

EXHIBIT 5

Proposed new text is underlined. Deleted text is [bracketed].

Phlx Index Options

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Rule 1101A. Terms of Option Contracts

(a) No Change.

(b) After a particular class of stock index options has been approved for listing and trading on the Exchange, the Exchange shall from time to time open for trading series of options therein. Within each approved class of stock index options, the Exchange [may]shall open for trading a minimum of one expiration month and series for each class of approved stock index options [expiring in consecutive calendar months ("consecutive month series"), as provided in subparagraph (i) of this paragraph (b), series of options expiring at three-month intervals ("cycle month series"), as provided in subparagraph (ii) of this paragraph (b)] and/or series of options having up to [thirty-six]60 months to expiration ("long-term options series") [of this]as provided in subparagraph (b)(iii). Prior to the opening of trading in any series of stock index options, the Exchange shall fix the expiration month and exercise price of option contracts included in each such series.

(i) [Consecutive Month Series

With respect to each class of stock index options, series of options having up to four consecutive expiration months may be opened for trading simultaneously, with the shortest-term series initially having no more than two months to expiration. Additional consecutive month series of the same class may be opened for trading on the Exchange at or about the time a prior consecutive month series expires, and the expiration month of each such new series shall normally be the month immediately succeeding the expiration month of the then outstanding consecutive month series of the same class of options having the longest remaining time to expiration.]Additional series of stock index options of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying index moves more than five strike prices from the initial exercise price or prices. The opening of a new series of options shall not affect the series of options of the same class previously opened. New series of options on an index may be added until the beginning of the month in which the options contract will expire. Due to unusual market conditions, the Exchange, in its discretion, may add a new series of options on indexes until five (5) business days prior to expiration.

(ii) [Cycle Month Series

The Exchange may designate one expiration cycle for each class of stock index options. An expiration cycle shall consist of four calendar months ("cycle months") occurring at three-month intervals.

With respect to any particular class of stock index options, series of options expiring in up to three of the four cycle months designated by the Exchange for that class may be opened for trading simultaneously, with the shortest-term series initially having approximately three months to expiration. Additional cycle month series of the same class may be opened for trading on the Exchange at or about the time a prior cycle month series expires, and the expiration month of each such new series shall normally be approximately three months after the expiration month of the then outstanding cycle month series of the same class of options having the longest remaining time to expiration. Reserved.

(iii) Long-term Option Series

The Exchange may list, with respect to any class of stock index options, series of options having up to 60 months to expiration, adding up to ten expiration months to the expiration cycle, as defined in this Rule. Such series of options may be opened for trading simultaneously with series of options trading pursuant to this rule[consecutive month series (as provided in subparagraph (i)) and/or with series of options trading on the cycle month series (as provided in subparagraph (ii))].

(iv) – (vi)

••• *Commentary:* -----

No Change.

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