

EXHIBIT 5(additions are underlined; deletions are [bracketed])

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**Chicago Board Options Exchange, Incorporated
Rules**

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Rule 2.1. Committees of the Exchange

(a) *Establishment of Exchange Committees.* In addition to committees specifically provided for in the Bylaws and the Rules, there shall be the following committees that are not solely composed of directors from the Board of Directors of the Exchange ("Exchange committees"): Appeals, Arbitration, Business Conduct, and such other Exchange committees as may be established in accordance with the Bylaws and Rules. The Chief Executive Officer or his or her designee, with the approval of the Board, shall appoint the chairmen, vice chairmen (if any), and members of all Exchange committees except for the Business Conduct Committee, as well as fill any vacancies on those committees, unless a different manner of appointment is provided for any Exchange committee under the Bylaws, the Rules or a resolution of the Board establishing that committee. The Nominating and Governance Committee, with the approval of the Board, shall appoint the chairman, vice chairman (if any), and members of the Business Conduct Committee, as well as fill any vacancies on the Business Conduct Committee. The term of an Exchange committee member's appointment shall continue until the first regular meeting of the Board of Directors of the next calendar year and until that committee member's successor is appointed or that committee member's earlier death, resignation or removal. In selecting Exchange committee members, consideration shall be given to continuity and to having, where appropriate, a cross section of the Trading Permit Holders represented on each Exchange committee. Except as may be otherwise provided in the Bylaws or the Rules, the Chief Executive Officer or his or her designee, with the approval of the Board, may, at any time, with or without cause, remove any member of any Exchange committee, except for the Business Conduct Committee. The Board, may, at any time, with or without cause, remove any member of the Business Conduct Committee.

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Rule 4.4. Gratuities

(a) No Trading Permit Holder or associated person of a Trading Permit Holder shall give any compensation or gratuity in any one year in excess of \$50.00 to any employee of the Exchange or in excess of \$100.00 to any employee of any other Trading Permit Holder or of any non-Trading Permit Holder broker, dealer, bank or institution, without the prior consent of the employer and of the Exchange.

(b) No Trading Permit Holder or associated person of a Trading Permit Holder shall give any compensation or gratuity of any monetary value to any Regulatory Services Division or Office of Enforcement employee of the Exchange (i.e., Regulatory staff).

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Rule 17.2. Complaint and Investigation

(a) *Initiation of Investigation.* The Exchange's Regulatory staff, and any successor thereto, shall investigate or examine possible violations within the disciplinary jurisdiction of the Exchange [upon order of the Board, the Business Conduct Committee, the President or other Exchange officials designated by the President, or] whenever the Regulatory staff determines in its sole discretion there is a reasonable basis for [the Exchange] it to do so. The [Exchange]Regulatory staff shall also determine in its discretion whether to investigate or examine any complaint it receives alleging [investigate] possible violations within the disciplinary jurisdiction of the Exchange [upon receipt of a complaint, written or oral, alleging such violations made by a Trading Permit Holder or by any other person alleging injury as a result of such violations (the "Complainant")], provided such complaint specifies in reasonable detail the facts constituting the violation. Complaints, written or oral, may be submitted by any person or entity, including the Board, Exchange employees, and Trading Permit Holders (the "Complainant").

(b) *Requirement to Furnish Information.* Each Trading Permit Holder and person associated with a Trading Permit Holder shall be obligated upon request by the Exchange to appear and testify, and to respond in writing to interrogatories and furnish documentary materials and other information requested by the Exchange in connection with (i) an investigation initiated pursuant to paragraph (a) of this Rule, (ii) a hearing or appeal conducted pursuant to this Chapter or preparation by the Exchange in anticipation of such a hearing or appeal, or (iii) an Exchange inquiry resulting from an agreement entered into by the Exchange pursuant to Rule 15.9. No Trading Permit Holder or person associated with a Trading Permit Holder shall impede or delay an Exchange investigation or proceeding conducted pursuant to this Chapter or an Exchange inquiry pursuant to Rule 15.9 nor refuse to comply with a request made by the Exchange pursuant to this paragraph. A Trading Permit Holder or person associated with a Trading Permit Holder is entitled to be represented by counsel during any such Exchange investigation, proceeding or inquiry.

(c) *Report.* Regulatory staff shall have the sole discretion to determine whether to request that the Business Conduct Committee authorize the issuance of a statement of charges pursuant to Rule 17.4. In every instance where an investigation results in the Regulatory staff [a] finding that there are reasonable grounds to believe that a violation has been committed and a formal regulatory action (i.e., a Statement of Charges) is warranted, the Exchange's Regulatory staff [Staff] shall submit a written report of its investigation to the Business Conduct Committee. In those instances where an investigation results in the Regulatory staff finding that there are reasonable grounds to believe that a violation has been committed but non-formal regulatory action (i.e., a Letter of Information, a Letter of Caution or a Staff Interview) is warranted in lieu of the issuance of a statement of charges, the Regulatory staff may in its sole discretion determine to impose such non-formal regulatory action without the submission of a written report of its investigation to the Business Conduct Committee. In the event the Regulatory staff finds that there are not reasonable grounds to believe that a violation has been committed, the Regulatory staff may in its sole discretion determine to close the investigation (i.e., File Without Action) without the submission of a written report of its investigation to the Business Conduct Committee.

(d) *Notice, Statement and Access.* Prior to submitting its report, the Regulatory staff shall notify the person(s) who is the subject of the report (hereinafter Subject) of the general nature of the allegations and of the specific provisions of the Exchange Act, rules and regulations promulgated thereunder, or Bylaws or rules of the Exchange or any interpretation thereof or any resolution of the Board regulating the conduct of business on the Exchange, that appear to have been violated. Except when the Committee determines that expeditious action is required, a Subject shall have 15 days from the date of the notification described above to submit a written statement to the Committee concerning why no disciplinary action should be taken. To assist a Subject in preparing such a written statement, he shall have access to any documents and other materials in the investigative file of the Exchange that were furnished by him or his agents.

. . . Interpretations and Policies:

.01 Failure to furnish testimony, documentary evidence or other information requested by the [Exchange] Regulatory staff in the course of an Exchange inquiry, investigation, hearing or appeal conducted pursuant to this Chapter or in the course of preparation by the [Exchange] Regulatory staff in anticipation of such a hearing or appeal on the date or within the time period the Exchange specifies shall be deemed to be a violation of Rule 17.2.

.02 In lieu of, or in addition to, submitting a written statement concerning why no disciplinary action should be taken as permitted by paragraph (d) of this Rule, the Subject may submit a statement in the form of a videotaped response. Except when the Committee determines that expeditious action is required, the Subject shall have 15 days from the date of the notification described in paragraph (d) to submit the videotaped response. The Exchange will establish standards concerning the length and format of such videotaped responses.

.03 To assist the [Exchange] Regulatory staff in investigating possible violations within [its] the Exchange's disciplinary jurisdiction, Complainants should sign written complaints or identify themselves when making oral complaints pursuant to paragraph (a) of this Rule, and also identify the specific statutes, Bylaws, rules, interpretations or resolutions that allegedly were violated.

.04 In addition to the existing obligation under Exchange rules regarding the production of books and records, each TPH or TPH organization shall furnish upon request, in the manner and standard electronic format prescribed by the Exchange, data concerning orders, transactions, and positions, including related hedges and offsets, in relation to a regulatory review conducted by the [Exchange] Regulatory staff.

.05 References to "Regulatory staff" in Chapter XVII mean the Exchange's employees in the Regulatory Services Division.

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Rule 17.3. Expedited Proceeding

Upon receipt of the notification required by Rule 17.2(d), a Subject may seek to dispose of the matter through a letter of consent signed by the Subject. If a Subject desires to attempt to dispose of the matter through a letter of consent, the Subject must submit to the Exchange's Regulatory staff within 15 days from the date of the notification required by Rule 17.2(d) a written notice electing to proceed in an expedited manner pursuant to this Rule 17.3. The Subject must then endeavor to reach agreement with the Regulatory staff upon a letter of consent which is

acceptable to the Regulatory staff and which sets forth a stipulation of facts and findings concerning the Subject's conduct, the violation(s) committed by the Subject and the sanction(s) therefor. The matter can only be disposed of through a letter of consent if the Regulatory staff and the Subject are able to agree upon terms of a letter of consent which are acceptable to the staff and the letter is signed by the Subject. At any point in the negotiations regarding a letter of consent, either the Regulatory staff may deliver to the Subject or the Subject may deliver to the staff a written declaration of an end to the negotiations. On delivery of such a declaration the Subject will then have 15 days to submit a written statement pursuant to Rule 17.2(d) and thereafter the Regulatory staff may bring the matter to the Business Conduct Committee for appropriate action. In the event that the Subject and the Regulatory staff are able to agree upon a letter of consent which is acceptable to the Regulatory staff, the Regulatory staff shall submit the letter to the Business Conduct Committee. If the letter of consent is accepted by the Business Conduct Committee, it may adopt the letter as its decision and shall take no further action against the Subject respecting the matters that are the subject of the letter. If the letter of consent is rejected by the Business Conduct Committee, the matter shall proceed as though the letter had not been submitted. The Business Conduct Committee's decision to accept or reject a letter of consent shall be final, and a Subject may not seek review thereof.

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Rule 17.4. Charges

(a) *Determination Not to Initiate Charges.* Whenever it shall appear to the Business Conduct Committee from the report of the Regulatory staff of the Exchange that no probable cause exists for finding a violation within the disciplinary jurisdiction of the Exchange, or whenever the Committee otherwise determines that no further action is warranted, it shall issue a written statement to that effect setting forth its reasons for such finding, which shall be sent to the Subject and the Complainant, if any.

(b) *Initiation of Charges.* Whenever it shall appear to the Business Conduct Committee from the report of the Regulatory staff of the Exchange that there is probable cause for finding a violation within the disciplinary jurisdiction of the Exchange and that further proceedings are warranted, the Business Conduct Committee shall direct the Regulatory staff of the Exchange to prepare a statement of charges against the person or organization alleged to have committed a violation (the "Respondent") specifying the acts in which the Respondent is charged to have engaged and setting forth the specific provisions of the Securities Exchange Act of 1934, as amended, rules and regulations promulgated thereunder, Bylaws, rules, interpretations or resolutions of which such acts are in violation. A copy of the charges shall be served upon the Respondent in accordance with Rule 17.12. The Complainant, if any, shall be notified if further proceedings are warranted.

(c) *Access to Documents.* Provided that a Respondent has made a written request for access to documents described hereunder within 60 calendar days after a statement of charges has been served upon the Respondent in accordance with Rule 17.12, the Respondent shall have access to all documents concerning the case that are in the investigative file of the Exchange except for Regulatory staff investigation and examination reports and materials prepared by the Regulatory

staff in connection with such reports or in anticipation of a disciplinary hearing. In providing such documents, the Regulatory staff may protect the identity of a Complainant.

(d) No change.

. . . Interpretations and Policies:

.01 "Ex parte communication" means an oral or written communication made without notice to all parties, that is, [r]Regulatory staff and Subjects of investigations or Respondents in proceedings. A written communication is ex parte unless a copy has been previously or simultaneously delivered to all interested parties. An oral communication is ex parte unless it is made in the presence of all interested parties except those who, on adequate prior notice, declined to be present.

.02 No change.

.03 No person shall be deemed to violate Rule 17.4(d) if they refuse an attempted communication concerning the merits of an investigation or proceeding as soon as it becomes apparent that the communication concerns the merits. In order for this Interpretation .03 to apply, the person refusing the attempted communication must promptly notify the [Exchange] [r]Regulatory staff about the attempted communication and how the person responded to it. The [Exchange r]Regulatory staff shall memorialize this information in the regulatory record of the investigation or disciplinary proceeding.

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Rule 17.8. Offers of Settlement

(a) No change.

(b) *Submission of Statement.* A Respondent may submit with an offer of settlement a written statement in support of the offer. In addition, if the Regulatory staff will not recommend acceptance of an offer of settlement before the Business Conduct Committee, a Respondent shall be notified and may appear before the Committee to make an oral statement in support of his offer. Finally, if the Business Conduct Committee rejects an offer that the Regulatory staff supports, a Respondent may appear before that Committee to make an oral statement concerning why he believes the Committee should change its decision and accept his offer. A Respondent must make a request for such an appearance within 5 days of his being notified that his offer was rejected or that Regulatory staff will not recommend acceptance.

. . . Interpretations and Policies:

.01 No change.

(b) In the event that prior to the issuance of a statement of charges against a Respondent the Respondent timely submits a written notice to the Regulatory staff in accordance with Rule 17.3 electing to proceed in an expedited manner pursuant to Rule 17.3 and subsequently the Respondent is unable to reach agreement with the Regulatory staff upon a letter of consent which is acceptable to the Regulatory staff, any number of days in excess of thirty between the date upon which the Regulatory staff receives the Respondent's notice of election to proceed in an expedited manner pursuant to Rule 17.3 and the date either the Respondent delivers to the Regulatory staff or the Regulatory staff delivers to the Respondent the written declaration of an end to the consent negotiations shall be deducted from the one hundred and twenty day period specified in Rule 17.8(a); provided, however, that in no event shall the time period in which the

Respondent may properly submit offers of settlement to the Business Conduct Committee pursuant to Rule 17.8(a) be less than fourteen days commencing on the date immediately following the date of service of the statement of charges upon the Respondent.

(c) No change.

(d) The one hundred and twenty day period specified in Rule 17.8(a) (or, when applicable, such shorter period mandated by Interpretation and Policy .01(b) above) shall be tolled during the number of days in excess of thirty calendar days that it takes Regulatory staff of the Exchange to provide access in response to a Respondent's request for access to documents provided that the request for access is made pursuant to the provisions and within the time frame provided in Rule 17.4(c); provided that in the event the settlement period is shortened pursuant to paragraph (b) of this Interpretation and Policy, the settlement period shall be tolled following a request for documents to the extent necessary in order to allow the Respondent to have at least seven days after being provided with access to documents within which to submit an offer of settlement.

.02 No change.

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Rule 17.10 Review

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(d) *Review of Decision Not to Initiate Charges.* Upon application made by the Regulatory Oversight and Compliance Committee within 45 days from the date the Exchange serves the Subject with notice of a decision by the Business Conduct Committee pursuant to Rule 17.4(a) not to initiate charges that have been recommended by [Exchange] Regulatory staff, the Board may order review of such decision. Such review shall be conducted in accordance with the procedures set forth in paragraph (b) as applicable.

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Rule 17.50. Imposition of Fines for Minor Rule Violations

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(c)(1) Any person against whom a fine is imposed pursuant to [sub]section (g)[(1), (g)(2), (g)(3), (g)(4), (g)(5), (g)(8), (g)(9), (g)(10), (g)(11), (g)(12), (g)(13), (g)(14), (g)(15), (g)(16), (g)(17) or (g)(18)] of this Rule [and any person against whom a fine exceeding \$2,500 is imposed pursuant to subsection (g)(6) of this Rule] may contest the Exchange determination by filing with the Office of the Secretary of the Exchange, on or before the date specified pursuant to subsection (b)(iv) of this Rule, a written answer as provided in Exchange Rule 17.5, at which point the matter shall become subject to review by the Business Conduct Committee. The filing must include a request for a hearing, if a hearing is desired. Hearings will be conducted in accordance with the provisions of Exchange Rule 17.6. If a hearing is not requested, the review will be based on written submissions and will be conducted in a manner to be determined by the Business Conduct Committee.

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- (3) The committee or department of the Exchange that commenced the action under this Rule, the person charged, and [any member of] the Board of Directors of the Exchange may require a review by the Board of any determination by the Business Conduct Committee under this Rule by proceeding in the manner described in Exchange Rule 17.10. For the purposes of such an appeal by the committee or department of the Exchange that commenced the action under this Rule, such committee or department of the Exchange shall have the same rights a Respondent under Exchange Rule 17.10.

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[(d)(1) Any person against whom a fine not exceeding \$2,500 is imposed pursuant to subsection (g)(6) of this Rule and any person against whom a fine is imposed pursuant to subsection (g)(7) of this Rule may contest the Exchange's determination by filing with the Secretary of the Exchange, on or before the date specified pursuant to subsection (b)(iv) of this Rule, a written application in accordance with the provisions of Exchange Rule 19.2(a), at which point the matter shall become subject to review by the Appeals Committee. The application must include a request for a hearing, if a hearing is desired. Except as otherwise provided herein, the procedures applicable to such an appeal shall be governed by Chapter 19. Any petitions for an extension of time in which to file an application must comply with and shall be governed by the provisions of Exchange Rule 19.2, and any such petition must be filed with the Secretary of the Exchange on or before the date specified pursuant to subsection (b)(iv) of this Rule in order to be eligible for consideration. Procedures applicable to all other time limit extensions shall be governed by Exchange Rule 19.6(b). Hearings will be conducted in accordance with the provisions of Exchange Rules 19.3 and 19.4. If a hearing is not requested, the review will be based on written submissions and will be conducted in a manner to be determined by the Appeals Committee.

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- (2) If after a hearing or review based on written submissions pursuant to subsection (d)(1) of this Rule the Appeals Committee determines that the conduct serving as the basis for the action under review is in violation of the rule charged, the Committee (i) may impose any one or more of the disciplinary sanctions authorized by the Exchange's Bylaws and Rules and (ii) shall impose a forum fee against the person charged in the amount of one hundred dollars (\$100) if the determination was reached without a hearing, or in the amount of three hundred dollars (\$300) if a hearing was conducted. However, notwithstanding the foregoing, in the event that the Appeals Committee determines that the person charged is guilty of one or more rule violations and the sole disciplinary sanction imposed by the Committee for such rule violation(s) is a fine which is less than the total fine initially imposed by the Exchange pursuant to this Rule, the Committee shall have the discretion to waive the imposition of a forum fee.
- (3) The committee or department of the Exchange that commenced the action under this Rule, the person charged, the President of the Exchange, and the Board of Directors of the Exchange may require a review by the Board of any determination by the Appeals Committee under this Rule by proceeding in the manner described in Exchange Rule 19.5.
- (4) In the event that a fine imposed pursuant to this Rule is subsequently upheld by the Appeals Committee or, if applicable, on appeal, such fine, plus all interest that has accrued

thereon since the date specified pursuant to subsection (b)(iv) of this Rule, and any forum fee imposed hereunder, shall be immediately due and payable.]

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. . . Interpretations and Policies:

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[.04 The BCC may consolidate into one hearing (i) the review of any fine imposed pursuant to Rule 17.50(g)(6) that exceeds \$2500 (which would be subject to a hearing under Rule 17.50(c)) and (ii) the review of any fine imposed pursuant to Rule 17.50(g)(6) that does not exceed \$2500 (which would otherwise be subject to a hearing under Rule 17.50(d)), if the alleged violations that are the subject of the fines involve the same or a related transaction or occurrence. In case of a consolidation, the procedures governing the disposition of the matter shall be those set forth in Rule 17.50(c). If the review of a fine is to be based upon written submissions then that review may not be consolidated. The BCC may consolidate the review of such matters on its own motion or upon request from the Exchange or the subject of one of the fines. In the event that the BCC determines to consolidate the review of such matters or receives a request to consolidate such matters, the BCC will give all parties to the matters that are subject to possible consolidation a reasonable opportunity to support the consolidation or object to the consolidation in writing. In determining whether to consolidate the review of such matters, the BCC shall take into account such factors as it deems relevant including, but not limited to, the staff resources and time that may be saved by the consolidation and whether the consolidation could potentially be prejudicial to the parties involved.]

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