



Regulatory Information Circular – 2002—12

To: ISE Members

Date: July 8, 2002

Re: Changes in Member Registration Status

When the ISE's registration as a national securities exchange was approved by the Securities and Exchange Commission in February 2000, the approval order specifically stated that the ISE would not be a Designated Examining Authority or "DEA" for any of our Members. As a result, all Members must also be members of at least one other self-regulatory organization ("SRO"). The Exchange therefore does not currently accept applications from applicants seeking to be registered solely with the ISE. This requirement is disclosed and reviewed as part of the membership application and registration process.

To assure that an ISE Member does not become a sole ISE Member after its membership application is approved, a Member needs to submit directly to the Exchange written notice of all material changes in its registration status with other SROs (i.e., approvals, suspensions, terminations and the like). This notification should include a description of the registration status change with the SRO, the effective date of that change and relevant supporting documentation. The ISE must receive prior written notification if a Member is terminating completely its membership at another SRO. Written notification of any other change in status must be received promptly following the change.

If you have any questions on the foregoing, please contact Jennifer Lamie, Assistant General Counsel, at 212-897-0234.