

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 14	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2012 - * 05	Amendment No. (req. for Amendments *)
Proposed Rule Change by NASDAQ OMX PHLX LLC. Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934				
Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>
			Section 19(b)(3)(B) * <input type="checkbox"/>	
			Rule	
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
			<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)
Exhibit 2 Sent As Paper Document <input type="checkbox"/>		Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
Description Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *). A Proposal to Establish an Obvious Error Fee.				
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 *	Jonathan		Last Name *	Cayne
Title *	Associate General Counsel			
E-mail *	jonathan.cayne@nasdaqomx.com			
Telephone *	(301) 978-8493	Fax	(301) 978-8472	
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	01/10/2012			
By	Edward S. Knight		Executive Vice President and General Counsel	
		(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.			Edward S Knight,	

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS 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)

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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

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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

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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) NASDAQ OMX PHLX LLC ("Phlx" or "Exchange"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² proposes to amend the Exchange's Fee Schedule and Exchange Rule 1092 to establish a processing fee for members who file more than fifty unsuccessful obvious error submissions during a calendar month.

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 Exchange's Fee Schedule 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 the Exchange pursuant to authority delegated by the Board of Directors of the Exchange on August 11, 2008. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to Jonathan F. Cayne at (301) 978-8493.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

a. Purpose

The proposed rule change to the Fee Schedule and Exchange Rule 1092, entitled “Obvious Errors and Catastrophic Errors,” is to establish a processing fee (“Obvious Error Fee”) for members who file more than fifty unsuccessful obvious error submissions during a calendar month. A submission is defined as one trade in a specific underlying, strike, and series. An unsuccessful submission is one in which no part of the submitted transaction is busted or adjusted by either the Exchange or by mutual agreement between the parties to the transaction.

Currently, the Exchange does not assess such a fee, regardless of the number of obvious error submissions a member files during any single calendar month. As a result, no disincentive exists to prevent a member from making numerous unwarranted obvious error submissions without ever first needing to consider the likelihood of success. The lack of consideration given as to whether a submission has a reasonable probability of being granted may lead to an undue burden being placed upon Exchange staff to fully review all such submissions. In addition, such frivolous submissions may place undue stress on participants who were contra to the transactions in question.

The Exchange believes that by implementing a fee that allows for fifty free unsuccessful submissions per month before charging \$25 for each subsequent submission will serve to resolve the issue. The Obvious Error Fee will discourage members from filing large numbers of obvious error submissions, regardless of their merit. The Exchange also believes that the Obvious Error Fee will in no way discourage the filing of

legitimate obvious error submissions.

b. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act³ in general, and furthers the objectives of Section 6(b)(4) of the Act⁴ in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members. The Obvious Error Fee is reasonable because it reduces the administrative burden of the Exchange and does not in any way discourage the filing of legitimate obvious error submissions. The Obvious Error Fee is equitable and not unfairly discriminatory because it is uniformly applied to all members and member organizations making obvious error submissions and would apply only to those members who make more than fifty unsuccessful obvious error submissions in a single calendar month. The Exchange believes that this is fair since these members and member organizations consume a disproportionate share of the Exchange staff's resources in this area.

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

The Exchange 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.

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.

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(4).

6. Extension of Time Period for Commission Action

Not applicable.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,⁵ the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. Exhibits

1. Notice of proposed rule for publication in the Federal Register.
5. Applicable portion of the Exchange's Fee Schedule.

⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

EXHIBIT 1SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-Phlx-2012-05)

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by NASDAQ OMX PHLX LLC to Establish an Obvious Error Fee

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹, and Rule 19b-4 thereunder,² notice is hereby given that on January 10, 2012, NASDAQ OMX PHLX LLC ("Phlx" 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 Exchange. 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

The Exchange proposes to amend the Exchange's Fee Schedule to establish a processing fee for members who file more than fifty unsuccessful obvious error submissions during a calendar month.

The text of the proposed rule change is available on the Exchange's Website at <http://nasdaqtrader.com/micro.aspx?id=PHLXfilings>, 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on 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

The proposed rule change to the Fee Schedule and Exchange Rule 1092, entitled “Obvious Errors and Catastrophic Errors,” is to establish a processing fee (“Obvious Error Fee”) for members who file more than fifty unsuccessful obvious error submissions during a calendar month. A submission is defined as one trade in a specific underlying, strike, and series. An unsuccessful submission is one in which no part of the submitted transaction is busted or adjusted by either the Exchange or by mutual agreement between the parties to the transaction.

Currently, the Exchange does not assess such a fee, regardless of the number of obvious error submissions a member files during any single calendar month. As a result, no disincentive exists to prevent a member from making numerous unwarranted obvious error submissions without ever first needing to consider the likelihood of success. The lack of consideration given as to whether a submission has a reasonable probability of being granted may lead to an undue burden being placed upon Exchange staff to fully review all such submissions. In addition, such frivolous submissions may place undue stress on participants who were contra to the transactions in question.

The Exchange believes that by implementing a fee that allows for fifty free

unsuccessful submissions per month before charging \$25 for each subsequent submission will serve to resolve the issue. The Obvious Error Fee will discourage members from filing large numbers of obvious error submissions, regardless of their merit. The Exchange also believes that the Obvious Error Fee will in no way discourage the filing of legitimate obvious error submissions.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act³ in general, and furthers the objectives of Section 6(b)(4) of the Act⁴ in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members. The Obvious Error Fee is reasonable because it reduces the administrative burden of the Exchange and does not in any way discourage the filing of legitimate obvious error submissions. The Obvious Error Fee is equitable and not unfairly discriminatory because it is uniformly applied to all members and member organizations making obvious error submissions and would apply only to those members who make more than fifty unsuccessful obvious error submissions in a single calendar month. The Exchange believes that this is fair since these members and member organizations consume a disproportionate share of the Exchange staff's resources in this area.

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

The Exchange 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

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(4).

Act.

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.⁵ 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:

- 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-Phlx-2012-05 on the subject line.

Paper comments:

⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

- 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-Phlx-2012-05. 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-Phlx-2012-05 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.⁶

Kevin M. O'Neill
Deputy Secretary

⁶ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined; deleted text is in brackets.

Rule 1092. Obvious Errors and Catastrophic Errors

* * * * *

(a) - (d) No change.

(e) *Obvious Error Procedure.* Regulatory staff shall administer the application of this Rule as follows:

(i) – (ii) No change.

(iii) Exchange participants will be charged a \$25 processing fee for unsuccessful obvious error submissions exceeding 50 in a single calendar month. Each additional, unsuccessful submission above 50 in a single calendar month will be charged a \$25 processing fee per submission. A submission is defined as one trade in a specific underlying, strike, and series. An unsuccessful submission is one in which no part of the submitted transaction is busted or adjusted by either the Exchange or by mutual agreement between the parties to the transaction.

(f) – (g) No change.

* * * * *

Exhibit 5

New text is underlined; deleted text is in brackets.

NASDAQ OMX PHLX LLC FEE SCHEDULE

VII. Other Member Fees

D. Appeal Fees

Review/Process Subordinated Loans	\$25
Forum Fee Pursuant to Rule 60	\$100
Review Fee Pursuant to Rule 124	\$250
<u>Obvious Error Fee Pursuant to Rule 1092</u>	<u>\$25 per unsuccessful obvious error submission exceeding 50 in a calendar month</u>
