

EXHIBIT 5B



OCC BY-LAWS

Underlined text indicates new text

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THE OPTIONS CLEARING CORPORATION

BY-LAWS

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Article I Definitions

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B.

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~~Borrowing Clearing Member~~

~~(4) The term "Borrowing Clearing Member" means any Hedge Clearing Member or Market Loan Clearing Member that borrows Eligible Stock in a Stock Loan.~~

(5) – (8) [Renumbered (4) – (7). Otherwise, no change.]

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E.

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~~Eligible Stock~~

~~(3) The term "Eligible Stock" means any security that is eligible for lending in the Stock Loan/Hedge Program and the Market Loan Program. A security shall be eligible for lending in the Stock Loan/Hedge Program and the Market Loan Program if and only if (i) the security is an equity security that the Depository has determined is eligible for deposit at the Depository, (ii) the Corporation has not determined to terminate all outstanding Stock Loans and/or Market Loans in respect of such security pursuant to the By-Laws, (iii) the security is a "covered security" within the meaning of Section 18(b)(1) of the Securities Act of 1933, (iv) in the case of securities which are neither underlying securities nor fund shares that have as their reference index an index that underlies any cleared contract, the security is trading at a market price of at least \$3 per share, as determined by the Corporation. The Corporation may waive requirement (iv) at its discretion upon a determination that other factors, including trading volume, the number of shareholders, the number of outstanding shares, and current bid/ask spreads warrant such result. However, should the market price for a security for which the Corporation has not waived requirement (iv) fall below \$3, no new Stock Loan or Market Loan transactions may be submitted for clearance, but existing positions may be maintained.~~

(4) – (23) [Renumbered (3) – (22). Otherwise, no change.]

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H.

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Hedge Loan

~~(1) The term “Hedge Loan” means a matched pair of securities contracts for the loan of Eligible Stock made through the Stock Loan/Hedge Program, with one such securities contract being between the Lending Clearing Member and the Corporation as the borrower and the second such securities contract being between the Corporation as the lender and the Borrowing Clearing Member.~~

Holder

(2) [Renumbered (1). Otherwise, no change.]

L.

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Lending Clearing Member

~~(2) The term "Lending Clearing Member" means any Hedge Clearing Member or Market Loan Clearing Member that lends Eligible Stock in a Stock Loan.~~

Lien

(3) [Renumbered (2). Otherwise, no change.]

Limited Cross-Guaranty Agreement

(4) [Renumbered (3). Otherwise, no change.]

Loan Market

~~(5) The term “Loan Market” means an electronic platform included in the Corporation’s Market Loan Program that supports securities lending and borrowing transactions by matching lenders and borrowers based on loan terms that each party is willing to accept.~~

Long Position

(6) [Renumbered (4). Otherwise, no change.]

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M.

(1) – (2) [No change]

Market Loan

~~(3) The term “Market Loan” means a loan of Eligible Stock that was effected through a Loan Market and accepted by the Corporation in accordance with the By Laws and Rules.~~

Market Loan Program

~~(4) The term “Market Loan Program” means the Corporation's program for processing and maintaining stock loan positions originated through a Loan Market and effecting required payments in respect of such positions, all as further described in the By Laws and Rules.~~

Margin Assets

(5) [Renumbered (3). Otherwise, no change.]

Margin Requirement

(6) [Renumbered (4). Otherwise, no change.]

Matched Book Borrowing Clearing Member

~~(7) The term “Matched Book Borrowing Clearing Member” shall mean, with respect to any Matched Book Positions, the Hedge Clearing Member that borrows Eligible Stock from a Hedge Clearing Member maintaining Matched Book Positions in that Eligible Stock.~~

Matched Book Lending Clearing Member

~~(8) The term “Matched Book Lending Clearing Member” shall mean, with respect to any Matched Book Positions, the Hedge Clearing Member that lends Eligible Stock to a Hedge Clearing Member maintaining Matched Book Positions in that Eligible Stock.~~

Matched Book Positions

~~(9) The term “Matched Book Positions” shall mean Hedge Loan positions in which a single Hedge Clearing Member borrows Eligible Stock from a Matched Book Lending Clearing Member and lends an equal or lesser amount of the same Eligible Stock to a Matched Book Borrowing Clearing Member.~~

(10) – (15) [Renumbered (5) – (10). Otherwise, no change.]

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S.

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Stock Borrow Position

(19) The term "stock borrow position" ~~means the position of a Borrowing Clearing Member in respect of a Stock Loan.~~ has the same meaning as defined in Rule 101.

Stock Future

(20) [No change.]

Stock Loan~~(21) The term “Stock Loan” means either a “Hedge Loan” or a “Market Loan” or both as the context requires.~~**Stock Loan/Hedge Program**~~(22) The term “Stock Loan/Hedge Program” means the Corporation’s program for processing and monitoring Stock Loans and hedging stock loan positions and stock borrow positions against stock option positions, all as further described in the By-Laws and Rules.~~**Stock Loan Position**~~(23)~~(21) The term "stock loan position" ~~means the position of a Lending Clearing Member in respect of a Stock Loan.~~ has the same meaning as defined in Rule 101.

(24) – (25) [Renumbered (22) – (23). Otherwise, no change.]

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Article XI**Amendment of the By-Laws and the Rules**

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Amendment of the By-Laws

SECTION 1. [No change]

Amendment of the Rules

SECTION 2. The Rules may be amended at any time by the Board of Directors; provided that any amendment of the introduction to Chapter X of the Rules, Rule 1002, Rule 1006, Rule 1009, ~~and~~ Rule 1010, Rule 2201, Rule 2203, Rules 2204, Rule 2205, Rule 2206(a) and (d), Rule 2213(e)(1), Rule 2214(e)(1), Rule 2201A, Rule 2203A, Rule 2204A, Rule 2205A, and Rule 2206A(a)-(c) and (f) shall require the affirmative vote of two-thirds of the directors then in office (but not less than a majority of the number of directors fixed by these By-Laws).

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Article XXI~~Stock Loan/Hedge Program~~[Reserved]**Introduction**

~~By-Laws in this Article are applicable only to the Stock Loan/Hedge Program. In addition, the By-Laws in Articles I-XI are also applicable to the Stock Loan/Hedge Program, in some cases supplemented by one or more By-Laws in this Article, except for By-Laws that have been replaced in respect of the Stock Loan/Hedge Program by one or more By-Laws in this Article and except where the context otherwise requires. Whenever a By-Law in this Article supplements or, for purposes of this Article, replaces one or more By-Laws in Articles I-XI, that fact is indicated in brackets following the By-Law in this Article.~~

Definitions—SECTION 1.

~~A.—B.~~

~~Reserved.~~

~~C.~~

Collateral

~~(1) The term "Collateral" means the amount in U.S. dollars deposited by a Borrowing Clearing Member with a Lending Clearing Member upon initiation of a Stock Loan as security for the obligations of the Borrowing Clearing Member in respect of the Stock Loan, as such amount may be adjusted from time to time through mark-to-market payments made by the Borrowing Clearing Member and the Lending Clearing Member pursuant to Rule 2204.~~

~~D.~~

Depository

~~(1) The term "Depository" means The Depository Trust Company.~~

~~E.—K.~~

~~Reserved.~~

~~L.~~

Loaned Stock

~~(1) The term "Loaned Stock" means Eligible Stock transferred by a Lending Clearing Member to a Borrowing Clearing Member upon initiation of a Stock Loan, and any securities issued in exchange for such securities by reason of a reorganization, recapitalization, merger, consolidation or other corporate action of the issuer, and non-cash distributions described in Rule 2206 in respect of all such securities.~~

~~M.~~

Marking Price

~~(1) The term "marking price", as used in respect of any Loaned Stock shall have the meaning given to it in Article I of the By Laws~~

Mark-To-Market Payment

~~(2) The term "mark to market payment," as used in respect of any Stock Loan, means a payment made by a Lending Clearing Member or Borrowing Clearing Member to the Corporation or by the Corporation to a Lending Clearing Member or Borrowing Clearing Member pursuant to Rule 2204.~~

~~N.—R.~~

~~Reserved.~~

~~S.~~

Settlement Date

~~(1) The term "settlement date" in respect of the termination of Stock Loans has the meaning set forth in Rule 2208.~~

Settlement Price

~~(2) The term "settlement price" in respect of a Stock Loan means the amount of Collateral specified by the Lending Clearing Member in its instructions to initiate the Stock Loan as described in Rule 2202. The term "settlement price," in respect of the termination by either a Lending Clearing Member or a Borrowing Clearing Member of a Stock Loan or portion thereof, means the amount of Collateral required to be returned by the Lending Clearing Member on the settlement date.~~

Stock Loan

~~(3) The term "Stock Loan" as used in this Article XXI of the By Laws and in Chapter XXII of the Rules refers only to "Hedge Loans" and not to "Market Loans" (as those terms are defined in Article I of the By Laws).~~

Stock Loan Business Day

~~(4) The term "stock loan business day" means any day on which the Corporation and the Depository are open for business.~~

~~T.—Z.~~

~~Reserved.~~

~~[Section 1 of this Article adds certain definitions relevant to the Stock Loan/Hedge Program.]~~

~~Role of the Corporation~~

~~SECTION 2 (a) Commencing at the time at which the Corporation accepts a Stock Loan as described in Rule 2202, the role of the Corporation in respect of the Stock Loan shall be that of a principal, and the Corporation shall have the position of borrower to the Lending Clearing Member and lender to the Borrowing Clearing Member. Without limiting the generality of the foregoing: (i) the rights of the two Clearing Members that are parties to a Stock Loan to receive mark-to-market payments, and their obligations to make mark-to-market payments, shall be as against the Corporation, and not as against each other; and (ii) in the event of a termination of a Stock Loan in accordance with the Rules (with the exception of a termination by offset as provided in Rule 2208(e) or Rule 2212), the right of the Lending Clearing Member to receive the Loaned Stock and the obligation of the Lending Clearing Member to pay the settlement price shall be as against the Corporation, and the obligation of the Borrowing Clearing Member to deliver the Loaned Stock and the right of the Borrowing Clearing Member to receive the settlement price shall be as against the Corporation. In addition to the foregoing:~~

~~(1) stock loan positions of a Clearing Member established as a result of Stock Loans relating to the same Eligible Stock in which the Clearing Member is the Lending Clearing Member shall be aggregated for position reporting purposes, but shall not be netted against any stock borrow position which the Clearing Member may be carrying relating to the same Eligible Stock for any purpose other than (i) as described in Rule 601 with respect to determining the Clearing Member's margin obligations to the Corporation and (ii) as may be permitted pursuant to the Rules with respect to suspended Clearing Members or the voluntary termination by offset and re-matching of Matched Book Positions in accordance with Rule 2208(e); and~~

~~(2) stock borrow positions of a Clearing Member established as the result of Stock Loans relating to the same Eligible Stock in which the Clearing Member is the Borrowing Clearing Member shall be aggregated for position reporting purposes, but shall not be netted against any stock loan position which the Clearing Member may be carrying relating to the same Eligible Stock for any purpose other than (i) as described in Rule 601 with respect to determining the Clearing Member's margin obligations to the Corporation and (ii) as may be permitted pursuant to the Rules with respect to suspended Clearing Members or the voluntary termination by offset and re-matching of Matched Book Positions in accordance with Rule 2208(e);~~

~~(b) Upon acceptance of a Stock Loan, the Corporation shall create a stock loan position in the account designated by the Lending Clearing Member, identifying the Eligible Stock that is the subject of the Stock Loan, the number of shares loaned, the amount of Collateral received from the Borrowing Clearing Member and the identity of the Borrowing Clearing Member, and shall create a stock borrow position in the account designated by the Borrowing Clearing Member, identifying the Eligible Stock that is the subject of the Stock Loan, the number of shares borrowed, the amount of Collateral delivered to the Lending Clearing Member and the identity of the Lending Clearing Member. The Corporation shall identify stock loan and stock borrow positions resulting from Hedge Loans separately from positions resulting from Market Loans.~~

~~(c) The Corporation may at any time terminate the outstanding Stock Loans relating to one or more particular Eligible Stocks upon a determination by the Corporation, in its sole discretion, that such action is warranted by reason of the lack of substantial volume in such Stock Loans, the impending termination of business on the part of the Corporation, the inability of the Corporation from time to time to maintain in effect satisfactory arrangements with the Depository, or other circumstances in which the Corporation in its sole discretion determines that such action is necessary or appropriate for the protection of the Corporation, its Clearing Members or the public. The Corporation may effect a termination pursuant to this paragraph (c) by giving written notice thereof to all affected Hedge Clearing Members specifying the date on which such termination is to become effective, which date shall be a stock loan business day at least one stock loan business day after the date of such notice.~~

~~... Interpretations and Policies:~~

~~.01 If a Lending Clearing Member and a Borrowing Clearing Member complete the termination of a Stock Loan at a price other than the correct settlement price for the termination, the Corporation will treat the termination as having been completed at the correct settlement price. If the records of the Corporation show that a Lending Clearing Member and a Borrowing Clearing Member are party on a particular day to two or more Stock Loans between them in respect of a particular Eligible Stock but having different termination settlement prices (this might occur because one or more of the Stock Loans was initiated on that day) and the Lending Clearing Member and the Borrowing Clearing Member complete the termination of a Stock Loan at a price other than the correct settlement price for the termination of any of the Stock Loans, the Corporation will determine which of the Stock Loans will be deemed to have been terminated in accordance with its procedures as in effect from time to time, and will treat the termination as having been completed at the correct settlement price for that Stock Loan. In any of these events, the records of the Corporation shall be dispositive as between the Corporation and each of the two Hedge Clearing Members, the Lending Clearing Member and the Borrowing Clearing Member will be responsible for reconciling the discrepancy between the actual price and the settlement price utilized by the Corporation among themselves and, notwithstanding paragraph (a) of this Section, the Corporation shall have no responsibility to either the Borrowing Clearing Member or the Lending Clearing Member to reconcile the discrepancy.~~

~~Agreements of Borrowing Clearing Member~~

~~SECTION 3. The Clearing Member that is the Borrowing Clearing Member in respect of a Stock Loan agrees with the Corporation that: (a) upon the acceptance of the Stock Loan by the Corporation, the resulting stock borrow position of the Borrowing Clearing Member shall be created and subsequently maintained in accordance with Section 2 of this Article XXI, (b) so long as such stock borrow position is thereafter maintained, the Borrowing Clearing Member shall make all required margin deposits with the Corporation in accordance with Rule 2203 and all required mark-to-market payments to the Corporation in accordance with Rule 2204, and (c) with the exception of a termination by offset as provided in Rule 2208(e) or Rule 2212, in the event that the Lending Clearing Member, the Borrowing Clearing Member or the Corporation terminates the Stock Loan, the Borrowing Clearing Member shall deliver the Loaned Stock,~~

~~against payment of the settlement price, in accordance with the By-Laws and the Rules. In the event of a conflict between the records of the Corporation and any records generated by the Borrowing Clearing Member regarding a Stock Loan and resulting stock borrow positions, the records generated by the Corporation will prevail and the Borrowing Clearing Member shall remain liable for all obligations associated with such stock borrow positions maintained on the records of the Corporation.~~

~~Agreements of Lending Clearing Member~~

~~SECTION 4. The Clearing Member that is the Lending Clearing Member in respect of a Stock Loan agrees with the Corporation that: (a) upon the acceptance of the Stock Loan by the Corporation, the resulting stock loan position of the Lending Clearing Member shall be created and subsequently maintained in accordance with Section 2 of this Article XXI, (b) so long as such stock loan position is thereafter maintained, the Lending Clearing Member shall make all required margin deposits with the Corporation in accordance with Rule 2203 and all required mark to market payments to the Corporation in accordance with Rule 2204, and (c) with the exception of a termination by offset as provided in Rule 2208(e) or Rule 2212, in the event that the Borrowing Clearing Member, the Lending Clearing Member or the Corporation terminates the Stock Loan, the Lending Clearing Member shall pay the settlement price, against delivery of the Loaned Stock, in accordance with the By-Laws and the Rules. In the event of a conflict between the records of the Corporation and any records generated by the Lending Clearing Member regarding a Stock Loan and resulting stock loan positions, the records generated by the Corporation will prevail and the Lending Clearing Member shall remain liable for all obligations associated with such stock loan positions maintained on the records of the Corporation.~~

~~Maintaining Stock Loan and Stock Borrow Positions in Accounts~~

~~SECTION 5. Notwithstanding the provisions of Section 3 of Article VI of the By-Laws, stock loan positions and stock borrow positions resulting from Stock Loans may be maintained in any of a Hedge Clearing Member's accounts with the Corporation. For the purposes of Section 3 of Article VI of the By-Laws, stock loan positions resulting from Stock Loans shall be deemed to be "securities" and stock borrow positions resulting from Stock Loans shall be deemed to be "funds," and the authority of the Corporation to close out "positions" in any account shall include the authority to close out such stock loan positions and stock borrow positions.~~

~~[Section 5 of this Article supplements Section 3 of Article VI of the By-Laws.]~~

~~... Interpretations and Policies:~~

~~.01 Until such time as the Corporation determines that appropriate regulatory approvals have been obtained, a Hedge Clearing Member is not permitted to allocate stock loan or stock borrow positions resulting from Stock Loans to any proprietary X-M account, non-proprietary X-M account, internal nonproprietary cross-margining account or segregated futures account.~~

Article XXIA Market Loan Program

Introduction

~~By Laws in this Article are applicable only to the Market Loan Program. In addition, the By-Laws in Articles I-XI are also applicable to the Market Loan Program, in some cases supplemented by one or more By Laws in this Article, except for By Laws that have been replaced in respect of the Market Loan Program by one or more By Laws in this Article and except where the context otherwise requires. Whenever a By Law in this Article supplements or, for purposes of this Article, replaces one or more By Laws in Articles I-XI and Section 1 of Article XXI, that fact is indicated in brackets following the By Law in this Article.~~

Definitions~~SECTION 1.~~~~A.—B.~~~~Reserved.~~~~C.~~**Collateral**

~~(1) The term "Collateral" means, in respect of a Market Loan, the amount in U.S. dollars a Borrowing Clearing Member is required to transfer to the Corporation's account at the Depository, which the Corporation in turn instructs the Depository to transfer to the Lending Clearing Member, as security for the obligations of the Borrowing Clearing Member in respect of the Market Loan, as such amount may be adjusted from time to time through mark-to-market payments made by the Borrowing Clearing Member and the Lending Clearing Member pursuant to Rule 2204A. The Collateral requirement applicable to a Market Loan shall be the mark-to-market value of the Loaned Stock multiplied by a percentage (no less than 100%) specified by the relevant Loan Market.~~

~~D.~~**Depository**

~~(1) The term "Depository" shall have the meaning given to it in Article XXI of the By Laws.~~

Dividend Equivalent Payment

~~(2) The term "dividend equivalent payment" means, in respect of a Market Loan, a payment to be made by the Borrowing Clearing Member to the Lending Clearing Member to reflect any cash dividend or distribution made with respect to the Loaned Stock during the term of a Market Loan.~~

~~E.—K.~~~~Reserved.~~

~~L.~~**Loaned Stock**

~~(1) The term "Loaned Stock" means, in respect of a Market Loan, Eligible Stock that is the subject of the Market Loan and any securities issued in exchange for such Eligible Stock by reason of a reorganization, recapitalization, merger, consolidation or other corporate action of the issuer, and any non-cash distributions described in Rule 2206A in respect of the Loaned Stock.~~

~~M.~~**Mark-to-Market Payment**

~~(1) The term "mark-to-market payment," as used in respect of any Market Loan, means a payment made by a Lending Clearing Member or Borrowing Clearing Member to the Corporation or by the Corporation to a Lending Clearing Member or Borrowing Clearing Member pursuant to Rule 2204A.~~

Marking Price

~~(2) The term "marking price" shall have the meaning given to it in Article XXI of the By Laws.~~

~~N.—Q.~~

~~Reserved.~~

~~R.~~**Rebate**

~~(1) The term "rebate," as used in respect of any Market Loan, means a fee payable from the Lending Clearing Member to the Borrowing Clearing Member (or, if the rebate rate is negative, from the Borrowing Clearing Member to the Lending Clearing Member), expressed as a rate based on the amount of cash Collateral held by the Lending Clearing Member.~~

Recall

~~(2) The term "recall," as used in respect of any Market Loan, means the process by which the Lending Clearing Member may initiate the termination of the Market Loan, or any portion thereof, by submitting a notice to the applicable Loan Market calling for the return of all or any portion of the Loaned Stock.~~

Return

~~(3) The term "return," as used in respect of any Market Loan, means the process by which the Borrowing Clearing Member may initiate the termination of the Market Loan, or any portion thereof, by submitting a notice to the Loan Market indicating its intention to return all or any portion of the Loaned Stock.~~

~~S.~~

Settlement Price

(1) The term "settlement price," as used in respect of a Market Loan, means the amount of Collateral specified in the instructions submitted by the Corporation to the Depository to effect such Market Loan. The term "settlement price," in respect of the termination of a Market Loan or portion thereof, means the amount of Collateral required to be returned by the Lending Clearing Member on the settlement date.

Stock Loan Business Day

(2) The term "stock loan business day" shall have the meaning given to it in Article XXI of the By-Laws.

T.—Z.

Reserved

[Section 1 of this Article adds certain new definitions relevant to the Market Loan Program and replaces, for purposes of Market Loans, the definitions of the same terms in Article I, Section 1 and Article XXI, Section I of the By-Laws.]

Role of the Corporation

SECTION 2. Commencing at the time at which the Corporation accepts a Market Loan as described in Rule 2202A, the role of the Corporation in respect of such Market Loan shall be that of a principal, and the Corporation shall have the position of borrower to the Lending Clearing Member and lender to the Borrowing Clearing Member. Without limiting the generality of the foregoing: (i) the rights and/or obligations of a Clearing Member that is party to such Market Loan to receive and/or pay mark-to-market payments, dividend equivalent payments and rebate payments shall be as against the Corporation; and (ii) in the event of termination of such Market Loan in accordance with the Rules, the right of the Lending Clearing Member to receive the Loaned Stock and the obligation of the Lending Clearing Member to pay the settlement price shall be as against the Corporation, and the obligation of the Borrowing Clearing Member to deliver the Loaned Stock and the right of the Borrowing Clearing Member to receive the settlement price shall be as against the Corporation.

Agreement of Borrowing Clearing Member

SECTION 3. The Clearing Member that is the Borrowing Clearing Member in respect of a Market Loan agrees with the Corporation that: (i) upon the acceptance of the Market Loan by the Corporation, the resulting stock borrow position of the Borrowing Clearing Member shall be created and subsequently maintained in accordance with Section 5 of this Article XXIA, (ii) so long as such stock borrow position is thereafter maintained, the Borrowing Clearing Member shall make all required payments to the Corporation including margin deposits, mark-to-market payments, dividend equivalent payments and rebate payments (in the case of a negative rebate), all in accordance with the By-Laws and Rules, and (iii) in the event that the Market Loan is terminated, the Borrowing Clearing Member shall deliver the Loaned Stock, against payment of the settlement price, in accordance with the By-Laws and Rules. In the event of a conflict

between the records of the Corporation and any records generated by the Borrowing Clearing Member regarding a Stock Loan and resulting stock borrow positions, the records generated by the Corporation will prevail and the Borrowing Clearing Member shall remain liable for all obligations associated with such stock borrow positions maintained on the records of the Corporation.

Agreement of Lending Clearing Member

SECTION 4. The Clearing Member that is the Lending Clearing Member in respect of a Market Loan agrees with the Corporation that: (i) upon the acceptance of the Market Loan by the Corporation, the resulting stock loan position of the Lending Clearing Member shall be created and subsequently maintained in accordance with Section 5 of this Article XXIA, (ii) so long as such stock loan position is thereafter maintained, the Lending Clearing Member shall make all required payments to the Corporation including margin deposits, mark to market payments and rebate payments (in the case of a positive rebate), all in accordance with the By-Laws and Rules, and (iii) in the event that the Market Loan is terminated, the Lending Clearing Member shall pay the settlement price, against delivery of the Loaned Stock, in accordance with the By-Laws and Rules. In the event of a conflict between the records of the Corporation and any records generated by the Lending Clearing Member regarding a Stock Loan and resulting stock loan positions, the records generated by the Corporation will prevail and the Lending Clearing Member shall remain liable for all obligations associated with such stock loan positions maintained on the records of the Corporation.

Maintaining Stock Loan and Borrow Positions in Accounts

SECTION 5. (a) Upon acceptance of a Market Loan as described in the Rules, the Corporation shall create a stock loan position in the account designated by the Lending Clearing Member, identifying the Eligible Stock that is the subject of the Market Loan, the number of shares loaned and the amount of Collateral received, and shall create a stock borrow position in the account designated by the Borrowing Clearing Member, identifying the Eligible Security that is the subject of the Market Loan, the number of shares borrowed and the amount of Collateral delivered. The Corporation shall identify stock loan and stock borrow positions resulting from Market Loans separately from stock loan and stock borrow positions resulting from Hedge Loans. In addition to the foregoing:

(1) stock loan positions of a Clearing Member established as a result of Market Loans relating to the same Eligible Stock in which the Clearing Member is the Lending Clearing Member shall be aggregated (separately for Market Loans effected through each Loan Market) for position reporting purposes, but shall not be netted against any stock borrow position which the Clearing Member may be carrying relating to the same Eligible Stock for any purposes other than (i) as described in Rule 601 with respect to determining the Clearing Member's margin obligations to the Corporation and (ii) as may be permitted pursuant to the Rules with respect to suspended Clearing Members; and

(2) stock borrow positions of a Clearing Member established as the result of Market Loans relating to the same Eligible Stock in which the Clearing Member is the Borrowing Clearing

~~Member shall be aggregated (separately for Market Loans effected through each Loan Market) for position reporting purposes, but shall not be netted against any stock loan position which the Clearing Member may be carrying relating to the same Eligible Stock for any purpose other than (i) as described in Rule 601 with respect to determining the Clearing Member's margin obligations to the Corporation and (ii) as may be permitted pursuant to the Rules with respect to suspended Clearing Members.~~

~~(b) Notwithstanding the provisions of Section 3 of Article VI of the By-Laws, stock loan and stock borrow positions resulting from Market Loans may be maintained in any of a Market Loan Clearing Member's accounts with the Corporation. For the purposes of Section 3 of Article VI of the By-Laws, stock loan positions resulting from Market Loans shall be deemed to be "securities" and stock borrow positions resulting from Market Loans shall be deemed to be "funds," and the authority of the Corporation to close out "positions" in any account shall include the authority to close out such stock loan and stock borrow positions.~~

~~[Section 5 of this Article supplements Section 3 of Article VI of the By-Laws.]~~

~~**... Interpretations and Policies: ...**~~

~~01 Until such time as the Corporation determines that appropriate regulatory approvals have been obtained, a Market Loan Clearing Member is not permitted to allocate stock loan or stock borrow positions resulting from Market Loans to any proprietary X-M account, non-proprietary X-M account, internal non-proprietary cross-margining account or segregated futures account.~~