

Exhibit 5

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

Rules of the Exchange

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Options Rules

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Rule 1042A. Exercise of Option Contracts

[(a)] With respect to index option contracts, clearing members are required to follow the procedures of the Options Clearing Corporation for tendering exercise notices[, and member organizations are also required to comply with the following procedures and to exercise the amount of option contracts indicated pursuant to subsections (i) and (ii) below:

- (i) **Memorandum to Exercise**—A memorandum to exercise any American style stock index option contract, issued or to be issued in a customer, market maker or firm account at the Options Clearing Corporation must be received or prepared by the member organization no later than five minutes after the close of trading on that day and must be time-stamped at the time it is received or prepared.
- (ii) **Exercise Advices**—In addition to the requirements above, any member or member organization that intends to submit an exercise notice for any American style option contract(s) on behalf of a customer, specialist, Registered Options Trader, or firm account must deliver an "Exercise Advice" on a form prescribed by the Exchange, to a place designated by the Exchange, no later than five minutes after the close of trading]. Clearing Members must follow the procedures of the Options Clearing Corporation when exercising American-style cash-settled index options contracts issued or to be issued in any account at the Option Clearing Corporation. Member organizations must also follow the procedures set forth below with respect to American-style cash-settled index options:

(i) For all contracts exercised by the member organization or by any customer of the member organization, an "exercise advice" must be time stamped and delivered by the member organization in such form or manner prescribed by the Exchange no later than five (5) minutes after the close of trading on that day.

(ii) Subsequent to the delivery of an "exercise advice," should the member organization or a customer of the member organization determine not to exercise all or part of the advised contracts, the member organization must also deliver an "advice cancel" in such

form or manner prescribed by the Exchange no later than five (5) minutes after the close of trading on that day.

(iii) The Exchange may determine to extend the applicable deadline for the delivery of "exercise advice" and "advice cancel" notifications pursuant to this paragraph if unusual circumstances are present.

(iv) No member organization may time stamp or submit an "exercise advice" prior to the purchase of the contracts to be exercised if the member organization knew or had reason to know that the contracts had not yet been purchased.

(v) The failure of any member organization to follow the procedures in this rule may result in the assessment of a fine, which may include but is not limited to disgorgement of potential economic gain obtained or loss avoided by the subject exercise, as determined by the Exchange.

(vi) Preparing or submitting an "exercise advice" or "advice cancel" after the applicable deadline on the basis of material information released after such deadline, in addition to constituting a violation of this Rule, is activity inconsistent with just and equitable principles of trade.

(vii) The procedures set forth in subparagraphs (i)-(ii) above do not apply (a) on the business day prior to expiration in series expiring on a day other than a business day or (b) on the expiration day in series expiring on a business day.

(viii) Each member organization shall prepare a memorandum of every exercise instruction received showing by time stamp the time when such instruction was so received. Such memoranda shall be subject to the requirements of SEC Rule 17a-4(b).

(ix) Each member organization shall establish fixed procedures to ensure secure time stamps in connection with their electronic systems employed for the recording of submissions to exercise or not exercise expiring options.

[(b) The provisions of paragraph (a) of this Rule 1042A are not applicable with respect to any series of stock index options on the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, the business day prior to the expiration date of such series of options.

••• *Commentary:* -----

.01 All memoranda of exercise instructions prepared pursuant to this Rule 1042A are subject to Securities and Exchange Commission rules 17a-3(a)(6) and 17a-4(b).]

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OPTION FLOOR PROCEDURE ADVICES AND ORDER & DECORUM REGULATIONS

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G. INDICES

G-1 Index Option Exercise Advices [Forms]

In accordance with the provisions of Exchange Rule 1042A, all Specialists, ROTs, customers and Firms must complete an [Exercise Advice Form]exercise advice when exercising any American style index option contract(s) and exercise the amount of option contracts indicated on the [Exercise Advice Form]exercise advice.

Specialists, ROTs, customers and Firms must time stamp and submit the completed [Exercise Advice Form]exercise advice to Exchange staff at the Surveillance Post or in the trading crowd no later than five minutes after the close of trading on the day of the exercise with respect to any American style index option traded on the Exchange. Exercise [A]advices for index options are not required on (a) the business day prior to expiration in series expiring on a day other than a business day or (b) the expiration day in series expiring on a business day.[the last business day prior to expiration for that particular series.]

Those Firms utilizing the electronic [Clearing Management and Control System (C/MACS)] systems of the Options Clearing Corporation to meet the time requirements of this Advice must transmit to the Options Clearing Corporation index exercise instructions according to the time frames described above.

The fine schedule below provides sanctions for infractions of the index option [Exercise Advice Form]exercise advice procedures which are minor in nature. Any violation of the procedure which has been deemed serious by the Exchange will be referred directly to the Exchange's Business Conduct Committee where stronger sanctions may result.

FINE SCHEDULE (Implemented on a two-year running calendar basis)

1st Occurrence	\$250.00
2nd Occurrence	\$500.00
3rd Occurrence	\$1,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Business Conduct Committee

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