



Memorandum

<b>To:</b>	<b>ISE Members</b>
<b>From:</b>	<b>Office of the CFO</b>
<b>Date:</b>	<b>March 01, 2013</b>
<b>Re:</b>	<b>Fee Notice</b>

**OPTIONS EXCHANGE**

**Transaction Fee Changes**

*Select Modified Maker/Taker pricing model for both Regular and Complex orders:* Subject to regulatory clearance, effective March 1, 2013, ISE will move the remaining ISE-listed Penny Pilot symbols to the 'Select' pricing model for both regular and complex orders. All Penny Pilot symbols that are ISE-listed will now be in the 'Select' pricing model. ISE will standardize the Priority Customer Complex rebates for 'Select' symbols, which now include all Penny Pilot symbols, as indicated below (yellow indicates change from prior month):

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:

<b>Priority Customer Rebate by ADV</b>			
<b>Priority Customer Complex ADV*</b>	<b>'Select' Penny Symbols</b>	<b>Non-Penny Symbols</b>	<b>SPY</b>
0-39,999	(\$0.33)	(\$0.66)	(\$0.36)
40,000-74,999	(\$0.35)	(\$0.72)	(\$0.38)
75,000-124,999	(\$0.37)	(\$0.75)	(\$0.39)
125,000-224,999	(\$0.39)	(\$0.77)	(\$0.40)
225,000+	(\$0.40)	(\$0.78)	(\$0.41)
<b><i>Once a tier level is reached, the higher rebate level applies retroactively to all eligible traded contracts.</i></b>			



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' Penny Symbols	Non-Penny Symbols	SPY
0-39,999	(\$0.06)	(\$0.06)	(\$0.07)
40,000-74,999	(\$0.08)	(\$0.08)	(\$0.09)
75,000-124,999	(\$0.09)	(\$0.09)	(\$0.10)
125,000-224,999	(\$0.10)	(\$0.10)	(\$0.11)
225,000+	(\$0.11)	(\$0.11)	(\$0.12)
<b>Once a tier level is reached, the higher rebate level applies retroactively to all eligible traded contracts.</b>			

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

*Customer Complex Rebate Enhancement:* Subject to regulatory clearance, effective March 1, 2013, ISE will introduce an additional \$0.01 per contract incremental Priority Customer Complex rebate on contracts above the highest tier. The rebate will be paid on Priority Customer contracts that trade against non-Priority Customer complex orders, regardless of adding/removing liquidity, which exceed the 225,000 ADV volume tier threshold.

\* \* \* \* \*

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

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