

Exhibit 5 - Text of the Proposed Rule Change
Underlining indicates additions; [Brackets] indicate deletion

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Rule 508 **Back-up Trading Arrangements**

(a) ISE is Disabled Exchange.

(1) ISE Exclusively Listed Options.

(i) For purposes of this Rule 508, the term "exclusively listed option" means an option that is listed exclusively by an exchange (because the exchange has an exclusive license to use, or has proprietary rights in, the interest underlying the option).

(ii) The Exchange ("ISE") may enter into arrangements with one or more other exchanges (each a "Back-up Exchange") to permit ISE and its Members to use a portion of the Back-up Exchange's facilities to conduct the trading of some or all of ISE's exclusively listed options in the event that the functions of ISE are severely and adversely affected by an emergency or extraordinary circumstances (a "Disabling Event"). Such option classes shall trade as listings of ISE. The facility of the Back-up Exchange used by ISE for this purpose will be deemed to be a facility of ISE.

(iii) Trading of ISE exclusively listed options on ISE's facility at the Back-up Exchange shall be conducted in accordance with the rules of the Back-up Exchange, except that (A) such trading shall be subject to ISE rules with respect to doing business with the public, margin requirements, net capital requirements, listing requirements and position limits and (B) ISE Members that are trading on ISE's facility at the Back-up Exchange (not including members of the Back-up Exchange who become temporary Members of ISE pursuant to paragraph (a)(1)(vi)) will be subject to ISE rules governing or applying to the maintenance of a person's or a firm's status as a Member of ISE. In addition, ISE and the Back-up Exchange may agree that other ISE rules will apply to such trading. ISE and the Back-up Exchange have agreed to communicate to their members which rules apply in advance of trading. The Back-up Exchange rules that govern trading on ISE's facility at the Back-up Exchange shall be deemed to be ISE rules for purposes of such trading.

(iv) The Back-up Exchange has agreed to perform the related regulatory functions with respect to trading of ISE exclusively listed options on ISE's facility at the Back-up Exchange, in each case except as ISE and the Back-up Exchange may specifically agree otherwise. The Back-up Exchange and ISE have agreed to coordinate with each other regarding surveillance and enforcement respecting trading of ISE exclusively listed options on ISE's facility at the Back-up Exchange. ISE shall retain the ultimate legal responsibility for the performance of its self-regulatory obligations with respect to ISE's facility at the Back-up Exchange.

(v) ISE shall have the right to designate its Members that will be authorized to trade ISE exclusively listed options on ISE's facility at the Back-up Exchange and, if applicable, its Member(s) that will be a PMM or CMM in those options. If the Back-up Exchange is unable to accommodate all ISE Members that desire to trade on ISE's facility at the Back-up Exchange, ISE may determine which Members shall be eligible to trade at that facility. Factors to be considered in making such determinations may include, but are not limited to, any one or more of the following: whether the Member is a PMM or CMM in the applicable product(s), the number of contracts traded by the Member in the applicable product(s), market performance, and other factors relating to a Member's contribution to the market in the applicable product(s).

(vi) Members of the Back-up Exchange shall not be authorized to trade in any ISE exclusively listed options, except that (i) ISE may deputize willing brokers of the Back-up Exchange as temporary ISE Members to permit them to execute orders as brokers in ISE exclusively listed options traded on ISE's facility at the Back-up Exchange, and (ii) the Back-up Exchange has agreed that it will, at the instruction of ISE, select members of the Back-up Exchange that are willing to be deputized by ISE as temporary ISE Members authorized to trade ISE exclusively listed options on ISE's facility at the Back-up Exchange for such period of time following a Disabling Event as ISE determines to be appropriate, and ISE may deputize such members of the Back-up Exchange as temporary ISE Members for that purpose.

(2) ISE Singly Listed Options.

(i) For purposes of this Rule 508, the term "singly listed option" means an option that is not an "exclusively listed option" but that is listed by an exchange and not by any other national securities exchange.

(ii) ISE may enter into arrangements with a Back-up Exchange under which the Back-up Exchange will agree, in the event of a Disabling Event, to list for trading singly listed option classes that are then singly listed only by ISE and not by the Back-up Exchange. Any such option classes listed by the Back-up Exchange shall trade on the Back-up Exchange and in accordance with the rules of the Back-up Exchange. Such option classes shall be traded by members of the Back-up Exchange and by ISE Members selected by ISE to the extent the Back-up Exchange can accommodate ISE Members in the capacity of temporary members of the Back-up Exchange. If the Back-up Exchange is unable to accommodate all ISE Members that desire to trade singly listed options at the Back-up Exchange, ISE may determine which Members shall be eligible to trade such options at the Back-up Exchange. Factors to be considered in making such determinations may include, but are not limited to, any one or more of the following: whether the Member is a PMM or CMM in the applicable product(s), the number of contracts traded by the Member in the applicable product(s), market performance, and other factors relating to a Member's contribution to the market in the applicable product(s).

(iii) Any options class listed by the Back-up Exchange pursuant to paragraph (a)(2)(ii) that does not satisfy the standard listing and maintenance criteria of the Back-up Exchange will be subject, upon listing by the Back-up Exchange, to delisting (and, thus, restrictions on opening new series, and engaging in opening transactions in those series with open interest, as may be provided in the rules of the Back-up Exchange).

(3) Multiply Listed Options.

ISE may enter into arrangements with a Back-up Exchange to permit ISE Members to conduct trading on a Back-up Exchange of some or all of ISE's multiply listed options in the event of a Disabling Event. Such options shall trade as a listing of the Back-up Exchange and in accordance with the rules of the Back-up Exchange. Such options shall be traded by members of the Back-up Exchange and by ISE Members selected by ISE to the extent the Back-up Exchange can accommodate ISE Members in the capacity of temporary members of the Back-up Exchange. If the Back-up Exchange is unable to accommodate all ISE Members that desire to trade multiply listed options at the Back-up Exchange, ISE may determine which Members shall be eligible to trade such options at the Back-up Exchange. Factors to be considered in making such determinations may include, but are not limited to, any one or more of the following: whether the Member is a PMM or CMM in the applicable product(s), the number of contracts

traded by the Member in the applicable product(s), market performance, and other factors relating to a Member's contribution to the market in the applicable product(s).

(b) ISE is Back-up Exchange.

(1) Disabled Exchange Exclusively Listed Options.

(i) ISE may enter into arrangements with one or more other exchanges (each a "Disabled Exchange") to permit the Disabled Exchange and its members to use a portion of ISE's facilities to conduct the trading of some or all of the Disabled Exchange's exclusively listed options in the event of a Disabling Event. Such option classes shall trade as listings of the Disabled Exchange. The facility of ISE used by the Disabled Exchange for this purpose will be deemed to be a facility of the Disabled Exchange.

(ii) Trading of the Disabled Exchange's exclusively listed options on the Disabled Exchange's facility at ISE shall be conducted in accordance with ISE rules, except that (A) such trading shall be subject to the Disabled Exchange's rules with respect to doing business with the public, margin requirements, net capital requirements, listing requirements and position limits, and (B) members of the Disabled Exchange that are trading on the Disabled Exchange's facility at ISE (not including ISE Members who become temporary members of the Disabled Exchange pursuant to paragraph (b)(1)(iv)) will be subject to the rules of the Disabled Exchange governing or applying to the maintenance of a person's or a firm's status as a member of the Disabled Exchange. In addition, the Disabled Exchange and ISE may agree that other Disabled Exchange rules will apply to such trading. The Disabled Exchange and ISE have agreed to communicate to their members which rules apply in advance of trading.

(iii) ISE will perform the related regulatory functions with respect to trading of the Disabled Exchange's exclusively listed options on the Disabled Exchange's facility at ISE, in each case except as the Disabled Exchange and ISE may specifically agree otherwise. ISE and the Disabled Exchange have agreed to coordinate with each other regarding surveillance and enforcement respecting trading of the Disabled Exchange's exclusively listed options on the Disabled Exchange's facility at ISE. The Disabled Exchange has agreed that it shall retain the ultimate legal responsibility for the performance of its self-regulatory obligations with respect to the Disabled Exchange's facility at ISE.

(iv) ISE Members shall not be authorized to trade in any exclusively listed options of the Disabled Exchange, except (A) that the Disabled Exchange may deputize willing ISE Electronic Access Members as temporary members of the Disabled Exchange to permit them to execute orders as Electronic Access Members in exclusively listed options of the Disabled Exchange traded on the facility of the Disabled Exchange at ISE, and (B) at the instruction of the Disabled Exchange, ISE shall select ISE Members that are willing to be deputized by the Disabled Exchange as temporary members of the Disabled Exchange authorized to trade the Disabled Exchange's exclusively listed options on the facility of the Disabled Exchange at ISE for such period of time following a Disabling Event as the Disabled Exchange determines to be appropriate, and the Disabled Exchange may deputize such ISE Members as temporary members of the Disabled Exchange for that purpose.

(2) Disabled Exchange Singly Listed Options.

(i) ISE may enter into arrangements with a Disabled Exchange under which ISE will agree, in the event of a Disabling Event, to list for trading singly listed option classes that are then singly listed only by the Disabled Exchange and not by ISE. Any such option classes listed by ISE shall trade on ISE and in accordance with ISE rules. Such option classes shall be traded by ISE Members and by members of the Disabled Exchange selected by the Disabled Exchange to the extent ISE can accommodate members of the Disabled Exchange in the capacity of temporary Members of ISE. ISE may allocate such option classes to an ISE PMM in advance of a Disabling Event, without utilizing the allocation process under ISE Rule 802, to enable ISE to quickly list such option classes upon the occurrence of a Disabling Event.

(ii) Any options class listed by ISE pursuant to paragraph (b)(2)(i) that does not satisfy the listing and maintenance criteria under ISE rules will be subject, upon listing by ISE, to delisting (and, thus, restrictions on opening new series, and engaging in opening transactions in those series with open interest, as may be provided in ISE rules).

(3) Multiply Listed Options.

ISE may enter into arrangements with a Disabled Exchange to permit the Disabled Exchange's members to conduct trading on ISE of some or all of the Disabled Exchange's multiply listed options in the event of a Disabling Event. Such options shall trade as a listing of ISE and in

accordance with ISE rules. Such options shall be traded by ISE Members and by members of the Disabled Exchange to the extent ISE can accommodate members of the Disabled Exchange in the capacity of temporary Members of ISE.

(c) Member Obligations.

(1) Temporary Members of the Disabled Exchange

(i) An ISE Member acting in the capacity of a temporary member of the Disabled Exchange pursuant to paragraph (b)(1)(iv) shall be subject to, and obligated to comply with, the rules that govern the operation of the facility of the Disabled Exchange at ISE, including the rules of the Disabled Exchange to the extent applicable during the period of such trading. Additionally, (A) such ISE Member shall be deemed to have satisfied, and the Disabled Exchange has agreed to waive specific compliance with, rules governing or applying to the maintenance of a person's or a firm's status as a member of the Disabled Exchange, including all dues, fees and charges imposed generally upon members of the Disabled Exchange based on their status as such, (B) such ISE Member shall have none of the rights of a member of the Disabled Exchange except the right to conduct business on the facility of the Disabled Exchange at ISE to the extent described in this Rule, (C) the ISE Member shall be responsible for all obligations arising out its activities on or relating to the Disabled Exchange, and (D) the Clearing Member of such ISE Member shall guarantee and clear the transactions of such ISE Member on the Disabled Exchange.

(ii) A member of a Back-up Exchange acting in the capacity of a temporary Member of ISE pursuant to paragraph (a)(1)(vi) shall be subject to, and obligated to comply with, the rules that govern the operation of the facility of ISE at the Back-up Exchange, including ISE rules to the extent applicable during the period of such trading. Additionally, (A) such temporary Member shall be deemed to have satisfied, and ISE will waive specific compliance with, rules governing or applying to the maintenance of a person's or a firm's status as a Member of ISE, including all dues, fees and charges imposed generally upon ISE Members based on their status as such, (B) such temporary Member shall have none of the rights of a ISE Member except the right to conduct business on the facility of ISE at the Back-up Exchange to the extent described in this Rule, (C) the member organization associated with such temporary Member, if any, shall be responsible for all obligations arising out of that temporary Member's

activities on or relating to ISE, and (D) the Clearing Member of such temporary Member shall guarantee and clear the transactions on ISE of such temporary Member.

(2) Temporary Members of the Back-up Exchange

(i) A ISE Member acting in the capacity of a temporary member of the Back-up Exchange pursuant to paragraphs (a)(2)(ii) or (a)(3) shall be subject to, and obligated to comply with, the rules of the Back-up Exchange that are applicable to the Back-up Exchange's own members. Additionally, (A) such ISE Member shall be deemed to have satisfied, and the Back-up Exchange has agreed to waive specific compliance with, rules governing or applying to the maintenance of a person's or a firm's status as a member of the Back-up Exchange, including all dues, fees and charges imposed generally upon members of the Back-up Exchange based on their status as such, (B) such ISE Member shall have none of the rights of a member of the Back-up Exchange except the right to conduct business on the Back-up Exchange to the extent described in this Rule, (C) the ISE Member shall be responsible for all obligations arising out of its activities on or relating to the Back-up Exchange, (D) the Clearing Member of such ISE Member shall guarantee and clear the transactions of such ISE Member on the Back-up Exchange, and (E) such ISE Member shall only be permitted (x) to act in those capacities on the Back-up Exchange that are authorized by the Back-up Exchange and that are comparable to capacities in which the ISE Member has been authorized to act on ISE, and (y) to trade in those option classes in which the ISE Member is authorized to trade on ISE.

(ii) A member of a Disabled Exchange acting in the capacity of a temporary Member of ISE pursuant to paragraphs (b)(2)(i) or (b)(3) shall be subject to, and obligated to comply with, ISE rules that are applicable to ISE's own Members. Additionally, (A) such temporary Member shall be deemed to have satisfied, and ISE will waive specific compliance with, rules governing or applying to the maintenance of a person's or a firm's status as a Member of ISE, including all dues, fees and charges imposed generally upon ISE Members based on their status as such, (B) such temporary Member shall have none of the rights of a ISE Member except the right to conduct business on ISE to the extent described in this Rule, (C) the member organization associated with such temporary Member, if any, shall be responsible for all obligations arising out of that temporary Member's activities on or relating to ISE, (D) the Clearing Member of such temporary Member shall guarantee and clear the transactions of such

temporary Member on the ISE, and (E) such temporary Member shall only be permitted (x) to act in those ISE capacities that are authorized by ISE and that are comparable to capacities in which the temporary Member has been authorized to act on the Disabled Exchange, and (y) to trade in those option classes in which the temporary Member is authorized to trade on the Disabled Exchange.

(d) Member Proceedings.

(1) If ISE initiates an enforcement proceeding with respect to the trading during a back-up period of the singly or multiply listed options of the Disabled Exchange by a temporary Member of ISE or the exclusively listed options of the Disabled Exchange by a member of the Disabled Exchange (other than a ISE Member who is a temporary member of the Disabled Exchange), and such proceeding is in process upon the conclusion of the back-up period, ISE may transfer responsibility for such proceeding to the Disabled Exchange following the conclusion of the back-up period. Arbitration of any disputes with respect to any trading during a back-up period of singly or multiply listed options of the Disabled Exchange or of exclusively listed options of the Disabled Exchange on the Disabled Exchange's facility at ISE will be conducted in accordance with ISE rules, unless the parties to an arbitration agree that it shall be conducted in accordance with the rules of the Disabled Exchange.

(2) If the Back-up Exchange initiates an enforcement proceeding with respect to the trading during a back-up period of ISE singly or multiply listed options by a temporary member of the Back-up Exchange or ISE exclusively listed options by a ISE Member (other than a member of the Back-up Exchange who is a temporary Member of ISE), and such proceeding is in process upon the conclusion of the back-up period, the Back-up Exchange may transfer responsibility for such proceeding to ISE following the conclusion of the back-up period. Arbitration of any disputes with respect to any trading during a back-up period of ISE singly or multiply listed options on the Back-up Exchange or of ISE exclusively listed options on the facility of ISE at the Back-up Exchange will be conducted in accordance with the rules of the Back-up Exchange, unless the parties to an arbitration agree that it shall be conducted in accordance with ISE rules.

(e) Member Preparations.

ISE Members are required to take appropriate actions as instructed by ISE to accommodate ISE's back-up trading arrangements with other exchanges and ISE's own back-up trading arrangements.

Supplementary Material to Rule 508

.01 This Rule 508 reflects back-up trading arrangements that ISE has entered into or may enter into with one or more other exchanges. To the extent that this Rule provides that another exchange will take certain action, the Rule is reflecting what that exchange has agreed to do by contractual agreement with ISE, but the Rule itself is not binding upon the other exchange.

Rule 509 Authority to Take Action Under Emergency Conditions

The Chairman of the Board, the President or such other person or persons as may be designated by the Board shall have the power to halt or suspend trading in some or all securities traded on the Exchange, to close some or all Exchange facilities, to determine the duration of any such halt, suspension or closing, to take one or more of the actions permitted to be taken by any person or body of the Exchange under Exchange rules, or to take any other action deemed to be necessary or appropriate for the maintenance of a fair and orderly market or the protection of investors, or otherwise in the public interest, due to emergency conditions or extraordinary circumstances, such as (1) actual or threatened physical danger, severe climatic conditions, natural disaster, civil unrest, terrorism, acts of war, or loss or interruption of facilities utilized by the Exchange, or (2) a request by a governmental agency or official, or (3) a period of mourning or recognition for a person or event. The person taking the action shall notify the Board of actions taken pursuant to this Rule, except for a period of mourning or recognition for a person or event, as soon thereafter as is feasible.

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Schedule of Fees

VI. Other Options Fees and Rebates

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K. Back-up Trading Arrangements

- If ISE exclusively listed options are traded at ISE's facility on a Back-up Exchange pursuant to ISE Rule 508, the Back-up Exchange has agreed to apply the per contract and per contract side fees in this fee schedule to such transactions. If any other ISE listed options are traded on the Back-up Exchange (such as ISE singly listed options that are listed by the Back-up Exchange) pursuant to ISE Rule 508, the fee schedule of the Back-up Exchange shall apply to such trades.
- If the exclusively listed options of a Disabled Exchange are traded on the Disabled Exchange's facility at ISE pursuant to Rule 508, ISE will apply the per contract and per contract side fees in the fee schedule of the Disabled Exchange to such transactions. If any other options classes of the Disabled Exchange are traded on ISE (such as singly listed options of the Disabled Exchange) pursuant to Rule 508, the fees set forth in the ISE fee schedule shall apply to such trades.