



INTERNATIONAL SECURITIES EXCHANGE®

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July 14, 2010

Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-0609

Re: File No. SR-ISE-2009-35

Dear Ms. Murphy:

The International Securities Exchange, LLC ("ISE") hereby requests that the Commission vacate the approval of the above referenced rule filing ("Initial Filing") concurrently with the approval of File No. SR-ISE-2010-73 ("New Filing"). Both of these filings deal with the ISE's proposed Qualified Contingent Cross ("QCC") Orders.

By way of background, the Commission's Division of Trading and Markets ("Division") approved the Initial Filing pursuant to delegated authority.¹ However, a petition submitted by the Chicago Board Options Exchange, Incorporated, ("CBOE") requesting review of the filing by the full Commission automatically stayed that approval.² The Commission then requested comment on the petition. Final action on the Initial Filing remains pending.

The ISE continues to believe that the Initial Filing fully complies with all aspects of the Securities Exchange Act of 1934, as amended. Nevertheless, concurrently with the filing of this letter we are submitting the New Filing to address the most significant issues that some commentators raised regarding the QCC. Specifically, the New Filing raises the minimum size requirement for the QCC from 500 to 1,000 contracts. This amendment will make clear that the QCC is intended to permit the crossing only of very large-sized institutional stock-option orders. Second, we propose to prohibit the execution of a QCC ahead of a priority customer order on the ISE book at the same price as the QCC.³ This change will fully address any concerns regarding customer priority.


¹ Securities Exchange Act Release No. 60584 (August 28, 2009), 74 FR 45663 (September 3, 2009).

² Letter from Joanne Moffic-Silver, General Counsel and Corporate Secretary, CBOE, dated September 14, 2009.

³ Under ISE Rule 37A, a priority customer is a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). Pursuant to ISE Rule 713, priority customer orders are executed before other trading interest at the same price.

With these two changes we respectfully request that the Commission approve the New Filing as expeditiously as practical. Concurrently with that approval, we further request that the Commission vacate the Division's approval, through delegated authority, of the Initial Filing.

Sincerely,



Michael J. Simon,
Secretary