



INTERNATIONAL SECURITIES EXCHANGE

| OPTIONS EXCHANGE | | | |
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| Market Information Circular | | | |
| Circular number: | 2009-26 | Contact: | Jim Sampson - VP, Trading & Market Operations |
| Date: | August 28, 2009 | Telephone: | 877-473-9989 |

Subject: ISE Rules for Self-Help Declaration

The purpose of this Market Information Circular (MIC) is to notify Members of how the ISE plans to handle the new Options Order Protection and Locked and Crossed Market Rule. The ISE will continue to route customer orders to an exchange posting a better quote on either the bid or offer in partnership with the PMMs. We will no longer rely on the OCC HUB but instead, the PMMs private order routing network.

The new plan was designed to bring the efficiencies of the equity market's Regulation NMS to the Options markets. The Options plan duplicates the two key tools, "ISO" orders and "Self Help", from that Regulation.

An ISO order can be used to sweep the top of book quote on an exchange that may not have a superior or BBO price available. The ISE will allow the order category to trade through the better quotes on another exchange with the understanding that our members are simultaneously routing and clearing the superior quote.

Self-help may be declared against another exchange under certain defined conditions. According to the Order Protection Rule, an exchange may exclude the quotations of another exchange that fails to meet the immediate response requirements due to a system or technical failure, material delay, or malfunction of its systems or equipment. Critical systems problems, even those that do not necessarily cause a delayed response time during trading, would also justify use of the exception until the problem exchange has provided reasonable assurance that the problems have been corrected.

It should be noted that a proactive notification from a competing exchange to ISE Market Operations announcing a failure will prompt the ISE to remove that exchange from the ISE ABBO therefore allowing PMM linkage routers to bypass the targeted exchanges quotes.

It should also be noted that an individual Broker Dealer may also declare Self Help against an exchange. The ISE would recommend a Broker Dealer discuss the requirements with their Legal or Compliance department regarding Self Help.

The email for Self Help notification is OPTIONS.selfhelp@ise.com.

Please contact Market Operations with any questions at 877-473-9989 or Helpdesk@ise.com.