

Required fields are shown with yellow backgrounds and asterisks.

Proposed Rule Change by NASDAQ Stock Market
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *		Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Rule		<input type="checkbox"/>
Pilot	Extension of Time Period for Commission Action *	Date Expires *	19b-4(f)(1)	19b-4(f)(2)	19b-4(f)(3)	19b-4(f)(4)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			19b-4(f)(5)	19b-4(f)(6)		
			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>

Exhibit 2 Sent As Paper Document	Exhibit 3 Sent As Paper Document
<input type="checkbox"/>	<input type="checkbox"/>

Description
Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *).

Contact Information
Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name * Last Name *
Title *
E-mail *
Telephone * Fax

Signature
Pursuant to the requirements of the Securities Exchange Act of 1934,
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date
By
(Name *) (Title *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information (required)

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change (required)

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² The NASDAQ Stock Market LLC (“NASDAQ” or the “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to modify Chapter XV, entitled “Options Pricing,” at Section 2 governing pricing for NASDAQ members using the NASDAQ Options Market (“NOM”), NASDAQ’s facility for executing and routing standardized equity and index options. Specifically, NOM proposes to increase fees for options overlying the PHLX Semiconductor SectorSM (SOXSM), PHLX Housing SectorTM (HGXSM) and PHLX Oil Service SectorSM (OSXSM).

While changes to the Pricing Schedule pursuant to this proposal are effective upon filing, the Exchange has designated the proposed amendment to be operative on December 3, 2012.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and a copy of the applicable portion of the rule text is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of NASDAQ pursuant to authority delegated by the Board of Directors of NASDAQ on July 10, 2012.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

NASDAQ staff will advise the Board of Directors of NASDAQ of any action taken pursuant to delegated authority. No other action by NASDAQ is necessary for the filing of the rule change.

Questions regarding this rule filing may be directed to Angela Saccomandi Dunn, Associate General Counsel, at (215) 496-5692.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

a. Purpose

NASDAQ proposes to amend certain fees in Chapter XV, Section 2. Specifically, the Exchange proposes to increase the Fees for Adding and Removing Liquidity in SOX, HGX and OSX. These products are only listed on NOM and NASDAQ OMX PHLX LLC (“Phlx”).³ Phlx recently filed an immediately effective rule change to amend its fees for Singly Listed Options, which include SOX, HGX and OSX, effective December 3, 2012.⁴ NASDAQ proposes to make corresponding changes to fees for SOX, HGX and OSX effective as of December 3, 2012.

The Exchange currently assesses Customers a Fee for Adding Liquidity and a Fee for Removing Liquidity in SOX, HGX and OSX of \$0.35 per contract. This fee will remain unchanged. The Exchange assesses Professionals, Firms and Non-NOM Market Makers a Fee for Adding Liquidity and a Fee for Removing Liquidity in SOX, HGX and OSX of \$0.45 per contract. The Exchange is proposing to increase these fees to \$0.60 per contract. Finally, the Exchange currently assesses NOM Market Makers a \$0.35 per contract Fee for Adding Liquidity and a Fee for Removing Liquidity in SOX, HGX and

³ See Phlx’s Pricing Schedule at Section III.

⁴ See SR-Phlx-2012-135 (not yet published).

OSX. The Exchange proposes to increase this fee to \$0.40 per contract. The Exchange is not proposing to amend other pricing in Chapter XV, Section 2.

b. Statutory Basis

NASDAQ believes that its proposal to amend its Pricing Schedule is consistent with Section 6(b) of the Act⁵ in general, and furthers the objectives of Section 6(b)(4) of the Act⁶ in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members and other persons using its facilities.

The Exchange believes that increasing the Fees for Adding and Removing Liquidity in SOX, HGX and OSX is reasonable because the Exchange proposes to assess the same fees which were recently increased by Phlx for SOX, HGX and OSX.⁷ Also, the proposed fees are within the range of similar fees assessed at other exchanges.⁸ The

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(4).

⁷ Despite the fact that SOX, HGX and OSX are Multiply Listed (listed on Phlx and NOM), Phlx assesses its market participants the fees for Singly Listed Options to transact index options in SOX, HGX and OSX. See Securities Exchange Act Release No. 66668 (March 28, 2012), 77 FR 20090 (April 3, 2012) (SR-Phlx-2012-35). See also Section III of Phlx's Pricing Schedule. Accordingly, Phlx recently filed an immediately effective rule change to amend its fees as of December 3, 2012 to assess the following fees to transact index options in SOX, HGX and OSX: Customers \$0.35 per contract, Professionals \$0.60 per contract, Firms \$0.60 per contract, Market Makers \$0.40 per contract, and Broker-Dealers \$0.60 per contract. Non-NOM Market Makers are registered market makers on another options market that append the market maker designation to orders routed to NOM. This is the equivalent of a Broker-Dealer on Phlx. While Phlx does not assess both a Fee for Adding Liquidity and Fee for Removing Liquidity, it assesses each side of the transaction the options transaction charge.

⁸ Chicago Board Options Exchange, Incorporated ("CBOE") assesses an \$0.80 per contract fee to Customers, Broker-Dealers, Non-Trading Permit Holder Market Makers and Professional and Voluntary Professional market participants for SPX Range Options (SRO) transactions, a proprietary index, in addition to a

Exchange has previously distinguished other index products from the Non-Penny Pilot Options fees and rebates.⁹ The Exchange would continue to assess lower Fees for Removing Liquidity in SOX, HGX and OSX as compared to the Fees for Removing Liquidity in Non-Penny Pilot Options, which should continue to encourage NOM Participants to transact these newly listed index options. The Fees for Adding Liquidity for transactions in SOX, HGX and OSX are higher than the Fees for Adding Liquidity in Non-Penny Pilot Options, but as previously noted, the fees correspond to fees assessed by Phlx. The Exchange believes that these fees are reasonable because these fees correspond to comparable fees in place at Phlx for executions in SOX, HGX, and OSX.¹⁰

The Exchange believes that increasing the Fees for Adding and Removing Liquidity in SOX, HGX and OSX is equitable and not unfairly discriminatory because the pricing will be comparable among similar categories of market participants, namely Professionals, Firms and Non-NOM Market Makers would continue to be assessed the same fee of \$0.60 per contract. Customers and NOM Market Makers would be assessed lower fees as compared to other market participants, as is the case today. Customer order

surcharge fee. SPX refers to options on the Standard & Poor's 500 Index. See CBOE's Fees Schedule. In addition, NOM assesses Non-Penny Pilot Fees for Removing Liquidity ranging from \$0.82 to \$0.89 per contract depending on the market participant. See Chapter XV, Section 2 of NOM's Rules. Phlx also assesses a Broker-Dealer an electronic options transaction charge (non-Penny Pilot) of \$0.60 per contract for transactions in Multiply Listed Options. See Section II of the Exchange's Pricing Schedule. While Phlx does not assess both a Fee for Adding Liquidity and Fee for Removing Liquidity, it assesses each side of the transaction the options transaction charge.

⁹ See Securities Exchange Act Release No. 67837 (September 12, 2012), 77 FR 57614, 77 FR 57614 (September 18, 2012) (SR-NASDAQ-2012-102) (an immediately effective rule change which adopted rebates and fees relating to options on Facebook, Inc. ("FB"), Google, Inc. ("GOOG") and Groupon, Inc. ("GRPN") separate from other Non-Penny Pilot fees).

¹⁰ See Phlx's Pricing Schedule at Section III.

flow is assessed the lowest fee because incentivizing members to continue to offer Customer trading opportunities in options overlying SOX, HGX and OSX benefits all market participants through increased liquidity. The Exchange notes that NOM Market Makers are assessed lower fees as compared to other market participants, except Customers, because they have burdensome quoting obligations¹¹ to the market which do not apply to Customers, Professionals, Firms and Non-NOM Market Makers. The proposed differentiation as between Customers and NOM Market Makers as compared to Professionals, Firms and Non-NOM Market Makers recognizes the differing contributions made to the liquidity and trading environment on the Exchange by these market participants.

The Exchange also believes that it is equitable and not unfairly discriminatory to increase the NOM Market Maker Fees for Adding and Removing Liquidity in options overlying SOX, HGX and OSX by \$0.05 per contract as compared to the \$0.15 per contract increase to Professionals, Firms and Non-NOM Market Makers because as explained above NOM Market Makers have certain obligations to the market that do not apply to other market participants. The Exchange desires to continue to assess NOM Market Makers and Customers lower fees as compared to other market participants because these participants contribute to the marketplace as described above. The Customer Fees for Adding and Removing Liquidity in options overlying SOX, HGX and OSX would remain unchanged at \$0.35 per contract. The Exchange believes that it is reasonable to assess Customers and NOM Market Makers lower fees as compared to

¹¹ See Exchange Rules Section VII, Market Participants, Sections 5, Obligations of Market Makers, and Section 6, Market Maker Quotations.

other market participants because these market participants contribute to the market in terms of liquidity and trading environment as compared to other market participants. Also, the proposed lower fees are comparable to pricing on NOM and other options exchanges.¹²

4. Self-Regulatory Organization's Statement on Burden on Competition

NASDAQ does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes its fees for SOX, HGX and OSX remain competitive with fees at other options exchanges.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

Not applicable.

¹² The Exchange assesses a lower Penny Pilot Options Fee for Removing Liquidity for Customers (\$0.45 per contract versus \$0.47 per contract for other market participants) and assesses no Non-Penny Pilot Options Fee for Adding Liquidity for Customers as compared to other market participants. The Exchange assesses a lower Non-Penny Pilot Options Fee for Adding Liquidity for NOM Market Makers as compared to other market participants (\$0.25 per contract versus \$0.45 per contract for other market participants). Finally, the Exchange assesses lower Non-Penny Pilot Options Fees for Removing Liquidity for Customers and NOM Market Makers as compared to other market participants (\$0.82 per contract versus \$0.87 per contract for other market participants). See Chapter XV, Section 2 pricing. Phlx does not assess Customers options transaction charges for Penny or Non-Penny Pilot options transactions. Also, Specialists and Market Makers are assessed lower electronic options transaction charges in Penny and Non-Penny Pilot Options as compared to Professionals, Broker-Dealers and Firms. See Section II of the Exchange's Pricing Schedule.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The foregoing proposed rule change establishes or changes a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization pursuant to Section 19(b)(3)(A)(ii) of the Act.¹³

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Exhibits

1. Notice of proposed rule for publication in the Federal Register.
5. Text of the proposed rule change.

¹³ 15 U.S.C. 78s(b)(3)(A)(ii).

Exhibit 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. _____ ; File No. SR-NASDAQ-2012-136)

November __, 2012

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by The NASDAQ Stock Market LLC Relating to Fees For SOX, OSX and HGX

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹, and Rule 19b-4² thereunder, notice is hereby given that on November 30, 2012. The NASDAQ Stock Market LLC ("NASDAQ" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the NASDAQ. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

NASDAQ proposes to modify Chapter XV, entitled "Options Pricing," at Section 2 governing pricing for NASDAQ members using the NASDAQ Options Market ("NOM"), NASDAQ's facility for executing and routing standardized equity and index options. Specifically, NOM proposes to increase fees for options overlying the PHLX Semiconductor SectorSM (SOXSM), PHLX Housing SectorTM (HGXSM) and PHLX Oil Service SectorSM (OSXSM).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

While changes to the Pricing Schedule pursuant to this proposal are effective upon filing, the Exchange has designated the proposed amendment to be operative on December 3, 2012.

The text of the proposed rule change is available on the Exchange's Website at <http://nasdaq.cchwallstreet.com>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

NASDAQ proposes to amend certain fees in Chapter XV, Section 2. Specifically, the Exchange proposes to increase the Fees for Adding and Removing Liquidity in SOX, HGX and OSX. These products are only listed on NOM and NASDAQ OMX PHLX LLC ("Phlx").³ Phlx recently filed an immediately effective rule change to amend its fees for Singly Listed Options, which include SOX, HGX and OSX, effective December

³ See Phlx's Pricing Schedule at Section III.

3, 2012.⁴ NASDAQ proposes to make corresponding changes to fees for SOX, HGX and OSX effective as of December 3, 2012.

The Exchange currently assesses Customers a Fee for Adding Liquidity and a Fee for Removing Liquidity in SOX, HGX and OSX of \$0.35 per contract. This fee will remain unchanged. The Exchange assesses Professionals, Firms and Non-NOM Market Makers a Fee for Adding Liquidity and a Fee for Removing Liquidity in SOX, HGX and OSX of \$0.45 per contract. The Exchange is proposing to increase these fees to \$0.60 per contract. Finally, the Exchange currently assesses NOM Market Makers a \$0.35 per contract Fee for Adding Liquidity and a Fee for Removing Liquidity in SOX, HGX and OSX. The Exchange proposes to increase this fee to \$0.40 per contract. The Exchange is not proposing to amend other pricing in Chapter XV, Section 2.

b. Statutory Basis

NASDAQ believes that its proposal to amend its Pricing Schedule is consistent with Section 6(b) of the Act⁵ in general, and furthers the objectives of Section 6(b)(4) of the Act⁶ in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members and other persons using its facilities.

The Exchange believes that increasing the Fees for Adding and Removing Liquidity in SOX, HGX and OSX is reasonable because the Exchange proposes to assess the same fees which were recently increased by Phlx for SOX, HGX and OSX.⁷ Also,

⁴ See SR-Phlx-2012-135 (not yet published).

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(4).

⁷ Despite the fact that SOX, HGX and OSX are Multiply Listed (listed on Phlx and

the proposed fees are within the range of similar fees assessed at other exchanges.⁸ The Exchange has previously distinguished other index products from the Non-Penny Pilot Options fees and rebates.⁹ The Exchange would continue to assess lower Fees for Removing Liquidity in SOX, HGX and OSX as compared to the Fees for Removing Liquidity in Non-Penny Pilot Options, which should continue to encourage NOM Participants to transact these newly listed index options. The Fees for Adding Liquidity

NOM), Phlx assesses its market participants the fees for Singly Listed Options to transact index options in SOX, HGX and OSX. See Securities Exchange Act Release No. 66668 (March 28, 2012), 77 FR 20090 (April 3, 2012) (SR-Phlx-2012-35). See also Section III of Phlx's Pricing Schedule. Accordingly, Phlx recently filed an immediately effective rule change to amend its fees as of December 3, 2012 to assess the following fees to transact index options in SOX, HGX and OSX: Customers \$0.35 per contract, Professionals \$0.60 per contract, Firms \$0.60 per contract, Market Makers \$0.40 per contract, and Broker-Dealers \$0.60 per contract. Non-NOM Market Makers are registered market makers on another options market that append the market maker designation to orders routed to NOM. This is the equivalent of a Broker-Dealer on Phlx. While Phlx does not assess both a Fee for Adding Liquidity and Fee for Removing Liquidity, it assesses each side of the transaction the options transaction charge.

⁸ Chicago Board Options Exchange, Incorporated ("CBOE") assesses an \$0.80 per contract fee to Customers, Broker-Dealers, Non-Trading Permit Holder Market Makers and Professional and Voluntary Professional market participants for SPX Range Options (SRO) transactions, a proprietary index, in addition to a surcharge fee. SPX refers to options on the Standard & Poor's 500 Index. See CBOE's Fees Schedule. In addition, NOM assesses Non-Penny Pilot Fees for Removing Liquidity ranging from \$0.82 to \$0.89 per contract depending on the market participant. See Chapter XV, Section 2 of NOM's Rules. Phlx also assesses a Broker-Dealer an electronic options transaction charge (non-Penny Pilot) of \$0.60 per contract for transactions in Multiply Listed Options. See Section II of the Exchange's Pricing Schedule. While Phlx does not assess both a Fee for Adding Liquidity and Fee for Removing Liquidity, it assesses each side of the transaction the options transaction charge.

⁹ See Securities Exchange Act Release No. 67837 (September 12, 2012), 77 FR 57614, 77 FR 57614 (September 18, 2012) (SR-NASDAQ-2012-102) (an immediately effective rule change which adopted rebates and fees relating to options on Facebook, Inc. ("FB"), Google, Inc. ("GOOG") and Groupon, Inc. ("GRPN") separate from other Non-Penny Pilot fees).

for transactions in SOX, HGX and OSX are higher than the Fees for Adding Liquidity in Non-Penny Pilot Options, but as previously noted, the fees correspond to fees assessed by Phlx. The Exchange believes that these fees are reasonable because these fees correspond to comparable fees in place at Phlx for executions in SOX, HGX, and OSX.¹⁰

The Exchange believes that increasing the Fees for Adding and Removing Liquidity in SOX, HGX and OSX is equitable and not unfairly discriminatory because the pricing will be comparable among similar categories of market participants, namely Professionals, Firms and Non-NOM Market Makers would continue to be assessed the same fee of \$0.60 per contract. Customers and NOM Market Makers would be assessed lower fees as compared to other market participants, as is the case today. Customer order flow is assessed the lowest fee because incentivizing members to continue to offer Customer trading opportunities in options overlying SOX, HGX and OSX benefits all market participants through increased liquidity. The Exchange notes that NOM Market Makers are assessed lower fees as compared to other market participants, except Customers, because they have burdensome quoting obligations¹¹ to the market which do not apply to Customers, Professionals, Firms and Non-NOM Market Makers. The proposed differentiation as between Customers and NOM Market Makers as compared to Professionals, Firms and Non-NOM Market Makers recognizes the differing contributions made to the liquidity and trading environment on the Exchange by these market participants.

¹⁰ See Phlx's Pricing Schedule at Section III.

¹¹ See Exchange Rules Section VII, Market Participants, Sections 5, Obligations of Market Makers, and Section 6, Market Maker Quotations.

The Exchange also believes that it is equitable and not unfairly discriminatory to increase the NOM Market Maker Fees for Adding and Removing Liquidity in options overlying SOX, HGX and OSX by \$0.05 per contract as compared to the \$0.15 per contract increase to Professionals, Firms and Non-NOM Market Makers because as explained above NOM Market Makers have certain obligations to the market that do not apply to other market participants. The Exchange desires to continue to assess NOM Market Makers and Customers lower fees as compared to other market participants because these participants contribute to the marketplace as described above. The Customer Fees for Adding and Removing Liquidity in options overlying SOX, HGX and OSX would remain unchanged at \$0.35 per contract. The Exchange believes that it is reasonable to assess Customers and NOM Market Makers lower fees as compared to other market participants because these market participants contribute to the market in terms of liquidity and trading environment as compared to other market participants. Also, the proposed lower fees are comparable to pricing on NOM and other options exchanges.¹²

¹² The Exchange assesses a lower Penny Pilot Options Fee for Removing Liquidity for Customers (\$0.45 per contract versus \$0.47 per contract for other market participants) and assesses no Non-Penny Pilot Options Fee for Adding Liquidity for Customers as compared to other market participants. The Exchange assesses a lower Non-Penny Pilot Options Fee for Adding Liquidity for NOM Market Makers as compared to other market participants (\$0.25 per contract versus \$0.45 per contract for other market participants). Finally, the Exchange assesses lower Non-Penny Pilot Options Fees for Removing Liquidity for Customers and NOM Market Makers as compared to other market participants (\$0.82 per contract versus \$0.87 per contract for other market participants). See Chapter XV, Section 2 pricing. Phlx does not assess Customers options transaction charges for Penny or Non-Penny Pilot options transactions. Also, Specialists and Market Makers are assessed lower electronic options transaction charges in Penny and Non-Penny Pilot Options as compared to Professionals, Broker-Dealers and Firms. See Section II of the Exchange's Pricing Schedule.

B. Self-Regulatory Organization's Statement on Burden on Competition

NASDAQ does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes its fees for SOX, HGX and OSX remain competitive with fees at other options exchanges.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.¹³ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

¹³ 15 U.S.C. 78s(b)(3)(A)(ii).

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2012-136 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NASDAQ-2012-136. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-NASDAQ-2012-136 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Kevin M. O'Neill
Deputy Secretary

¹⁴ 17 CFR 200.30-3(a)(12).

Exhibit 5

New text is underlined; deleted text is in brackets.

* * * * *

Chapter XV Options Pricing

NASDAQ Options Market Participants may be subject to the Charges for Membership, Services and Equipment in the Rule 7000 Series as well as the fees in this Chapter XV.

* * * * *

Sec. 2 NASDAQ Options Market—Fees and Rebates

The following charges shall apply to the use of the order execution and routing services of the NASDAQ Options Market for all securities.

(1) Fees for Execution of Contracts on the NASDAQ Options Market

	Fees and Rebates (per executed contract)				
	Customer	Professional	Firm	Non-NOM Market Maker	NOM Market Maker
Penny Pilot Options:					
Rebate to Add Liquidity	***	\$0.29	\$0.10	\$0.25	\$0.30
Fee for Removing Liquidity ¹	\$0.45	\$0.47	\$0.47	\$0.47	\$0.47
Non-Penny Pilot Options (including NDX²):					
Fee for Adding Liquidity	N/A	\$0.45	\$0.45	\$0.45	\$0.25
Fee for Removing Liquidity	\$0.82	\$0.89	\$0.89	\$0.89	\$0.82
Rebate to Add Liquidity	³	N/A	N/A	N/A	N/A
SOX, HGX and OSX:					
Fee for Adding Liquidity	\$0.35	\$0.[45]60	\$0.[45]60	\$0.[45]60	\$0.[35]40
Fee for Removing Liquidity	\$0.35	\$0.[45]60	\$0.[45]60	\$0.[45]60	\$0.[35]40

¹The Professional, Firm, Non-NOM Market Maker and NOM Market Maker Penny Pilot Options Fee for Removing Liquidity will be reduced by \$0.01 per contract for transactions in which the same NOM Participant or a NOM Participant under common ownership is the buyer and the seller. Common ownership is defined as 75 percent common ownership or control.

²For transactions in NDX, a surcharge of \$0.10 per contract will be added to the Fee for Adding Liquidity and the Fee for Removing Liquidity in Non-Penny Pilot Options, except for a Customer who will not be assessed a surcharge.

³The Customer Rebate to Add Liquidity in Non-Penny Pilot Options, including NDX, will be \$0.80 per contract, unless a market participant adds Customer Liquidity in either or both Penny Pilot or Non-Penny Pilot Options (including NDX) of 115,000 contracts per day in a month, then the Customer Rebate to Add Liquidity in Non-Penny Pilot Options will be \$0.81 per contract. NOM Participants under common ownership may aggregate their Customer volume to qualify for the increased Customer rebate. Common ownership is defined as 75 percent common ownership or control.

*** The Customer Rebate to Add Liquidity in Penny Pilot Options will be paid as noted below.

Monthly Volume	Rebate to Add Liquidity
Tier 1 Participant adds Customer liquidity of up to 34,999 contracts per day in a month	\$0.26
Tier 2 Participant adds Customer liquidity of 35,000 to 74,999 contracts per day in a month	\$0.43
Tier 3 Participant adds Customer liquidity of 75,000 or more contracts per day in a month	\$0.44
Tier 4^a Participant adds (1) Customer liquidity of 25,000 or more contracts per day in a month, (2) the Participant has certified for the Investor Support Program set forth in Rule 7014; and (3) the Participant executed at least one order on NASDAQ's equity market	\$0.42
Tier 5^{b,c} Participant has Total Volume of 130,000 or more contracts per day in a month	\$0.46

^aFor purposes of Tier 4, the Exchange will allow a NOM Participant to qualify for the rebate if a NASDAQ member under common ownership with the NOM Participant has certified for the Investor Support Program and executed at least one order on NASDAQ's equity market. Common ownership is defined as 75 percent common ownership or control.

^bFor purposes of Tier 5, "Total Volume" shall be defined as Customer,

Professional, Firm, Non-NOM Market Maker and NOM Market Maker volume in Penny Pilot Options and Non-Penny Pilot Options which either adds or removes liquidity.

^cFor purposes of Tier 5, the Exchange will allow NOM Participants under common ownership to aggregate their volume to qualify for the rebate. Common ownership is defined as 75 percent common ownership or control.

(2) – (4) No Change.

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