



Regulatory Information Circular			
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Date:	December 4, 2003	Telephone:	212/897-0235

Subject: Rule Change Regarding ISE Primary Market Maker Obligations

ISE has received SEC approval of an amendment to Rule 803 (“Obligations of Market Makers”) (Release No. 34-48756). The amendment specifies the existing obligations of Primary Market Makers when Public Customer orders are locked because there is a better price available on another exchange given the implementation of the intermarket linkage (the “Linkage”).

The amendment specifies the following in Rule 803:

- When a Public Customer order is locked because there is a better price on another market, as soon as practical, the PMM must either execute the order at the best available price or send a P/A Order through Linkage to obtain the best price for the order.
- A PMM must act with due diligence in handling locked Public Customers orders and must accord priority to such orders over the Primary Market Maker’s principal orders.

Please contact me with any questions.