

Exhibit 5

Below is the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets.

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4210. Margin Requirements

(a) through (e) No Change.

(f) Other Provisions

(1) No Change.

(2) Puts, Calls and Other Options, Currency Warrants,

Currency Index Warrants and Stock Index Warrants

(A) through (G) No Change.

(H)(i) through (iv) No Change.

(v) The following requirements set forth the minimum amount of margin that must be maintained in margin accounts of customers having positions in components underlying options, and stock index warrants, when such components are held in conjunction with certain positions in the overlying option or warrant. The option or warrant must be listed or OTC (as defined in this Rule). In the case of a call or warrant carried in a short position, a related long position in the underlying component shall be valued at no more than the call/warrant exercise price for margin equity purposes.

a. "Long" Option or Warrant Offset. When a component underlying an option or warrant is carried "long" ("short") in [an] the same account [in which there is also carried] as a "long" put (call) or warrant specifying equivalent units of the underlying component, the minimum amount of margin that must be maintained on the underlying component is 10 percent of the aggregate option/warrant exercise price plus the "out-of-the-money" amount, not to exceed the minimum maintenance required pursuant to paragraph (c) of this Rule.

b. Conversions. When a call or warrant carried in a "short" position is covered by a "long" position in equivalent units of the underlying component and there is [also] carried in the same account [with] a "long" put or warrant specifying equivalent units of the same underlying component and having the same exercise price and expiration date as the short call or warrant, the minimum amount of margin that must be maintained for the underlying component shall be 10 percent of the aggregate exercise price.

c. Reverse Conversions. When a put or warrant carried in a "short" position is covered by a "short" position in equivalent units of the underlying component and there

is [also] carried in the same account [with] a "long" call or warrant specifying equivalent units of the same underlying component and having the same exercise price and expiration date as the "short" put or warrant, the minimum amount of margin that must be maintained for the underlying component shall be 10 percent of the aggregate exercise price plus the amount by which the exercise price of the put exceeds the current market value of the underlying, if any.

d. Collars. When a call or warrant carried in a "short" position is covered by a "long" position in equivalent units of the underlying component and there is [also] carried in the same account [with] a "long" put or warrant specifying equivalent units of the same underlying component and having a lower exercise price and the same expiration date as the "short" call/warrant, the minimum amount of margin that must be maintained for the underlying component shall be the lesser of 10 percent of the aggregate exercise price of the put plus the put "out-of-the-money" amount or 25 percent of the call aggregate exercise price.

e. No Change.

f. Protected Options. When an index call (put) option or warrant is carried “short” (the “protected option or warrant position”) and there is carried in the same account a long (short) position in an underlying stock basket, non-leveraged index mutual fund or non-leveraged exchange-traded fund (each, the “protection”) that is based on the same index underlying the index option or warrant, the protected option or warrant position is not subject to the requirements set forth in paragraphs (f)(2)(E)(i) and (f)(2)(E)(iii) of this Rule if the following conditions are met:

1. when the protected option or warrant position is created, the absolute value of the protection is not less than 100 percent of the aggregate current underlying index value associated with the protected option or warrant position determined at either:

A. the time the order that created the protected option or warrant position was entered or executed; or

B. the close of business on the trading day the protected option or warrant position was created;

2. the absolute value of the protection is at no time less than 95 percent of the aggregate current underlying index value associated with the protected option or warrant position; and

3. margin is maintained in an amount equal to the greater of:

A. the amount, if any, by which the aggregate current underlying index value is above (below) the aggregate exercise price of the protected call (put) option or warrant position; or

B. the amount, if any, by which the absolute value of the protection is below 100 percent of the aggregate current underlying index value associated with the protected option or warrant.

(I) through (N) No Change.

(3) through (10) No Change.

(g) through (h) No Change.

••• **Supplementary Material:** -----

.01 through .06 No Change.

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