rebated according to the following rates:

Priority Customer Legged-In Rebate by ADV				
Priority Customer Complex ADV*	Select Symbols	Non-Select Penny Symbols	Non-Penny Symbols	SPY
0-39,999	(\$0.06)	(\$0.06)	(\$0.06)	(\$0.07)
40,000-74,999	(\$0.08)	(\$0.08)	(\$0.08)	(\$0.09)
75,000-124,999	(\$0.09)	(\$0.09)	(\$0.09)	(\$0.10)
125,000-224,999	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.11)
225,000+	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.12)
Once a tier level is reached, the higher rebate level applies retroactively to all traded contracts.				

*ADV includes all complex order volume including the PIM, Facilitation, Solicitation, and QCC mechanisms.

Complex Order Maker and Taker fees: Subject to regulatory clearance, effective **January 2, 2013** ISE will update the Complex Order Maker and Taker fees as follows. Additionally, ISE is updating the Preferred Market Maker discount to 5 cents when trading against Priority Customer orders preferred to them in the Complex Order Book.



INTERNATIONAL SECURITIES EXCHANGE ...

Complex Order Maker Fees					
Trading Against:	Non-Priority Customer	Priority Customer			
Market Participant	All Symbols	Select Symbols	Non-Select Penny Symbols	Non-Penny Symbols	SPY
Market Maker	\$0.10	\$0.39	\$0.39	\$0.82	\$0.39
Preferred Market Maker ⁽²⁾	\$0.10	\$0.34	\$0.34	\$0.77	\$0.34
Non-ISE Market Maker(FarMM)	\$0.20	\$0.40	\$0.40	\$0.84	\$0.41
Firm Proprietary	\$0.10	\$0.40	\$0.40	\$0.84	\$0.41
Broker / Dealer	\$0.10	\$0.40	\$0.40	\$0.84	\$0.41
Professional Customer	\$0.10	\$0.40	\$0.40	\$0.84	\$0.41
Priority Customer	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Complex Order Taker Fees				
Market Participant	Select Symbols	Non-Select Penny Symbols	Non-Penny Symbols	SPY
Market Maker	\$0.39	\$0.39	\$0.82	\$0.39
Market Maker (Preferred) ⁽²⁾	\$0.34	\$0.34	\$0.77	\$0.34
Non-ISE Market Maker(FarMM)	\$0.40	\$0.40	\$0.84	\$0.41
Firm Proprietary	\$0.40	\$0.40	\$0.84	\$0.41
Broker / Dealer	\$0.40	\$0.40	\$0.84	\$0.41
Professional Customer	\$0.40	\$0.40	\$0.84	\$0.41
Priority Customer	\$0.00	\$0.00	\$0.00	\$0.00

(2) Reflects ISE Market Maker discount of \$0.05 when trading against Priority Customer orders preferred to them in the Complex Order Book.



Responses to Complex Crossing Orders for non-Penny Pilot symbols: Subject to regulatory clearance, effective **January 2, 2013** the fee for responses to complex crossing orders for non-Penny Pilot symbols for Firm Proprietary, B/D, FarMM and Professional Customer orders will be \$0.84. The fee for responses to complex crossing orders for non-Penny Pilot symbols for Market Makers will be \$0.82.

* * * * *

ISE's fee schedule is available at: <http://www.ise.com/fees>.

Please call Meinie Check at (212) 897-0246 if you have any questions.