

Exhibit 5

Text of Proposed Rule Change

Underlining indicates additions; [brackets] indicate deletions.

Rule 802. Appointment of Market Makers

(a) The Board or a committee designated by the Board shall appoint market makers to one or more classes of options contracts traded on the Exchange. In making such appointments the Board or designated committee shall consider (i) the financial resources available to the market maker, (ii) the market maker's experience and expertise in market making or options trading, and (iii) the maintenance and enhancement of competition among market makers in each class of options contracts to which they are appointed. The Board or designated committee shall make appointments in the best interest of the Exchange to provide competitive markets.

(b)(1) The Board or designated committee will allocate equity options classes into groupings ("Groups" of options) and will make appointments to those Groups rather than individual classes, except as provided in paragraph (f) and Supplementary Material .02 below. Absent an exemption by the Exchange, an appointment of a market maker shall be limited to the options classes trading in no more than one Group for each Membership held by the market maker.

(2) The Board or designated committee will allocate options on equity indexes, foreign currency indexes, foreign currency options and Fund Shares (collectively "Index-Based Products") to a Primary Market Maker and to as many Competitive Market Makers that request appointment to the Index-Based Product, subject to paragraph (f) below and in the case of Eligible Index Options, subject to Rule 2013, and in the case of foreign currency options and foreign currency index options, subject to Rule 2213. A Primary Market Maker seeking allocation of an Index-Based Product shall provide, at the discretion of the Exchange, and upon its request, specific performance commitments, which shall include, at a minimum, commitments regarding (i) the average quotation size it will disseminate in the Index-Based Product, and (ii) the maximum quotation spread it will disseminate in such product at least ninety percent of the time.

(c) – (f) No Change.

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Rule 2013. Market Maker Trading License

(a) A trading license issued by the Exchange is required for all IXPMs and IXCMMs to effect transactions as a market maker in Eligible Index Options traded on the Exchange. IXPMs and IXCMMs are collectively referred to as IXMMs. For

the purposes of this Rule, (1) the term “IXPMM” means a primary market maker in Eligible Index Options traded on the Exchange pursuant to this Rule 2013, and (2) the term “IXCMM” means a competitive market maker in Eligible Index Options traded on the Exchange pursuant to this Rule 2013.

(b) (1) A Member who is not currently a PMM or a CMM will require an IXMM trading license for each Eligible Index Options product.

(2) A Member may acquire and hold an IXMM trading license only if and for so long as such Member is qualified and approved to be a Member of the Exchange.

(3) An IXMM trading license is not transferable and may not be, in whole or in part, transferred, assigned, sublicensed or leased; provided, however, that the holder of the IXMM trading license may, with the prior written consent of the Exchange, transfer it to a qualified and approved Member (i) who is an affiliate or (ii) who continues substantially the same business of such trading right holder without regard to the form of the transaction used to achieve such continuation, e.g., merger, sale of substantially all assets, reincorporation, reorganization or the like.

(c) Eligible Index Options are (i) index options that have a 6-month average daily volume of less than 10,000 contracts in the US market, and (ii) index options that have a trading history of less than 6 months, in which case the eligibility threshold would be prorated proportionately over the time that an index was listed in the US market.

(1) Prior to the listing of an Eligible Index Option, the Exchange will conduct a one-time eligibility test to determine whether an index product is an Eligible Index Option.

(2) The following index products are not Eligible Index Options: Russell 2000 Index (“RUT”), the NASDAQ-100 Index (“NDX”), and the Mini-NASDAQ-100 Index (“MNX”).

(3) Index options listed on the Exchange prior to December 31, 2010 are known as Legacy Index Options. The PMM in a Legacy Index Option is also the IXPMM in that product. Legacy Index Options are not be subject to the auction process found in this Rule 2013. An IXCMM, however, will be required to purchase an IXCMM trading license to trade in Legacy Index Options. In the event a Legacy Index Option is de-listed, any future listing of that Legacy Index Option will be subject to the auction process found in this Rule 2013.

(d) A Member may purchase an unlimited amount of IXMM trading licenses across all Eligible Index Options.

(e) IXPMM.

(1) There will be one (1) IXPMM per Eligible Index Option. All IXPMM trading licenses shall be permanently granted as long as the IXPMM meets its stated market quality commitments, except that the Board or designated committee may suspend or terminate any trading license of a market maker whenever, in the Board's or designated committee's judgment, the interests of a fair and order market are best served by such action.

(2) IXPMM trading licenses will be sold by means of a sealed bid auction conducted by the Exchange. The price at which an IXPMM trading license is sold in an auction shall be referred to as the "Auction Price." The Auction Price paid by an IXPMM shall remain unchanged for as long as an IXPMM retains a trading license in the Eligible Index Option.

(3) The Exchange will conduct one (1) sealed bid auction per Eligible Index Option for an IXPMM trading license. Together with its bid, a Member seeking an IXPMM trading license must provide, at a minimum, market quality commitments regarding (i) the average quotation size it will disseminate in an Eligible Index Option, and (ii) the maximum quotation spread it will disseminate in such product at least ninety percent (90%) of the time. At the end of the auction, the Exchange will determine the winning bidder for an IXPMM trading license based on bid amount and market quality commitment, and may reject a bid if the Exchange deems a market quality commitment to be unrealistic or significantly inferior to market quality commitments submitted by other bidding Members.

(4) The Exchange will measure market quality commitments on a quarterly basis to ensure IXPMMs are in compliance with their stated commitments. Failure to meet stated commitments may, at the discretion of the Exchange and subject to the procedural protections provided under the rules of the Exchange, result in ISE terminating an allocation and conducting an auction to reallocate the failing IXPMM's Eligible Index Option to another Member. The IXPMM may only change its market quality commitment to the extent that the new commitments are an improvement to its existing commitment.

(5) Current market makers shall be given priority to purchase a IXPMM trading license in an Eligible Index Option so long as the terms of its bid to purchase an IXPMM trading license in an Eligible Index Option, as well as its market quality commitments, are equal to those of Members that are not currently a market maker on the Exchange.

(6) An IXPMM may terminate its obligations as an IXPMM in an index options if it is unable to meet its obligations, provided the IXPMM gives at least 60 days prior written notice to the Exchange of such termination. In the event the Exchange is unable to re-allocate the IXPMM's index option product within the notice period and the index option product is singly listed, then the

IXPMM shall continue to fulfill its obligations in that product until all open interest has been closed.

(7) An IXPMM who obtains a trading license in an Eligible Index Option shall be subject to all the responsibilities and privileges that PMMs are subject to, including, but not limited to, the obligations found in Chapter 8 of the Exchange's rules.

(f) IXCMM.

(1) There shall be an unlimited number of IXCMM trading licenses available for purchase by Members who are not currently PMMs or CMMs. PMMs and CMMs who want to be an IXCMM are not required to pay any additional fee to obtain an IXCMM trading license.

(2) All IXCMM trading licenses shall be for a term of one year. An IXCMM who is not currently a PMM or a CMM shall be subject to a fee established by the Exchange. The Exchange may sell IXCMM trading licenses at any time during a calendar year. IXCMM trading licenses sold during a calendar year shall be prorated to reflect the remaining number of trading days in the year.

(3) IXCMM trading licenses shall expire at the end of the calendar year in which they are issued. Notwithstanding the foregoing, an IXCMM may terminate its trading license prior to its scheduled expiration by providing at least 10 days prior written notice to the Exchange of such termination.

(4) An IXCMM who obtains a trading license in an Eligible Index Option shall be subject to all the responsibilities and privileges that CMMs are subject to, including, but not limited to, the obligations found in Chapter 8 of the Exchange's rules.

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