

<b>Regulatory Information Circular</b>			
<b>Circular Number:</b>	2004-13	<b>Contact:</b>	Kathy Simmons, Deputy General Counsel
<b>Date:</b>	November 8, 2004	<b>Telephone:</b>	212/897-0233

**Subject: Solicited Order Mechanism**

Under Rule 716(e), prior to using the Solicited Order Mechanism, members must deliver to their customers a written notification that discloses the terms and conditions of the Mechanism in a form approved by the Exchange. The following text may be used by members to satisfy this requirement:

When handling an order of 500 contracts or more on your behalf, [firm] may solicit other parties to execute against your order and may thereafter execute your order using the International Securities Exchange’s Solicited Order Mechanism. This functionality provides a single-price execution only, so that your entire order may receive a better price after being exposed to the Exchange’s participants, but will not receive partial price improvement. For further details on the operation of this Mechanism, please refer to International Securities Exchange Rule 716, which is available at [www.iseoptions.com](http://www.iseoptions.com) under “Regulation – Rules.”

Members may submit alternative forms of notification for approval by mail or fax (212-509-3955) to my attention, or by email to [regulation@iseoptions.com](mailto:regulation@iseoptions.com).

❖ Members should also note that, currently, Rule 717(g) prohibits an Electronic Access Member from entering orders for an ISE market maker account. Thus, an EAM may not enter into the Solicited Order Mechanism orders that the EAM has solicited from ISE market makers. The ISE has proposed to repeal this restriction in Rule 717(g), but has not yet received SEC approval of that proposal.