



International Securities Exchange

Market Information Circular

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The purpose of this Market Information Circular (MIC) is to announce the June Option Markets Rebalance.

Subject: Options – June Option Markets Rebalance



ISE's New Trading System

Optimise Trading System

Effective for Monday, June 13, 2011, the ISE will re-balance thirty-one (31) products in its Primary and Second Markets. This re-balance is necessary to ensure that products are trading in the appropriate ISE options market, based on average daily volume. ISE will continue to re-balance its options markets every three months.

Please note the following change to the rebalance process: **GTC orders associated with these products will NOT be deleted after the close on Friday, June 10. All orders will remain in the system and available for trading on Monday the 13th. Products will remain in the same partition as before.**

Those products that will move from one market to the other will trade subject to the quoting rules and fee structure of their “new” market:

- The 60% quoting requirement on CMMs will be applied to products moving to the Primary Market, but will no longer apply to products moving to the Second Market.
- As of June 1, 2011, all transactions executed in the Second Market will be assessed a Payment for Order Flow (PFOF) fee same as with First Market transactions. In addition fees for all products executed in the Second Market will be lowered from \$0.05 per contract to \$0.00 per contract. Please refer to the ISE Fee Schedule [1] for more details on the specific fees associated with each ISE market.
- Beginning Monday, June 13, 2011, CMMs with access to the Primary Market only will not be permitted to quote products moving to the Second Market. CMMs with access to the Second Market only will not be permitted to quote products moving to the Primary Market. Please contact Market Operations (800-518-7654) if you would like to gain access to an additional ISE Market.

A list of all products impacted by the re-balance, including new bin, is available at:

<http://www.ise.com/assets/documents/OptionsExchange/misc/Option%20Markets%20Rebalance%20June%202011.xls>

Please call me with any questions about the re-balancing.

^[1] The ISE Fee Schedule is available at www.ise.com/fees