

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

* * * * *

C2 Options Exchange, Incorporated

Rules

* * * * *

Rule 3.4. Qualification and Registration

(a) *Registration of Permit Holders and Associated Persons Engaged in the Securities Business.*

(1) Permit Holders that are individuals (“PHI”) and associated persons of Permit Holders engaged or to be engaged in the securities business of a Permit Holder shall be registered with the Exchange in the category of registration appropriate to the function to be performed in a form and manner prescribed by the Exchange. Before the registration can become effective, the PHI or individual associated person shall pass a qualification examination appropriate to the category of registration in a form and manner prescribed by the Exchange and submit any required registration and examination fees. A Permit Holder shall not maintain a registration with the Exchange for any person (1) who is no longer active in the Permit Holder's securities business or (2) who is no longer functioning in the registered capacity; or (3) where the sole purpose is to avoid an examination requirement. A Permit Holder shall not make application for the registration of any person where there is no intent to employ that person in the Permit Holder's securities business. A Permit Holder may, however, maintain or make application for the registration of an individual who performs legal, compliance, internal audit, back-office operations, or similar responsibilities for the Permit Holder, or a person who performs administrative support functions for registered personnel, or a person engaged in the securities business of a foreign securities affiliate or subsidiary of the Permit Holder.

(2) *Persons Exempt from Registration.* The following PHIs and individual associated persons of Permit Holders are exempt from the registration requirements set forth in paragraph (1):

(A) individual associated persons whose functions are solely and exclusively clerical or ministerial;

(B) PHIs and individual associated persons who are not actively engaged in the securities business; [or]

(C) individual associated persons whose functions are related solely and exclusively to the Permit Holder's need for nominal corporate officers or for capital participation;

(D) individual associated persons that are restricted from accessing the Exchange and that do not engage in the securities business of the Permit Holder relating to activity that occurs on the Exchange; or

(E) individual associated persons whose functions are related solely and exclusively to:

(i) transactions in commodities;

(ii) transactions in security futures; and/or

(iii) effecting transactions on the floor of another national securities exchange and who are registered as floor members with such exchange.

(b) *Financial/Operations Principal.* Each Permit Holder subject to Exchange Act Rule 15c3-1 shall designate a Financial/Operations Principal. The duties of a Financial/Operations Principal shall include taking appropriate actions to assure that the Permit Holder complies with applicable financial and operational requirements under the Rules and the Exchange Act, including but not limited to those requirements relating to the submission of financial reports and the maintenance of books and records. Each Financial/Operations Principal is required to have successfully completed the Financial and Operations Principal Examination (Series 27 Exam). Each Financial/Operations Principal designated by a Permit Holder shall be registered in that capacity with the Exchange in a form and manner prescribed by the Exchange. A Financial/Operations Principal of a Permit Holder may be a full-time employee, a part-time employee or independent contractor of the Permit Holder. Permit Holders for which the Exchange is the Designated Examining Authority ("DEA") must provide prompt written notice to the Exchange for each person designated as a Financial/Operations Principal reporting whether such person is a full-time employee, part-time employee, independent contractor or has any outside business affiliations.

(c) Chief Compliance Officer. Each Permit Holder shall designate a Chief Compliance Officer on Schedule A of Form BD. An individual designated as a Chief Compliance Officer is required to register with the Exchange and pass the appropriate heightened qualification examination(s) as prescribed by the Exchange. A person who has been designated as a Chief Compliance Officer on Schedule A of Form BD for at least two years immediately prior to January 1, 2002, and who has not been subject within the last ten years to any statutory disqualification as defined in Section 3(a)(39) of the Act; a suspension; or the imposition of a fine of \$5,000 or more for a violation of any provision of any securities law or regulation, or any agreement with, rule or standard of conduct of any securities governmental agency, securities self-regulatory organization, or as imposed by any such regulatory or self-regulatory organization in connection with a disciplinary proceeding shall be required to register in the category of registration appropriate to the function to be performed as prescribed by the Exchange, but shall be exempt from the requirement to pass the heightened qualification examination as prescribed by the Exchange.

([c]d) *[Associated Person Statuses Under Chapter IX.* Associated person statuses under Chapter IX (along with the primary Exchange Rule concerning the status) include, among others: (i) Registered Options Principal (Rule 9.2); (ii) Registered Representative (Rule 9.3); (iii) Chief Compliance Officer (Rule 9.8).] Registration Required Under Chapter IX. Individual associated persons of a TPH organization that conducts a public customer business must also comply with

the registration requirements set forth in Chapter IX. These additional registration categories include: (i) Registered Options Principal; and (ii) Registered Representative.

(e) Requirement for Examination on Lapse of Registration. Any person whose registration has been revoked by the Exchange as a disciplinary sanction or whose most recent registration has been terminated for two or more years immediately preceding the date of receipt of the Exchange of a new application shall be required to pass a qualification examination appropriate to the category of registration as prescribed by the Exchange.

. . . Interpretations and Policies:

.01 Each [person in an associated person status enumerated in paragraphs (a) through (c) of this Rule] individual required to register under this rule shall, electronically submit to the FINRA's Web Central Registration Depository ("CRD") System [(i)] a Uniform Application for Securities Industry Registration ("Form U4") and any required amendments to Form U-4.

.02 Any Permit Holder that discharges or terminates the employment or retention of an [associated person enumerated in paragraph (a) through (c) of] individual required to register under this Rule shall comply with the termination filing requirements set forth in Rule 9.3(b) and Rule 9.3(c).

.03 Each [person in an associated person status enumerated in paragraph (a) through (c) of] individual required to register under this Rule is required to satisfy the continuing education requirements set forth in Rule 9.3A and any other applicable continuing education requirements as prescribed by the Exchange.

.04 The Exchange may, in exceptional cases and where good cause is shown, waive the applicable qualification examination and accept other standards as evidence of an applicant's qualifications for registration. Advanced age or physical infirmity will not individually of themselves constitute sufficient grounds to waive a qualification examination. Experience in fields ancillary to the securities business may constitute sufficient grounds to waive a qualification examination.

.05 For purposes of paragraph (a)(1) above, the Exchange shall consider an individual Permit Holder or an individual associated person to be engaged in the securities business of a Permit Holder if:

(a) the individual Permit Holder or individual associated person engages in one or more of the following activities in the capacity of a Permit Holder or on behalf of the associated Permit Holder:

(1) proprietary trading;

(2) market-making;

(3) effecting transactions on behalf of a broker-dealer;

(4) supervision or monitoring of proprietary trading, market-making, or brokerage activities;

(5) supervision or training of those engaged in proprietary trading, market-making, or brokerage activities with respect to those activities; or

(b) the individual Permit Holder or individual associated person engages in the management of one or more of the activities enumerated in subparagraphs (1) through (5) above as an officer, partner or a director.

.06 Each Permit Holder must register with the Exchange in a heightened capacity each individual acting in any of the following capacities: (i) officer; (ii) partner; (iii) director; (iv) supervisor of proprietary trading, market-making or brokerage activities; and/or (v) supervisor of those engaged in proprietary trading, market-making or brokerage activities with respect to those activities. Each Permit Holder must register with the Exchange at least two individuals acting in one or more of the capacities described in (i)-(v) above. The Exchange may waive this requirement if a Permit Holder demonstrates conclusively that only one individual acting in one or more of the capacities described in (i) through (v) above should be required to register. In addition, a Permit Holder that conducts proprietary trading only and has 25 or fewer registered persons shall instead be required to have a minimum of one officer or partner who is registered in this capacity.

For purposes of this Interpretation and Policy .06 to Rule 3.4, a Permit Holder shall be considered to conduct only proprietary trading if the Permit Holder has the following characteristics:

(a) The Permit Holder is not required by Section 15(b)(8) of the Exchange Act to become a FINRA member but is a member of another registered securities exchange not registered solely under Section 6(g) of the Exchange Act;

(b) All funds used or proposed to be used by the Permit Holder are the Permit Holder's own capital, traded through the Permit Holder's own accounts;

(c) The Permit Holder does not, and will not, have customers; and

(d) All persons registered on behalf of the Permit Holder acting or to be acting in the capacity of a trader must be owners of, employees of, or contractors to the Permit Holder.

.07 (a) An individual Permit Holder or individual associated person who:

(1) is engaged in proprietary trading, market-making and/or effecting transactions on behalf of a broker-dealer is required to register and qualify as a Proprietary Trader (PT) in WebCRD;

(2) (i) supervises or monitors proprietary trading, market-making and/or brokerage activities for broker-dealers; (ii) supervises or trains those engaged in proprietary trading, market-making and/or effecting transactions on behalf of a broker-dealer, with respect to those activities; and/or (iii) is an officer, partner or director of a Permit Holder is required to register and qualify as a Proprietary Trader Principal (TP) in WebCRD and satisfy the prerequisite registration and qualification requirements; and

(3) is a Chief Compliance Officer (or performs similar functions) for a Permit Holder that engages in proprietary trading, market-making or effecting transactions on behalf of a broker-dealer is required to register and qualify as a Proprietary Trader Compliance Officer (CT) in WebCRD and satisfy the prerequisite registration and qualification requirements.

(b) The following sets forth the qualification requirements for each of the required registration categories described in paragraph (a) to Interpretation and Policy .07:

<u>CATEGORY OF REGISTRATION</u>	<u>QUALIFICATION EXAMINATION(S)</u>	<u>ALTERNATIVE ACCEPTABLE QUALIFICATIONS</u>
<u>Proprietary Trader (PT)</u>	<u>Series 56</u>	<u>General Securities Representative Registration (Series 7)</u>
<u>Proprietary Trader Principal (TP)</u>	<u>Series 24</u>	<u>General Securities Sales Supervisor Registration and General Securities Principal - Sales Supervisor Module Registration (Series 9/10 and Series 23)*</u>
<u>Proprietary Trader Compliance Officer (CT)</u>	<u>Series 14</u>	<u>General Securities Principal Registration (GP) or Proprietary Trader Principal (TP) (Series 24)</u>

*Because the Series 23 is not available in WebCRD, each applicant must provide documentation of a valid Series 23 license upon request for the Series 24 registration in WebCRD.

.08 An individual Permit Holder or individual associated person who is required to register pursuant to Rule 3.4 must satisfy all registration and qualification requirements in WebCRD prior to acting in such registered capacity on behalf of a Permit Holder.

* * * * *