

Exhibit 5

Text of the Proposed Rule Change

Underlining indicates additions; [brackets] indicate deletions.

Rule 701. Trading Rotations

(a) No change.

(b) *Opening Rotations.* Trading rotations shall be employed at the opening of the Exchange each business day.

(1) no change.

(2) The opening rotation in each class of options shall be held promptly following the opening of the market for the underlying security. For purposes of this Rule, “market for the underlying security” shall be either the primary listing market, the primary volume market (defined as the market with the most liquidity in that underlying security for the previous two calendar months), or the first market to open the underlying security, as determined by the Exchange on an issue-by-issue basis and announced to the membership on the Exchange’s web site.

(3) - (4) no change.

(c) *Rotations After Trading Hours.* [Normally, the close of trading for options classes shall occur two (2) minutes after the primary market on which the underlying stock trades closes for trading. However, as] As provided below transactions may be effected in a class of options after the end of normal trading hours in connection with a trading rotation.

(1) – (4) no change.

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Rule 705. Limitation of Liability

(a) The Exchange, its Directors, officers, committee members, employees, contractors or agents shall not be liable to Members nor any persons associated with Members for any loss, expense, damages or claims arising out of the use of the facilities, systems or equipment afforded by the Exchange, nor any interruption in or failure or unavailability of any such facilities, systems or equipment, whether or not such loss, expense, damages or claims result or are alleged to result from negligence or other unintentional errors or omissions on the part of the Exchange, its Directors, officers, committee members, employees, contractors, agents or other persons acting on its behalf, or from systems failure, or from any other cause within or outside the control of the Exchange. Without

limiting the generality of the foregoing, the Exchange shall have no liability to any person for any loss, expense, damages or claims [with]which result from any error, omission or delay in calculating or disseminating any current or closing index value or any reports of transactions in or quotations for options or other securities, including underlying securities.

(b) – (d) no change.

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Rule 715. Types of Orders

(a) – (k) no change.

(l) [Reserved.]Day Order. An order to buy or sell which, if not executed, expires at the end of the day on which it was entered. All orders by their terms are Day Orders unless otherwise specified.

(m) - (q) no change.

(r) Good-Till-Canceled Order (GTC Order). An order to buy or sell that remains in force until the order is filled, canceled or the option contract expires; provided, however, that GTC Orders will be canceled in the event of a corporate action that results in an adjustment to the terms of an option contract.

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Rule 803. Obligations of Market Makers

(a) – (b) no change.

(c) *Primary Market Makers.* In addition to the obligations contained in this Rule for market makers generally, for options classes to which a market maker is the appointed Primary Market Maker, it shall have the responsibility to [initiate trading in each series pursuant to Rule 701.] initiate trading in each series pursuant to Rule 701.

(d) no change.

Supplementary Material to Rule 803

.01 - .02 No change.

.03 Any Member that is approved to act in the capacity of a Primary Market Maker may voluntarily act as a “Back-Up Primary Market Maker” in options series in which it is quoting as a Competitive Market Maker.

(a) - (b) no change.

(c) The Back-Up Primary Market Maker is automatically restored to Competitive Market Maker status when the appointed Primary Market Maker initiates quoting in the series[, provided however that the Back-Up Primary Market Maker will continue to have responsibility for any outstanding unexecuted orders it is handling pursuant to Rule 803(c)(2) until such orders are executed].

.04 - .05 no change.

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Rule 804. Market Maker Quotations

(a) – (c) no change.

(d) *Firm Quotes*.

(1) – (2) no change.

[(3) Within thirty seconds of receipt of an order to buy or sell an option in an amount greater than the Order Execution Size, or within thirty seconds of another Exchange market maker entering a quotation at a price executable against the market maker's quotation, that portion of the order equal to the Order Execution Size, or the Quotation Execution Size, as the case may be, will be executed and the bid or offer price will be revised.]

(e) *Continuous Quotes*. A market maker must enter continuous quotations for the options classes to which it is appointed pursuant to the following:

(1) no change.

(2) Competitive Market Makers. (i) On any given day, a Competitive Market Maker is not required to enter quotations in the options classes to which it is appointed.

(ii) A Competitive Market Maker may initiate quoting in options classes to which it is appointed intraday[, up to the number of appointed options classes for which they participated in the opening rotation on that day].

(iii) - (iv) no change.

(f) - (h) no change.

Supplementary Material To Rule 804

.01 - .02 no change.

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Rule 810. Limitations on Dealings

(a) – (e) no change.

(f) *Exceptions to the Information Barrier Requirement.*

(1) A market maker shall be exempt from paragraph (a)(3) of this Rule to the extent the market maker complies with the following conditions:

(A) such Member handles orders as agent only for the account of entities that are affiliated with the Member and solely in options classes to which the Member is not appointed as a market maker pursuant to Rule 802 or in which the Member is prohibited from acting as a market maker pursuant to regulatory requirements;

(B) such market maker handles orders as agent solely with respect to a Directed Order Program, as defined in Supplementary Material .01 below; or]

[(C) a Primary Market Maker handles orders of Public Customers as agent solely to comply with the obligations under Rules 803(c)(2) and 1901 to address such orders when there is a better market on another exchange.]

(2) no change.

Supplemental Material to Rule 810

.01 no change.

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Rule 811. Directed Orders

(a) Definitions.

(1) A “Directed Order” is an order routed from an Electronic Access Member to an Exchange market maker through the Exchange’s System.

(2) A “Directed Market Maker” is a market maker that receives a Directed Order.

(3) The “NBBO” is defined in Rule 1900.

(b) [Other than with respect to discharging their obligations pursuant to Rule 803(c)(2),] Exchange market makers may only receive and handle orders on an agency basis if they are Directed Orders and only in the manner prescribed in this Rule 811. A market maker can elect whether or not to accept Directed Orders on a daily basis. If a market maker elects to be a Directed Market Maker, it must accept Directed Orders from all Electronic Access Members and cannot reject a Directed Order. The identity of the Electronic Access Member that entered the Directed Order will be made available to the Directed Market Maker.

(c) Obligations of Directed Market Makers.

(1) Directed Market Makers must hold the interests of orders entrusted to them above their own interests and fulfill in a professional manner all other duties of an agent, including, but not limited to, ensuring that each such order, regardless of its size or source, receives proper representation and timely, best possible execution in accordance with the terms of the order and the rules and policies of the Exchange.

(2) Directed Market Makers must ensure that their acceptance and execution of Directed Orders as agent are in compliance with applicable Federal and Exchange rules and policies.

(3) Within one (1) second of receipt of a Directed Order, Directed Market Makers must either enter the Directed Order into the PIM pursuant to Rule 723 or release the Directed Order to the Exchange’s limit order book pursuant to paragraph (e) of this Rule.

(i) If the Directed Market Maker is quoting at the NBBO on the opposite side of the Directed Order, the Directed Market Maker is prohibited from adjusting the price of its quote to a price that is less favorable than the price available at the NBBO or reducing the size of its quote prior to submitting the Directed Order to the PIM, unless such quote change is the result of an automated quotation system that operates independently from the existence or non-existence of a pending Directed Order. Otherwise changing a quote on the opposite side of the Directed Order except as specifically permitted herein will be a violation of Rule 400 (Just and Equitable Principles of Trade).

(ii) If a Directed Market Maker fails to either enter a Directed Order into the PIM or release the order within one (1) second of its receipt, the Directed Order will be automatically released by the System and processed according to paragraph (e) of this Rule.

(d) Directed Market Maker Guarantee. If the Directed Market Maker is quoting at the NBBO on the opposite side of the market from a Directed Order at the time the Directed Order is received by the Directed Market Maker, and the Directed Order is marketable, the System will automatically guarantee execution of the Directed Order against the Directed Market Maker at the price and the size of its quote (the "Guarantee"). The Directed Market Maker cannot alter the Guarantee.

(e) Except as provided in this paragraph (e), when a Directed Order is released, the System processes the order in the same manner as any other order received by the Exchange. Directed Orders will not be automatically executed at a price that is inferior to the NBBO and, except as provided in subparagraph (e)(3), will be handled pursuant to Supplementary Material .02 and .03 to Rule [803(c)(2)]1901 when the ISE best bid or offer is inferior to the NBBO.

(1) A marketable Directed Order that is released, or entered into the PIM pursuant to Supplemental Material .08 to Rule 723, will be matched against orders and quotes according to Rule 713 except that, at any given price level, the Directed Market Maker will be last in priority.

(i) If, after all other interest at the NBBO is executed in full, there is any remaining unexecuted quantity of the Directed Order and the Directed Market Maker is quoting at the NBBO or a Guarantee exists, a broadcast message will be sent to all Members. After one (1) second, any additional interest at the same or better price will be executed according to Rule 713.

(ii) If there continues to be any remaining unexecuted quantity of the Directed Order, it will be executed against any interest at the same price from the Directed Market Maker. If a Guarantee exists at that price, an execution will occur for at least the size of the Guarantee.

(iii) If there continues to be any remaining unexecuted quantity of the Directed Order and the Directed Order is marketable at the next price level without trading through the NBBO, the Directed Order will be allocated according to Rule 713 except that the Directed Market Maker will be last in priority. If an execution at any given price level would cause the Directed Order to be executed at a price inferior to the NBBO, the order will be

[presented to the PMM for handling] handled according to Supplementary Material .02 and .03 to Rule [803(c)(2)] 1901.

(iv) Subparagraph (e)(1)(iii) will be repeated until the Directed Order is (A) fully executed, (B) [presented to the Primary Market Maker for handling according to Rule 803(c)(2)]handled according to Supplementary Material .02 and .03 to Rule 1901, or (C) no longer marketable, in which case it will be placed on the limit order book.

(2) If a Directed Order is not marketable at the time it is released:

(i) If a Guarantee exists, a broadcast message will be sent to all Members. After one (1) second, the Directed Order will be executed against any contra interest at the Guarantee price or better according to Rule 713. Thereafter, the Directed Order will be executed against the Directed Market Maker for at least the size of the Guarantee. If there is any remaining unexecuted quantity of the Directed Order, it will be placed on the Exchange's limit order book.

(ii) If no Guarantee exists, the Directed Order will be placed on the Exchange's limit order book. In this case, the Directed Market Maker may not enter a proprietary order to execute against the Directed Order during the one (1) second following the release of the Directed Order.

(3) If, at the time a Directed Order is released by the Directed Market Maker, the Directed Order is marketable but the ISE best bid or offer is inferior to the NBBO, and the Directed Market Maker is the Primary Market Maker in the option class for the Directed Order, then a broadcast message shall be sent to all Members displaying the Directed Order. After one (1) second, the Directed Order will be executed against any contra interest at the NBBO price or better according to Rule 713, except that the Directed Market Maker will be last in priority. Thereafter, if there is any remaining unexecuted quantity of the Directed Order, it will be [presented to the Primary Market Maker for handling] handled according to Supplementary Material .02 and .03 to Rule 1901[Rule 803(c)(2)].

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