EXHIBIT 5

The text of the proposed rule change is below. Proposed new language is underlined; deletions are bracketed.

Rule 3000. NASDAQ OMX PSX

Rule 3100. Trading Halts on PSX

(a) Authority to Initiate Trading Halts or Pauses
In circumstances in which the Exchange deems it necessary to protect investors and the public interest, and pursuant to the procedures set forth in paragraph (c):

(1) The Exchange may halt trading on PSX of a security listed on another national securities exchange: (A) during a trading halt imposed by such exchange to permit the dissemination of material news; or (B) when such exchange imposes a trading halt in that security because of an order imbalance or influx ("operational trading halt"). In the event that the Exchange initiates a trading halt based on another exchange's operational trading halt, PSX Participants may commence [order] entry of orders and quotations and trading at any time following initiation of the halt, without regard to procedures for resuming trading set forth in paragraph (c);

(2) – (4) No change.

(b) – (c) No change.

Rule 3200. Requirements for PSX Participants

Rule 3201. Scope

Unless otherwise specified, the Rules set forth in this 3200 Series apply only to the quoting and trading of System Securities via PSX.

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Rule 3203. Definitions

(a) For purposes of the Rule 3000 Series, unless the context requires otherwise:

(1) "SEC Rule 100," "SEC Rule 101," and "SEC Rule 104" means the rules adopted by the Commission under Regulation M, and any amendments thereto.

(2) "Stabilizing bid" means the terms "stabilizing" or to "stabilize" as defined in SEC Rule 100 under Regulation M.

(3) "Underwriting Activity Report" is a report provided by the Corporate Financing Department of FINRA in connection with a distribution of securities subject to SEC Rule 101 under Regulation M and includes forms that are submitted by member organizations to comply with their notification obligations under Rules 3214, 3219, and 3223.

(b) For purposes of Rules 3214, 3219, and 3223, the following terms shall have the meanings as defined in SEC Rule 100 under Regulation M: "affiliated purchaser," "distribution," "distribution participant," "independent bid," "net purchases," "penalty bid," "reference security," "restricted period," "subject security," and "syndicate covering transaction."

Rule 3210. Registration and Other Requirements

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Rule 3212. [Reserved] Registration as a Market Maker

(a) Quotations and quotation sizes may be entered into PSX only by a member organization registered as a PSX Market Maker or other entity approved by the Exchange to function in a market-making capacity.

(b) A PSX Market Maker may become registered in an issue by entering a registration request via an Exchange approved electronic interface with PSX's systems or by contacting PSX Market Operations. Registration shall become effective on the day the registration request is entered.

(c) A PSX Market Maker's registration in an issue shall be terminated by the Exchange if the market maker fails to enter quotations in the issue within five (5) business days after the market maker's registration in the issue becomes effective.

Rule 3213. [Orders and Locked and Crossed Markets] Market Maker Obligations

A member organization registered as a Market Maker shall engage in a course of dealings for its own account to assist in the maintenance, insofar as reasonably practicable, of fair and orderly markets in accordance with this Rule.

[(a) The minimum increment for orders of $1.00 or above in all System Securities shall be $0.01. The minimum increment for orders in System Securities priced below $1.00 shall be $0.0001.]

(a) Quotation Requirements and Obligations

(1) Two-Sided Quote Obligation. For each security in which a member organization is registered as a Market Maker, the member organization shall be willing to buy and sell such security for its own account on a continuous basis during regular market hours and shall enter and maintain a two-sided trading interest ("Two-Sided Obligation") that is identified to the Exchange as the interest meeting the obligation and is displayed in PSX's quotation montage at all times. Interest eligible to be considered as part of a Market Maker's Two-Sided Obligation shall have a

displayed quotation size of at least one normal unit of trading (or a larger multiple thereof); provided, however, that a Market Maker may augment its Two-Sided Obligation size to display limit orders priced at the same price as the Two-Sided Obligation. Unless otherwise designated, a "normal unit of trading" shall be 100 shares. After an execution against its Two-Sided Obligation, a Market Maker must ensure that additional trading interest exists in PSX to satisfy its Two-Sided Obligation either by immediately entering new interest to comply with this obligation to maintain continuous two-sided quotations or by identifying existing interest on the PSX book that will satisfy this obligation.

(2) Pricing Obligations. For NMS stocks (as defined in Rule 600 under Regulation NMS) a Market Maker shall adhere to the pricing obligations established by this Rule during Regular Trading Hours; provided, however, that such pricing obligations (i) shall not commence during any trading day until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, and (ii) shall be suspended during a trading halt, suspension, or pause, and shall not re-commence until after the first regular way transaction on the primary listing market in the security following such halt, suspension, or pause, as reported by the responsible single plan processor.

(A) Bid Quotations. At the time of entry of bid interest satisfying the Two-Sided Obligation, the price of the bid interest shall be not more than the Designated Percentage away from the then current National Best Bid, or if no National Best Bid, not more than the Designated Percentage away from the last reported sale from the responsible single plan processor. In the event that the National Best Bid (or if no National Best Bid, the last reported sale) increases to a level that would cause the bid interest of the Two-Sided Obligation to be more than the Defined Limit away from the National Best Bid (or if no National Best Bid, the last reported sale), or if the bid is executed or cancelled, the Market Maker shall enter new bid interest at a price not more than the Designated Percentage away from the then current National Best Bid (or if no National Best Bid, the last reported sale), or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.

(B) Offer Quotations. At the time of entry of offer interest satisfying the Two-Sided Obligation, the price of the offer interest shall be not more than the Designated Percentage away from the then current National Best Offer, or if no National Best Offer, not more than the Designated Percentage away from the last reported sale received from the responsible single plan processor. In the event that the National Best Offer (or if no National Best Offer, the last reported sale) decreases to a level that would cause the offer interest of the Two-Sided Obligation to be more than the Defined Limit away from the National Best Offer (or if no National Best Offer, the last reported sale), or if the offer is executed or cancelled, the Market Maker shall enter new offer interest at a price not more than the Designated Percentage away from the then current National Best Offer (or if no National Best Offer, the last reported sale), or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.

(C) The National Best Bid and Offer shall be determined by the Exchange in accordance with its procedures for determining protected quotations under Rule 600 under Regulation NMS.

(D) For purposes of this Rule, the "Designated Percentage" shall be:

(i) 8% for securities included in the S&P 500® Index, Russell 1000® Index, and a pilot list of Exchange Traded Products ("Tier 1 Securities");

(ii) 28% for all NMS stocks that are not Tier 1 Securities with a price equal to or greater than $1 ("Tier 2 Securities");

(iii) 30% for all NMS stocks that are not Tier 1 Securities with a price less than $1 ("Tier 3 Securities"),

except that between 9:30 a.m. and 9:45 a.m. and between 3:35 p.m. and the close of trading, the Designated Percentage shall be 20% for Tier 1 Securities, 28% for Tier 2 Securities, and 30% for Tier 3 Securities. The Designated Percentage for rights and warrants shall be 30%.

(E) For purposes of this Rule, the "Defined Limit" shall be 9.5% for Tier 1 Securities, 29.5% for Tier 2 Securities, and 31.5% for Tier 3 Securities, except that between 9:30 a.m. and 9:45 a.m. and between 3:35 p.m. and the close of trading, the Defined Limit shall be 21.5% for Tier 1 Securities, 29.5% for Tier 2 Securities, and 31.5% for Tier 3 Securities.

(F) Nothing in this Rule shall preclude a Market Marker from quoting at price levels that are closer to the National Best Bid and Offer than the levels required by this Rule.

(G) The minimum quotation increment for quotations of $1.00 or above in all System Securities shall be $0.01. The minimum quotation increment in the System for quotations below $1.00 in System Securities shall be $0.0001.

(H) The individual Market Participant Identifier ("MPID") assigned to a member organization to meet its Two-Sided Obligation pursuant to subparagraph (a)(1) of this Rule, or Rule 3223, shall be referred to as the member organization's "Primary MPID." Market Makers and ECNs may request the use of additional MPIDs that shall be referred to as "Supplemental MPIDs." A Market Maker may request the use of Supplemental MPIDs for displaying Attributable Quotes/Orders in the PSX quotation montage for any security in which it is registered and meets the obligations set forth in subparagraph (1) of this rule. An ECN may request the use of Supplemental MPIDs for displaying Attributable Quotes/Orders in the PSX quotation montage for any security in which it meets the obligations set forth in Rule 3223. A Market Maker or ECN that ceases to meet the obligations appurtenant to its Primary MPID in any security shall not be permitted to use a Supplemental MPID for any purpose in that security.

(I) Market Makers and ECNs that are permitted the use of Supplemental MPIDs for displaying Attributable Quotes/Orders pursuant to subparagraph (2) of this rule are subject to the same rules applicable to their first quotation, with two exceptions: (a) the continuous two-sided quote requirement and excused withdrawal procedures described in subparagraph (1) above do not apply to Market Makers' Supplemental MPIDs; and (b) Supplemental MPIDs may not be used by Market Makers to enter stabilizing bids pursuant to Rule 3214.

(b) Firm Orders and Quotations. All quotations and orders to buy and sell entered into the System by PSX Participants are firm and automatically executable for their displayed and non-displayed size in the System.

(c) Impaired Ability to Enter or Update Quotations

In the event that a PSX Market Maker's ability to enter or update quotations is impaired, the market maker shall immediately contact PSX Market Operations to request the withdrawal of its quotations.

In the event that a PSX Market Maker's ability to enter or update quotations is impaired and the market maker elects to remain in PSX, the PSX Market Maker shall execute an offer to buy or sell received from another member organization at its quotations as disseminated through PSX.

[(c)] (d) Locked and Crossed Markets.

(1) No change.

(2) Inter-market Locked and Crossed Markets. The provisions of this subsection [(c)] (d)(2) apply to the trading of securities governed by Regulation NMS.

(A) – (D) No change.

Rule 3214. Stabilizing Bids

(a) PSX Market Maker Obligation/Identifier

A PSX Market Maker that intends to stabilize the price of a security that is a subject or reference security under SEC Rule 101 shall submit a request to the Exchange's MarketWatch Department for the entry of a one-sided bid that is identified on the Exchange as a stabilizing bid in compliance with the standards set forth in this Rule and SEC Rules 101 and 104.

(b) Eligibility

Only one PSX Market Maker in a security may enter a stabilizing bid.

(c) Limitations on Stabilizing Bids

(1) A stabilizing bid shall not be entered in PSX unless at least one other PSX Market Maker in addition to the market maker entering the stabilizing bid is registered as a PSX Market Maker in the security and entering quotations that are considered an independent bid under SEC Rule 104.

(2) A stabilizing bid must be available for all freely tradable outstanding securities of the same class being offered.

(d) Submission of Request to the Exchange

(1) A PSX Market Maker that wishes to enter a stabilizing bid shall submit a request to the Exchange's MarketWatch Department for entry in PSX of a one-sided bid identified as a stabilizing bid. The PSX Market Maker shall confirm its request in writing no later than the close of business the day the stabilizing bid is entered by submitting an Underwriting Activity Report to the Exchange's MarketWatch Department that includes the information required by subparagraph (d)(2).

(2) In lieu of submitting the Underwriting Activity Report as set forth in subparagraph (d)(1), the market maker may provide written confirmation to MarketWatch that shall include:

(A) the identity of the security and its symbol;

(B) the contemplated effective date of the offering and the date when the offering will be priced;

(C) the date and time that an identifier should be included on the Exchange; and

(D) a copy of the cover page of the preliminary or final prospectus or similar offering document, unless the Exchange determines otherwise.

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Rule 3217. Normal Business Hours

The System operates from 8:00 a.m. to 5:00 p.m. Eastern Time on each business day, unless modified by the Exchange. A PSX Market Maker shall be open for business as of 9:30 a.m. Eastern Time and shall close no earlier than 4:00 p.m. Eastern Time. A PSX Market Maker may voluntarily open for business prior to 9:30 a.m. and remain open for business later than 4:00 p.m. Eastern Time. PSX Market Makers whose quotes are open prior to 9:30 a.m. Eastern Time or after 4:00 p.m. Eastern Time shall be obligated to comply, while their quotes are open, with all PSX Rules that are not by their express terms, or by an official interpretation of the Exchange, inapplicable to any part of the 8:00 a.m. to 9:30 a.m. or 4:00 p.m. to 5:00 p.m. Eastern Time period.

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Rule 3219. [Reserved] Withdrawal of Quotations

(a) Except as provided in paragraph (b) of this Rule, a market maker that wishes to withdraw quotations in a security shall contact the Exchange's MarketWatch Department to obtain excused withdrawal status prior to withdrawing its quotations. Withdrawals of quotations shall be granted by MarketWatch only upon satisfying one of the conditions specified in this Rule.

(b) A PSX Market Maker that wishes to obtain excused withdrawal status based on a market maker's systemic equipment problems, such as defects in a PSX Market Maker's software or hardware systems or connectivity problems associated with the circuits connecting PSX systems with the PSX Market Maker's systems, shall contact Exchange Market Operations. Exchange

Market Operations may grant excused withdrawal status based on systemic equipment problems for up to five (5) business days, unless extended by Exchange Market Operations.

(c) A PSX Market Maker that wishes to withdraw quotations shall contact the Exchange's MarketWatch Department to obtain excused withdrawal status prior to withdrawing its quotations. Excused withdrawal status based on illness, vacations or physical circumstances beyond the PSX Market Maker's control may be granted for up to five (5) business days, unless extended by MarketWatch. Excused withdrawal status based on investment activity or advice of legal counsel, accompanied by a representation that the condition necessitating the withdrawal of quotations is not permanent in nature, may, upon written request, be granted for not more than sixty (60) days. The withdrawal of quotations because of pending news, a sudden influx of orders or price changes, or to effect transactions with competitors shall not normally constitute acceptable reasons for granting excused withdrawal status, unless the Exchange has initiated a trading halt for market makers in the security, pursuant to Rule 3100.

(d) Excused withdrawal status may be granted to a PSX Market Maker that fails to maintain a clearing arrangement with a registered clearing agency or with a member of such an agency and is withdrawn from participation in the trade reporting service of PSX, thereby terminating its registration as a PSX Market Maker; provided, however, that if the Exchange finds that the PSX Market Maker's failure to maintain a clearing arrangement is voluntary, the withdrawal of quotations will be considered voluntary and unexcused pursuant to Rule 3220 and the Rule 3300 Series governing PSX. PSX Market Makers that fail to maintain a clearing relationship will have their PSX system status set to "suspend" and be thereby prevented from entering, or executing against, any quotes/orders in the system.

(e) Excused withdrawal status may be granted to a PSX Market Maker that is a distribution participant (or, in the case of excused withdrawal status, an affiliated purchaser) in order to comply with SEC Rule 101 or 104 under the Act on the following conditions:

(1) A member organization acting as a manager (or in a similar capacity) of a distribution of a security that is a subject security or reference security under SEC Rule 101 and any member organization that is a distribution participant or an affiliated purchaser in such a distribution that does not have a manager shall provide written notice to the Exchange's MarketWatch Department and the Market Regulation Department of FINRA no later than the business day prior to the first entire trading session of the one-day or five-day restricted period under SEC Rule 101, unless later notification is necessary under the specific circumstances.

(A) The notice required by subparagraph (e)(1) of this Rule shall be provided by submitting a completed Underwriting Activity Report that includes a request on behalf of each PSX Market Maker that is a distribution participant or an affiliated purchaser to withdraw the PSX Market Maker's quotations and includes the contemplated date and time of the commencement of the restricted period.

(B) The managing underwriter shall advise each PSX Market Maker that it has been identified as a distribution participant or an affiliated purchaser to MarketWatch and that its quotations will be automatically withdrawn, unless a market maker that is a distribution participant (or an affiliated

purchaser of a distribution participant) notifies MarketWatch as required by subparagraph (e)(2), below.

(2) A PSX Market Maker that has been identified to MarketWatch as a distribution participant (or an affiliated purchaser of a distribution participant) shall promptly notify MarketWatch and the manager of its intention not to participate in the prospective distribution in order to avoid having its quotations withdrawn.

(3) If a PSX Market Maker that is a distribution participant withdraws its quotations in order to comply with any provision of SEC Regulation M and promptly notifies MarketWatch of its action, the withdrawal shall be deemed an excused withdrawal. Nothing in this subparagraph shall prohibit the Exchange from taking such action as is necessary under the circumstances against a member organization and its associated persons for failure to contact MarketWatch to obtain an excused withdrawal as required by subparagraphs (a) and (e) of this Rule.

(4) A member organization acting as a manager (or in a similar capacity of a distribution subject to subparagraph (e)(1)) of this Rule shall submit a request to MarketWatch and the Market Regulation Department of FINRA to rescind the excused withdrawal status of distribution participants and affiliated purchasers, which request shall include the date and time of the pricing of the offering, the offering price, and the time the offering terminated, and, if not in writing, shall be confirmed in writing no later than the close of business the day the offering terminates. The request by this subparagraph may be submitted on the Underwriting Activity Report.

(f) The Market Operations Review Committee shall have jurisdiction over proceedings brought by PSX Market Makers seeking review of the denial of an excused withdrawal pursuant to this Rule 3219, or the conditions imposed on their reentry.

Rule 3220. [Reserved] Voluntary Termination of Registration

(a) A market maker may voluntarily terminate its registration in a security by withdrawing its two-sided quotation from PSX. A PSX Market Maker that voluntarily terminates its registration in a security may not re-register as a market maker for one (1) business day. Withdrawal from participation as a PSX Market Maker shall constitute termination of registration as a market maker in that security for purposes of this Rule; provided, however, that a PSX Market Maker that fails to maintain a clearing arrangement with a registered clearing agency or with a member of such an agency and is withdrawn from participation in the PSX and thereby terminates its registration as a PSX Market Maker may register as a market maker at any time after a clearing arrangement has been reestablished unless the Exchange finds that the PSX Market Maker's failure to maintain a clearing arrangement is voluntary, in which case the withdrawal of quotations will be considered voluntary and unexcused.

(b) Notwithstanding the above, a PSX Market Maker that accidentally withdraws as a PSX Market Maker may be reinstated if:

(1) the PSX Market Maker notified the Exchange's MarketWatch Department of the accidental withdrawal as soon as practicable under the circumstances, but within at least one hour of such

withdrawal, and immediately thereafter provided written notification of the withdrawal and reinstatement request;

(2) it is clear that the withdrawal was inadvertent and the market maker was not attempting to avoid its market making obligations; and

(3) the PSX Market Maker's firm would not exceed the following reinstatement limitations:

(A) for firms that simultaneously made markets in less than 250 stocks during the previous calendar year, the firm can receive no more than two (2) reinstatements per year;

(B) for firms that simultaneously made markets in 250 or more but less than 500 stocks during the previous calendar year, the firm can receive no more than three (3) reinstatements per year; and

(C) for firms that simultaneously made markets in 500 or more stocks during the previous calendar year, the firm can receive no more than six (6) reinstatements per year.

(c) Factors that the Exchange will consider in granting a reinstatement under paragraph (b) of this rule include, but are not limited to:

(1) the number of accidental withdrawals by the PSX Market Maker in the past, as compared with PSX Market Makers making markets in a comparable number of stocks;

(2) the similarity between the symbol of the stock that the PSX Market Maker intended to withdraw from and the symbol of the stock that the PSX Market Maker actually withdrew from;

(3) market conditions at the time of the withdrawal;

(4) whether, given the market conditions at the time of the withdrawal, the withdrawal served to reduce the exposure of the PSX Market Maker's position in the security at the time of the withdrawal to market risk; and

(5) the timeliness with which the PSX Market Maker notified MarketWatch of the error.

(d) For purposes of paragraph (a) of this Rule, a market maker shall not be deemed to have voluntarily terminated its registration in a security by voluntarily withdrawing its two-sided quotation from PSX if the PSX Market Maker's two-sided quotation in the subject security is withdrawn by the Exchange's systems due to issuer corporate action related to a dividend, payment or distribution, or due to a trading halt, and one of the following conditions is satisfied:

(1) the PSX Market Maker enters a new two-sided quotation prior to the close of the regular market session on the same day when the Exchange's systems withdrew such a quotation;

(2) the PSX Market Maker enters a new two-sided quotation on the day when trading resumes following a trading halt, or, if the resumption of trading occurs when the market is not in regular

session, the PSX Market Maker enters a new two-sided quotation prior to the opening of the next regular market session; or

(3) upon request from the market maker, MarketWatch authorizes the market maker to enter a new two-sided quotation, provided that MarketWatch receives the market maker's request prior to the close of the regular market session on the next regular trading day after the day on which the market maker became eligible to re-enter a quotation pursuant to subparagraph (d)(1) or (d)(2) hereof and determines that the market maker was not attempting to avoid its market making obligations by failing to re-enter such a quotation earlier.

(e) The Market Operations Review Committee shall have jurisdiction over proceedings brought by market makers seeking review of their denial of a reinstatement pursuant to paragraphs (b) or (d) of this Rule.

Rule 3221. Suspension and Termination of Quotations and Order Entry

The Exchange may, pursuant to the procedures set forth in Disciplinary Rules of the Exchange (Rules 960.1 through 960.12), suspend, condition, limit, prohibit or terminate the authority of an PSX Participant to enter quotations or orders in one or more authorized securities for violations of applicable requirements or prohibitions.

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Rule 3224. [Reserved] Penalty Bids and Syndicate Covering Transactions

(a) A PSX Market Maker acting as a manager (or in a similar capacity) of a distribution of a security that is a subject or reference security under SEC Rule 101 shall provide written notice to the Corporate Financing Department of FINRA of its intention to impose a penalty bid on syndicate members or to conduct syndicate covering transactions pursuant to SEC Rule 104 prior to imposing the penalty bid or engaging in the first syndicate covering transaction. A PSX Market Maker that intends to impose a penalty bid on syndicate members may request that its quotation be identified as a penalty bid on the Exchange pursuant to paragraph (c) below.

(b) The notice required by paragraph (a) shall include:

(1) the identity of the security and its symbol;

(2) the date the PSX Market Maker is intending to impose the penalty bid and/or conduct syndicate covering transactions.

(c) Notwithstanding paragraph (a), a PSX Market Maker may request that its quotation be identified as a penalty bid on the Exchange by providing notice to the Exchange's MarketWatch Department, which notice shall include the date and time that the penalty bid identifier should be entered on the Exchange and, if not in writing, shall be confirmed in writing no later than the close of business the day the penalty bid identifier is entered on the Exchange.

(d) The written notice required by this Rule may be submitted on the Underwriting Activity Report.

Rule 3225. Obligation to Provide Information

(a) An Exchange member organization operating in or participating in PSX shall provide information orally, in writing, or electronically (if such information is, or is required to be, maintained in electronic form) to Exchange staff when staff makes an oral, written, or electronically communicated request for information relating to a specific Exchange Rule, SEC rule, or provision of a joint industry plan (e.g., UTP, CTA, and CQA) (as promulgated and amended from time-to-time) that the Exchange is responsible for administering or to other duties and/or obligations imposed on the Exchange; this shall include, but not be limited to, information relating to:

(A) a locked or crossed market; or

(B) trading activity, rumors, or information that a member or member organization may possess that may assist in determining whether there is a basis to initiate a trading halt, pursuant to Rule 3100; or

(C) a clearly erroneous transaction, pursuant to Rule 3312; or

(D) a request for an excused withdrawal or reinstatement, pursuant to Rules 3219 or 3220; or

(E) trade-throughs; or

(F) a request to submit a stabilizing bid, pursuant to Rule 3214, or a request to have a quotation identified as a penalty bid, pursuant to Rule 3224; or

[(E)] (G) information relating to an equipment failure.

(b) No change.

Rule 3226. Limitation of Liability

(a) Except as provided for in paragraph (b) below, the Exchange and its affiliates shall not be liable for any losses, damages, or other claims arising out of PSX or its use. Any losses, damages, or other claims, related to a failure of PSX to deliver, transmit, execute, compare, submit for clearance and settlement, adjust, retain priority for, or otherwise correctly process an order, Quote/Order, message, or other data entered into, or created by, PSX shall be absorbed by the member organization, or the member organization sponsoring the customer, that entered the order, Quote/Order, message, or other data into PSX.

(b) The Exchange, subject to the express limits set forth below, may compensate users of PSX for losses directly resulting from the System's actual failure to correctly process an order,

Quote/Order, message, or other data, provided PSX has acknowledged receipt of the order, Quote/Order, message, or data.

(1) – (3) No change.

* * * * *

Rule 3230. Trading in Commodity-Related Securities

(a) – (c) No change.

(d) Information Barriers. A member organization acting as a registered market maker in a Commodity-Related Security is obligated to establish adequate information barriers when such market maker engages in inter-departmental communications. Member organizations should refer to NASD/NYSE Joint Memo on Chinese Wall Policies and Procedures (NASD Notice to Members 91-45) for guidance on the "'minimum elements' of adequate Chinese Wall policy and procedures." For purposes of a Commodity-Related Security only, "inter-departmental communications" shall include communications to other departments within the same firm or the firm's affiliates that involve trading in commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives underlying such Commodity-Related Security.

(e) Market Maker Accounts. A member organization acting as a registered market maker in a Commodity-Related Security must file with the Exchange's Regulation Department in a manner prescribed by such Department and keep current a list identifying all accounts for trading in commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives underlying such Commodity-Related Security, in which the market maker holds an interest, over which it may exercise investment discretion, or in which it shares in the profits and losses. No market maker shall trade in, or exercise investment discretion with respect to, such underlying commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives, in an account in which a market maker, directly or indirectly, controls trading activities, or has an interest in the profits or losses thereof, that has not been reported as required by this Rule. A member organization acting as a registered market maker in a Commodity-Related Security shall not act or register as a market maker in any commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives underlying such Commodity-Related Security.

(f) The member organization acting as a registered market maker in a Commodity-Related Security shall make available to the Exchange's Regulation Department such books, records or other information pertaining to transactions by such entity or registered or non-registered employees affiliated with such entity for its or their own accounts for trading commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives underlying such Commodity-Related Security, as may be requested by the Regulation Department.

(g) In connection with trading a Commodity-Related Security or commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives underlying a Commodity-Related Security, the member organization acting as a market maker in a Commodity-Related Security shall not use any material nonpublic information received from any person associated with the member organization or employee of such person regarding trading by such person or employee in the commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives underlying such Commodity-Related Security.

[(d)] (h) The Exchange requires that members and member organizations provide all purchasers of a newly issued Commodity-Related Security a prospectus for such Commodity-Related Security.

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Rule 3300. Execution Services

Rule 3301. Definitions

The following definitions apply to the Rule 3200 and 3300 Series for the trading of securities on PSX.

(a) The term "PSX," or "System" shall mean the automated system for order execution and trade reporting owned and operated by the Exchange. The Exchange will operate PSX as an automated trading center for purposes of rule 600(b)(4) of Regulation NMS. PSX comprises:

(1) – (2)

(3) a data feed(s) that can be used to display with[out] attribution to PSX Participants' MPIDs all Quotes and Displayed [displayed] Orders on both the bid and offer side of the market for all price levels then within the PSX Market.

(b) No change.

(c) The term "PSX Participant" or "Participant" shall mean an entity that fulfills the obligations contained in Rule 3211 regarding participation in the System, and shall include:

(1) "Equities ECNs," which are member organizations that meet all of the requirements of Rule 3223, and that participate in the System with respect to one or more System Securities; [and]

(2) "PSX Market Makers" or "Market Makers", member organizations that are registered as PSX Market Makers for purposes of participation in the System on a fully automated basis with respect to one or more System securities; and

[(2)] (3) "Order Entry Firms," which are member organizations that are registered for the purposes of entering orders in System Securities into the System. This term shall also include

any Electronic Communications Network or Alternative Trading System that fails to meet all of the requirements of Rule 3223.

(d) [Reserved.] With respect to System-provided quotation functionality:

(1) The term "Quote" shall mean a single bid or offer quotation submitted to the System and designated for display (price and size) next to the Participant's MPID by a Participant that is eligible to submit such quotations.

(2) The term "Reserve Size" shall mean the System-provided functionality that permits a Participant to display in its Displayed Quote part of the full size of a proprietary or agency order, with the remainder held in reserve on an undisplayed basis. Both the displayed and non-displayed portions are available for potential execution against incoming orders. If the Displayed Quote is reduced to less than a normal unit of trading, the System will replenish the display portion from reserve up to at least a single round-lot amount. A new timestamp is created for the replenished portion of the order each time it is replenished from reserve, while the reserve portion retains the time-stamp of its original entry.

(e) The term "Order" shall mean a single order or multiple orders at the same price submitted to the System by a Participant that is eligible to submit such orders and shall include:

(1) "Attributable Orders," which are orders that are designated for display (price and size) next to the Participant's MPID;

[(1)] (2) "Displayed Orders," which are orders that are entered by a Participant that are designated for display (price and size) on an anonymous basis in the order display service of the System; and

[(2)] (3) "Non-Displayed Orders," which are limit orders that are not displayed in the System, but nevertheless remain available for potential execution against all incoming orders until executed in full or cancelled.

(f) The term "Order Type" shall mean the unique processing prescribed for designated orders that are eligible for entry into the System, and shall include:

(1) – (4) No change.

(5) "Minimum Quantity Orders" are orders that will not execute unless a specified minimum quantity of shares can be obtained. A Minimum Quantity Order that posts to the Exchange book will be a Non-Displayed Order, and upon entry must have a size and a minimum quantity condition of at least one round lot. In the event that the shares remaining in the size of the order following a partial execution thereof are less than the minimum quantity specified by the market participant entering the order, the minimum quantity value of the order will be reduced to the number of shares remaining. [If the size of a Minimum Quantity Order is reduced to less than one round lot due to a partial execution, the minimum quantity condition on the order will be removed.]

(6) No change.

(7) [Reserved.] "Midpoint Peg Post-Only Orders" are orders that are priced in the same manner as Midpoint Peg Orders. Upon entry, a Midpoint Peg Post-Only Order will always post to the book unless it is a buy (sell) order that is priced higher than (lower than) a resting sell (buy) order, in which case it will execute at the price of the resting order. Midpoint Peg Post-Only Orders must always have a price of more than $1 per share. A Midpoint Peg Post-Only Order that would be assigned a price of $1 or less per share will be rejected or cancelled, as applicable. Midpoint Peg Post-Only Orders are eligible for entry and execution during regular market hours only, and any Midpoint Peg Post-Only Orders resting on the book at 4:00 pm will be cancelled.

While a Midpoint Peg Post-Only Order that posts to the book is locking a preexisting non-displayed order, the Midpoint Peg Post-Only Order will execute against an incoming order only if the price of the incoming buy (sell) order is higher (lower) than the price of the pre-existing order.

(8) No change.

(9) "Price to Comply Post Order" are orders that, if, at the time of entry, a Price to Comply Post Order would create a violation of Rule 610(d) of Regulation NMS under the Act by locking or crossing the protected quotation of an external market or would cause a violation of Rule 611 of Regulation NMS under the Act, the order will be re-priced and displayed by the System to one minimum price increment (i.e., $0.01 or $0.0001) below the current low offer (for bids) or to one penny above the current best bid (for offers). Price to Comply Post Orders will not be routed outside of the System.

[(9)] (10) "Unpriced Orders" are any order types permitted by the System to buy or sell shares of a security at the national best bid (best offer) ("NBBO") at the time when the order reaches the System. Any portion of an Unpriced Order that would execute on the System at a price more than $0.25 or 5 percent worse than the NBBO at the time when the order reaches the System, whichever is greater, will be cancelled.

[(10)] (11) "Post-Only Orders" are evaluated at the time of entry with respect to locking or crossing other orders as follows: (i) if a Post-Only Order would lock or cross an order on the System, the order will be re-priced and displayed by the System to one minimum price increment (i.e., $0.01 or $0.0001) below the current low offer (for bids) or above the current best bid (for offers) unless the value of price improvement associated with executing against a resting order equals or exceeds the sum of fees charged for such execution and the value of any rebate that would be provided if the order posted to the book and subsequently provided liquidity, in which case the order will execute; and (ii) if a Post-Only Order would not lock or cross an order on the System but would lock or cross the national best bid or offer as reflected in the protected quotation of another market center, the order will be priced to the current best offer (for bids) or to the current best bid (for offers) and displayed by the System to one minimum price increment

(i.e., $0.01 or $0.0001) below the current low offer (for bids) or above the current best bid (for offers).

[(11) "Minimum Life Orders" are orders that may not be cancelled by the entering participant for a period of 100 milliseconds following receipt by the Exchange. All Minimum Life Orders must be designated as Displayed Orders.]

(g) The term "Order Size" shall mean the number of shares up to 999,999 shares associated with a Quote or an Order and shall include:

(1) – (3) No change.

(h) – (i) No change.

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Rule 3305. Order Entry Parameters

(a) System Orders

(1) General— Only orders for NMS stocks may be entered and executed through PSX. PSX is the only venue on the Exchange for the entry and execution of orders in NMS stocks. A System order is an order that is entered into the System for display and/or execution as appropriate. Such orders are executable against marketable contra-side orders in the System.

(A) No change.

(B) A System order may also be designated with one or more of the following designations: a Discretionary Order, a Limit Order, a Reserve Order, a Pegged Order, a Displayed Order, a Non-Displayed Order, a Minimum Quantity Order, an Intermarket Sweep Order, a Price to Comply Order, a Price to Comply Post Order, a Post-Only Order, or a [Minimum Life Order] Midpoint Peg Post-Only Order.

(C) No change.

(2) – (3) No change.

(b) No change.

Rule 3306. Entry and Display of Quotes and Orders

(a) Entry of Orders—Participants can enter orders into the System, subject to the following requirements and conditions:

(1) No change.

(2) The System shall time-stamp an order, [but the timestamp will not be used for purposes of determining the priority of the order in the System's order processing algorithm] which shall determine the time ranking of the order for purposes of processing the order.

(3) No change.

(b) [Reserved] Entry of Quotes—PSX Market Makers and Equities ECNs can enter Quotes into the system from 8:00 a.m. to 5:00 p.m. Eastern Time. When open, Quotes will be processed as System Hours Day Orders (SDAY). Entry of Quotes will be subject to the requirements and conditions set forth in section (a) above.

(c) Display of Quotes and Orders—The System will display Quotes and O[o]rders submitted to the System as follows:

(1) System Book Feed—Quotes and [o]Orders resident in the System available for execution will be displayed via the System Book Feed.

(2) Best Priced Order Display—For each System Security, the aggregate size of all Quotes and Orders at the best price to buy and sell resident in the System will be transmitted for display to the appropriate network processor, unless the aggregate size is less than one round lot in which case the aggregate size will be displayed in the System Book Feed but not be transmitted to a network processor.

(3) Exceptions—The following exceptions shall apply to the display parameters set forth in paragraphs (1) and (2) above:

(A) – (B) No change.

(C) Non-Displayed Orders—Non-Displayed Orders are not displayed in the System, and have lower priority within the System than an equally priced Displayed Order, regardless of [size] time stamp, and shall be executed pursuant to Rule 3307.

(4) No change.

Rule 3307. Book Processing

[(a)] System orders shall be executed through the PSX Book Process set forth below:

[(1)] (a) Execution Algorithm - Price/[Display/Pro-Rata Allocation to Size]Time—The System shall execute equally priced or better priced trading interest within the System in price/time priority in the following order:

(1) Displayed Orders; and

(2) Non-Displayed Orders and the reserve portion of Quotes and Reserve Orders, in price/time priority among such interest.

(3) Exception: Anti-Internalization - Market participants may direct that Quotes/Orders entered into the System not execute against Quotes/Orders entered under the same MPID, or under the same MPID and with a unique group identification modifier that represents a group of Quotes/Orders from the same MPID. In such a case, a market participant may elect, at the MPID or order entry port, from the following options;

(A) if the interacting Quotes/Orders from the same MPID (or order entry port) are equivalent in size, both Quotes/Orders will be cancelled back to their entering parties. If the interacting Quotes/Orders from the same MPID (or order entry port) are not equivalent in size, share amounts equal to the size of the smaller of the two Quotes/Orders will be cancelled back to their originating parties with the remainder of the larger Quote/Order being retained by the System for potential execution; or

(B) regardless of the size of the interacting Quotes/Orders, cancelling the oldest of them in full.

[(A) Price—Better priced trading interest will be executed ahead of inferior-priced trading interest;]

[(B) Display—Displayed Orders at a particular price with a size of at least one round lot will be executed ahead of Non-Displayed Orders, the reserve portion of Reserve Orders, and odd-lot orders at the same price;]

[(C) Pro-Rata Allocation to Size Among Displayed Orders with a Size of One Round Lot or More—As among equally priced Displayed Orders with a size of at least one round lot, the System will allocate round lot portions of incoming executable orders to displayed trading interest within the System pro rata based on the size of the Displayed Orders. Portions of an order that would be executed in a size other than a round lot if they were allocated on a pro rata basis will be allocated for execution against available displayed trading interest on the basis of a random function that assigns probability of execution based on the size of displayed interest.]

[Example:

Displayed orders to buy at 10 reside on the PSX book with sizes of 6,000 (Participant A) and 4,000 (Participant B).

Incoming order to sell 1,100 at 10 comes into the System.

The System allocates 600 shares of the incoming order to Participant A and 400 shares of the incoming order to Participant B.

The remaining 100 shares of the incoming order are allocated on the basis of a random function that assigns a 60% probability of executing the 100 shares to Participant A and a 40% probability to Participant B.]

[(D) Displayed Odd-Lot Orders—As among equally priced Displayed Orders with a size of less than one round lot, the System will allocate incoming orders based on the size of the Displayed

Orders, but not in pro rata fashion. Thus, a larger odd-lot order would be filled before a smaller odd-lot order. If there are two or more odd lot orders of equal size, the System will determine the order of execution on the basis of a random function that assigns each order an equal probability of execution.]

[(E) Pro-Rata Allocation to Size Among Non-Displayed Interest with a Size of One Round Lot or More—As among equally priced Non-Displayed Orders and the reserve portion of Reserve Orders (collectively, "Non-Displayed Interest") with a size of at least one round lot, the System will allocate round lot portions of incoming executable orders to Non-Displayed Interest within the System pro rata based on the size of Non-Displayed Interest. Portions of an order that would be executed in a size other than a round lot if they were allocated on a pro rata basis will be allocated for execution against available Non-Displayed Interest on the basis of a random function that assigns probability of execution based on the size of Non-Displayed Interest.]

[(F) Minimum Quantity Orders—As among equally priced Minimum Quantity Orders, the System will allocate incoming executable orders to Minimum Quantity Orders within the System in the ascending order of the size of the minimum quantity conditions assigned to the orders. Thus, an order with a minimum quantity condition of 300 shares will be filled before an order with a minimum quantity condition of 400 shares. If there are two or more Minimum Quantity Orders with an equal minimum quantity condition, the System will determine the order of execution on the basis of a random function that assigns each order an equal probability of execution.]

[(G) Non-Displayed Odd-Lot Orders—As among equally priced Non-Displayed Interest with a size of less than one round lot, the System will allocate incoming orders based on the size of the Non-Displayed Interest, but not in pro rata fashion. Thus, a larger odd-lot order would be filled before a smaller odd-lot order. If there are two or more odd lot orders of equal size, the System will determine the order of execution on the basis of a random function that assigns each order an equal probability of execution.]

[(2)] (b) Decrementation—Upon execution, an order shall be reduced by an amount equal to the size of that execution.

[(3)] (c) Price Improvement—Any potential price improvement resulting from an execution in the System shall accrue to the taker of liquidity.

Example:

Buy order resides on book at 10.

Incoming order to sell priced at 9 comes into the System

Order executes at 10 (seller get $1 price improvement)

[(4) Exception: Anti-Internalization - Market participants may direct that orders entered into the System not execute against orders entered under the same MPID, or under the same MPID and

with a unique group identification modifier that represents a group of orders from the same MPID. In such a case, share amounts equal to the size of the portion of an incoming order that is designated by the order execution algorithm to interact with an order already in the System with the same MPID, or under the same MPID and with a unique group identification modifier that represents a group of orders from the same MPID, will be decremented from each order.]

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Rule 3310. Anonymity

(a) No change.

(b) The Exchange shall reveal a Participant's identity in the following circumstances:

(1) – (3) No change.

(4) Unless otherwise instructed by a member organization, the Exchange will reveal to a member organization, no later than the end of the day on the date an anonymous trade was executed, when the member organization's Quote or O[o]rder has been decremented by another Quote or O [o]rder submitted by that same member organization.