

**EXHIBIT 5**

*New text is underlined; deleted text is in brackets.*

**NASDAQ PHLX Rules****Options Rules**

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**Rule 1024. Conduct of Accounts for Options Trading****(a) *Registration of Options Principals.***

(i) No member or member organization or individual associated with a member organization shall be approved to transact options business with the public until such persons, who are designated as Options Principals, have been approved by and registered with the Exchange. Persons engaged in the supervision of options sales practices or a person to whom the designated general partner or executive officer (pursuant to Rule 1025) or another Registered Options Principal delegates the authority to supervise options sales practices shall be designated as Options Principals. All members, and member organizations, must use Web CRD to submit Form U4, Uniform Application for Securities Industry Registration or Transfer filings on behalf of their Options Principals. [Members, and member organizations shall amend Form U4 filings not later than thirty (30) days after the filer knew or should have known of the facts which gave rise to the amendment. ]In connection with their registration, Options Principals shall electronically file a Uniform Application for Securities Industry Registration or Transfer (Form U4) with Web CRD, shall successfully complete an examination prescribed by the Exchange and specified in this rule for the purpose of demonstrating an adequate knowledge of the options business and of the Rules of the Exchange, and shall further agree in the U4 filing to abide by the Bylaws and Rules of the Exchange and the Rules of the Options Clearing Corporation. Members and member organizations required to complete Form U4 shall electronically file any required amendments to Form U4 with Web CRD promptly, but in any event no later than 30 days after the filer knew or should have known of the facts which gave rise to the need for the amendment. Termination of employment or affiliation of any Registered Options Principal in such capacity shall be electronically reported to Web CRD promptly, but in any event no later than 30 days following the termination, together with a brief statement of the reason for such termination on Form U5.

(ii) No change.

**(b) *Opening of Accounts***

(i) No change.

(ii) *Diligence in Opening Accounts*—In approving a customer's account for options transactions, a member or member organization shall exercise due diligence to learn the essential facts as to the customer and his investment objectives and financial situation, and shall make a record of

such information which shall be retained in accordance with Rules 760 and 1025. Based upon such information, the branch office manager or other [specific] Registered Options Principal [qualified individual(s)] shall approve, in writing, the customer's account for options transactions; provided, that if the branch office manager is not a [specified] Registered Options Principal [qualified individual(s)], his approval shall within a reasonable time be confirmed [within a reasonable time ]by a [specified ]Registered Options Principal [qualified individual(s)].

(iii) – (v) No change.

(c) Every member organization transacting business with the public in uncovered option contracts shall develop, implement and maintain specific written procedures governing the conduct of such business which shall include, at least, the following:

(i) – (iv) No change.

(v) Requirements that customers approved for writing uncovered short options transactions be provided with a special written description of the risks inherent in writing uncovered short option transactions, at or prior to the initial uncovered short option transaction. See Rule 1029[(c)]b.

••• *Commentary* -----

**.01** In fulfilling its obligations pursuant to paragraph (b)(ii) of this Rule with respect to options customers that are natural persons, a member organization shall seek to obtain the following information at a minimum (information shall be obtained for all participants in a joint account):

1. – 7. No change.

8. Investment experience and knowledge (e.g., number of years, size, frequency and types of transactions[]) for options, stocks and bonds, and commodities[, other]

In addition, the customer's account records shall contain the following information, if applicable:

a. – g. No change.

\* \* \* \* \*

**.02** No change.

**.03** The requirement of paragraph (b)(iii) of this Rule for the initial and subsequent verification of customer background and financial information is to be satisfied by sending to the customer the information required in Items 1 through 6 of Commentary .01 above as contained in the member's records and providing the customer with an opportunity to correct or complete the

information. In all cases, absent advice from the customer to the contrary, the information will be deemed to be verified.

**.04 - .05** No change.

**.06** Individuals engaged in the supervision of options sales practices are required to be[and] designated as Options Principals and are required to qualify as an Options Principal by passing the Registered Options Principal Qualification Examination (Series 4) or the General Securities Sales [Supervision]Supervisor Qualification Examination (Series 9/10).

**.07** Individuals who are delegated responsibility pursuant to Rule 1025 for reviewing the acceptance of discretionary accounts, for approving exceptions to a member organization's criteria or standards for uncovered options accounts, and for approval of communications, shall be designated as Options Principals and are required to qualify as an Options Principal by passing the Registered Options Principal Qualification Examination (Series 4).

**.08 - .09** No change.

#### **Rule 1025. Supervision of Accounts**

(a) *Duty to Supervise*; —The general partners or directors of each member organization that conducts a non-member customer business shall provide for appropriate supervisory control and shall designate a general partner or executive officer, who shall be identified to the Exchange, to assume overall authority and responsibility for internal supervision and control of the organization and compliance with securities laws and regulations. This person, who may be the same individual designated pursuant to substantially similar New York Stock Exchange or FINRA rules shall:

(i) – (ii) No change.

(iii) Develop and implement written policies and procedures reasonably designed to independently supervise the activities of accounts serviced by branch office managers, sales managers, regional/district sales managers or any person performing a similar supervisory function. Such supervisory reviews must be performed by a qualified Registered Options Principal who:

A. Is either senior to, or otherwise independent of, the producing manager under review. For purposes of this Rule, an "otherwise independent" person: may not report either directly or indirectly to the producing manager under review; must be situated in an office other than the office of the producing manager; must not otherwise have supervisory responsibilit[ies]y over the activity being reviewed; and must alternate such review responsibility with another qualified person every two years or less.

Further, if a person designated to review a producing manager receives an override or other income derived from that producing manager's customer activity that represents more than 10% of the designated person's gross income derived from the member organization over the course of a rolling twelve-month period, the member organization must establish alternative senior or otherwise independent supervision of that producing manager to be conducted by a qualified Registered Options Principal other than the designated person receiving the income.

B. – D. No change.

(b) Maintenance of Customer Records—

(i) Background[s] and financial information of customers who have been approved for options transactions shall be maintained at both the branch office servicing the customer's account and the principal supervisory office having jurisdiction over that branch office. Copies of account statements of options customers shall be maintained at both the branch office supervising the accounts and the principal supervisory office having jurisdiction over that branch for the most recent six-month period. With respect to the [above-noted] record retention responsibility of [requirements applicable to] principal supervisory offices, [however, the ]customer information and account statements may be maintained at a location [other than the principal supervisory office if such documents and information]off premises so long as the records are readily accessible and promptly retrievable. Other records necessary to the proper supervision of accounts shall be maintained at a place easily accessible both to the branch office servicing the customer's account and to the principal supervisory office having jurisdiction over that branch office.

(ii) No change.

(iii) Before any customer order is executed, there must be placed upon the memorandum for each transaction, the name or designation of the account (or accounts) for which such order is to be executed. No change in such account name(s) (including related accounts) or designation(s) (including error accounts) shall be made unless the change has been authorized by a member or a person(s) designated by the designated general partner or executive officer (pursuant to Rule 1025). Such person must, prior to giving his or her approval of the account designation change, be personally informed of the essential facts relative thereto and indicate his or her approval of such change in writing on the order or other similar record of the member. The essential facts relied upon by the person approving the change must be documented in writing and preserved for a period of not less than three years, the first two years in an easily accessible place, as the term "easily accessible place" is used in SEC [r]Rule 17a-4.

For purposes of this paragraph (b)[(3)](iii), any person designated by the designated general partner or executive officer (pursuant to Rule 1025) must be a Registered Options Principal.

(c) No change.

(d) *Annual Branch Office Inspections.*

(i) Each branch office that supervises one or more non-branch locations must be inspected no less often than once each calendar year unless:

A. it has been demonstrated to the satisfaction of the Exchange that because of [the] proximity, special reporting or supervisory practice, other arrangements may satisfy this Rule's requirements for a particular branch office; or

B. based upon the written policies and procedures of such member organization providing for a systematic risk-based surveillance system, the member organization submits a proposal to the Exchange and receives, in writing, an exemption from this requirement pursuant to paragraph [(c)](e) of this Rule.

(ii) – (iii) No change.

(e) *Risk -Based Surveillance and Branch Office Identification.*

(i) Any member organization seeking an exemption, pursuant to Rule 1025(d)[(ii)](i)(B), from the annual branch office inspection requirement must submit to the Exchange written policies and procedures for systematic risk-based surveillance of its branch offices. Such policies and procedures should reflect, among other factors, the member organization's business model[,] and product mix. Such policies and procedures must also, at a minimum, provide for:

A. – C. No change.

(ii) For purposes of paragraph (e)[(1)](i) of this Rule, the risk-based factors to be considered should include, but not necessarily be limited to, the following:

A. – O. No change.

(iii) No change.

(f) No change.

(g) *Written Report.* By April 1 of each year, each member organization that conducts a non-member customer business shall submit to the Exchange a written report on the member organization's supervision and compliance effort during the preceding year and on the adequacy of the member organization's ongoing compliance processes and procedures. Each member organization that conducts a public customer options business shall also specifically include its options compliance program in the report. The report shall include, but not be limited to, the following:

(i) No change.

- (ii) Identification and analysis of significant compliance problems, plans for future systems or procedures to prevent and detect violations and problems, and an assessment of the [preceeding]preceding year's efforts of this nature.
- (iii) Discussion of the preceding year's compliance efforts, new procedures, educational programs, etc. in each of the following areas:
  - (A) antifraud and trading practices;
  - (B) investment banking activities;
  - (C) sales practices;
  - (D) books and records;
  - (E) finance and operations;
  - (F) supervision;
  - (G) internal controls; and
  - (H) anti-money laundering.

If any of these areas do not apply to the member organization, the report shall so state.

- (iv) No change.
- (v) A certification signed by the member organization's Chief Executive Officer (or equivalent), that:
  - A. The member organization has in place processes to:
    - (1) – (2) No change.
    - (3) test the effectiveness of such policies and procedures on a [regular] periodic basis, the timing and extent of which is reasonably designed to ensure continuing compliance with Exchange Rules and federal securities laws and regulations.
  - B. No change.
  - C. In member organizations, the processes described in paragraph [(g)(5)(i)] (g)(v)(A)(1) of this Rule, are evidenced in a report reviewed by the Chief Executive Officer (or equivalent officer), Chief Compliance Officer and such other officers as the organization may deem necessary to make this certification, and submitted to the organization's board of directors and audit committee (if such committee exists) on or before April 1 of each year[)].

D. In member organizations, the Chief Executive Officer (or equivalent officer) has consulted with the Chief Compliance Officer and other officers referenced in paragraph [(g)(5)(iii)](g)(v)(C) of this Rule and such other employees, outside consultants, lawyers and accountants, to the extent they deem appropriate, in order to attest to the statements made in this certification.

A member organization that specifically includes its options compliance program in a report that complies with substantially similar requirements of the New York Stock Exchange or FINRA will be deemed to have met [this]the requirements of this Rule 1025 (g) and (h).

(h) Reports to Control Persons—By April 1 of each year, each member organization shall submit a copy of the report that Rule [1024(g)]1025(g) requires the member organization to prepare to its one or more control persons or, if the member organization has no control person, to the audit committee of its board of directors or its equivalent committee or group. In the case of a control person that is an organization (a "controlling organization"), the member organization shall submit the report to the general counsel of the controlling organization and to the audit committee of the controlling organization's board of directors or its equivalent committee or group. For the purpose of this paragraph, "control person" means a person who controls the member organization, and the term "control" means the power to exercise a controlling influence over the management or policies of the member organization, unless such power is solely the result of an official position with the member organization. Any person who owns beneficially, directly or indirectly, more than 20% of the voting power in the election of directors of the member organization, or more than 25% of the voting power in the election of directors of any other corporation which directly or through one or more affiliates owns beneficially more than 25% of the voting power in the election of directors of the member organization, shall be presumed to control the member organization.

(i) – (j) No change.

••• *Commentary* -----

**.01** No change.

**.02** [In meeting their supervisory responsibilities, e]Each member organization that conducts a non-member customer business shall establish, maintain, and enforce written procedures [governing the conduct of options accounts]which detail the specific methods used to supervise all non-member customer accounts and all orders in such accounts. Such written procedures shall specifically identify the titles and positions of individuals who have been delegated authority and responsibility for an identified segment of the member organization's business, including option compliance functions. The procedures shall also include the registration status and location of all such supervisory and compliance personnel. Each member organization shall also develop and implement specific written procedures concerning the manner of supervision of customer accounts maintaining [short

uncovered short option positions, and specifically providing for frequent supervisory review of such accounts.

**.03** Each member organization shall maintain, at the principal supervisory office having jurisdiction over the office servicing the customer's account, or shall have readily accessible and promptly retrievable, information to permit review of each customer's options account, on a timely basis to determine (i) the compatibility of options transactions with investment objectives and with the types of transactions for which the account was approved; (ii) the size and frequency of option transactions; (iii) commission activity in the account; (iv) profit or loss in the account; (v) undue concentration in any options class or classes; and (vi) compliance with the provisions of Regulation T of the Federal Reserve Board.

**.04 - .05** No change.

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