OMB APPROVAL
OMB Number: 3235-0045 Estimated average burden hours per response............38

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2014 - * 30
Amendment No. (req. for Amendments *)

Filing by NASDAQ OMX PHLX LLC.

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) *
☑	☐	☐	☐	☑	☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule

☐ 19b-4(f)(1)	☐ 19b-4(f)(4)
☐ 19b-4(f)(2)	☐ 19b-4(f)(5)
☐ 19b-4(f)(3)	☑ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐

Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

A Proposed Rule Change Regarding the Quarterly Options Series Program.

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 action.

First Name * Jurij
Last Name * Trypupenko
Title * Associate General Counsel
E-mail * jurij.trypupenko@nasdaqomx.com
Telephone * (301) 978-8132
Fax (301) 948-8472

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.

Date 04/25/2014

By Edward S. Knight

(Name *)

(Title *)

Executive Vice President and General Counsel

Persona Not Validated - 1383935917270,

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.

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information * Add Remove View	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 * 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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies * 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, security-based swap submission, or advance notice 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 Add Remove View 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 Add Remove View	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) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] NASDAQ OMX PHLX LLC ("Phlx" or "Exchange") is filing with the Securities and Exchange Commission ("Commission") a proposal to amend Rule 1012 (Series of Options Open for Trading) in order to modify the Quarterly Options Series ("QOS") Program to eliminate the cap on the number of additional series that may be listed per expiration month for each QOS in exchange-traded fund ("ETF") options.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and the text of the proposed rule change is attached 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 (the "Board") on July 17, 2013. Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the rule change.

---

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b-4.

Questions and comments on the proposed rule change may be directed to Jurij Trypupenko, Associate General Counsel, The NASDAQ OMX Group Inc., at (301) 978-8132.

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

a. Purpose

The purpose of this filing is to amend Commentary .08 to Rule 1012 in order to modify the QOS Program to eliminate the cap on the number of additional series that may be listed per expiration month for each QOS in ETF options. This filing does not propose any substantive changes to the QOS Program.

The Exchange is proposing to amend Commentary .08 to Rule 1012 to align its rules with those of other options exchanges that do not have a cap on the number of additional series that may be listed per expiration month for each QOS in ETF options.[3]

As set out in Commentary .08, the Exchange may list QOS up to five currently listed options classes that are either index options or options on ETFs. The Exchange may also list QOS on any option classes that are selected by other securities exchanges that employ a similar program under their respective rules. Currently, for each QOS in ETF options that has been initially listed on the Exchange, the Exchange may list up to 60 additional series per expiration month. The Exchange now proposes to delete the 60 additional series cap.

---

3 See Securities Exchange Act Release No. 71080 (December 16, 2013), 78 FR 77191 (December 20, 2103)(notice of filing and immediate effectiveness of SR-CBOE-2013-125)(the "CBOE Filing"). See also Securities Exchange Act Release Nos. 70854 (November 13, 2013), 78 FR 69465 (November 19, 2103)(notice of filing and immediate effectiveness of SR-NYSEMKT-2013-90); and 70855 (November 13, 2013), 78 FR 69493 (November 19, 2013)(notice of filing and immediate effectiveness of SR-NYSEArca-2013-120)(collectively, the "NYSE Filings").

The Exchange notes that its proposal would also make the treatment of additional QOS series in ETF options consistent with the treatment of additional QOS series in stock index options.[4] While these QOS Programs are similar, the QOS Program in stock index options does not place a cap on the number of additional series that the Exchange may list per expiration month for each QOS in index options. Elimination of the cap set forth in Commentary .08(d), therefore, would result in similar regulatory treatment in respect of additional series in ETF options and additional series in index options. The Exchange also notes that it is not subject to the same series limitations for other programs including options series with weekly expirations.[5]

---

[4] See Rule 1101A(b)(v), which governs the QOS for index options.

[5] Commentary .11 to Rule 1012, for example, governs the Exchange's Short Term Options ("STOs", which are also known as "Weeklys") Series Program. Commentary .11 sets a maximum of fifty (50) currently listed option classes on which Short Term Option Series may be opened. The Exchange also may list Short Term Option Series on any option classes that are selected by other securities exchanges that employ a similar program under their respective rules. If the Exchange opens less than thirty (30) Short Term Option Series for a Short Term Option Expiration Date, additional series 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 security moves substantially from the exercise price or prices of the series already opened. Any additional strike prices listed by the Exchange shall be reasonably close to the price of the underlying equity security and within the following parameters: (i) if the price of the underlying security is less than or equal to $20, additional strike prices shall be not more than one hundred percent (100%) above or below the price of the underlying security; and (ii) if the price of the underlying security is greater than $20, additional strike prices shall be not more than fifty percent (50%) above or below the price of the underlying security. The Exchange may also open additional strike prices of Short Term Option Series that are more than 50% above or below the current price of the underlying security (if the price is greater than $20); provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers. Market-Makers trading for their own account shall not be considered when determining customer interest under this provision. In the event that the underlying security has moved such that there are no series that are at least 10%

The Exchange believes the elimination of the cap would also help market participants meet their investment objective by providing expanded opportunities to roll ETF options into later quarters. Because of the current cap, however, the Exchange may not be able to list the appropriate series to do so. Elimination of the cap would allow the Exchange to meet the investment needs of market participants in such situations. Elimination of the cap would also allow the Exchange to react to moving markets by adding appropriate strike prices closer to the underlying security. The Exchange believes that the proposed change would provide market participants with the ability to better tailor their trading to meet their investment objectives, including hedging securities positions, by permitting the Exchange to list additional QOS in ETF options that meet such objectives. With regard to the impact of this proposal on system capacity, the Exchange represents that it and the Options Price Reporting Authority ("OPRA") have the necessary systems capacity to handle any potential additional traffic associated with this current amendment to the QOS Program. The Exchange believes that its members will not have a capacity issue as a result of this proposal. The Exchange also represents that it does not believe this expansion will cause fragmentation to liquidity.

To help ensure that only active options series are listed, the Exchange has in place procedures to delist inactive series. Commentary .08 requires the Exchange to review, on a monthly basis, the QOS Program series that are outside a range of five (5) strikes above and five (5) strikes below the current price of the underlying ETF, and delist series with

---

above or below the current price of the underlying security, the Exchange will delist any series with no open interest in both the call and the put series according to parameters set forth in Commentary .11.

no open interest in both the put and the call series having: (a) a strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; or (b) a strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month.[6] The Exchange believes this provision helps to maintain capacity to handle quote traffic.

In terms of housekeeping changes, the Exchange is proposing to delete obsolete language in Commentary .08(h) that refers to a years-old timeframe that is no longer relevant (*e.g.*, the last quarter of 2008).

b. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[7] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[8] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

In particular, the Exchange believes that the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market because it

---

6 Commentary .08(g) to Rule 1012.

7 15 U.S.C. 78f(b).

8 15 U.S.C. 78f(b)(5).

will expand the investment options available to investors and will allow for more efficient risk management. The Exchange believes that removing the cap on the number of QOS in ETF options permitted to be listed on the Exchange will result in a continuing benefit to investors by giving them more flexibility to closely tailor their investment and hedging decisions to their needs, and, therefore, the proposal is designed to protect investors and the public interest. In addition, the elimination of the cap will, as discussed, make the treatment of additional QOS series in ETF options consistent with most options exchanges, and consistent with the treatment of additional QOS series in index options on the Exchange, thus resulting in similar regulatory treatment for similar option products.[9]

With regard to the impact of this proposal on system capacity, the Exchange has noted that it and OPRA have the necessary systems capacity to handle any potential additional traffic associated with this current amendment to the QOS Program. The Exchange believes that its members will not have a capacity issue as a result of this proposal. The Exchange also represents that it does not believe this expansion will cause fragmentation to liquidity.

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. To the contrary, the Exchange believes that the proposed rule change will relieve any burden on, and in fact will promote, competition. The elimination of the cap on

---

9 The Exchange is also making a housekeeping change to delete obsolete language, which would clarify the QOS Program rule and reduce potential confusion.

additional series in the QOS program will benefit investors by providing more flexibility to more closely tailor their investment and hedging decisions.

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.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)[10] of the Act and Rule 19b-4(f)(6) thereunder[11] in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The proposal does not raise any new regulatory issues because it merely removes the cap on the number of QOS in ETF options permitted to be listed on the Exchange, thereby expanding the investment options available to investors and allowing for more efficient risk management. Therefore, the proposal does not significantly affect the protection of investors or the public interest or, as discussed, impose any significant burden on competition or result in any capacity or fragmentation of liquidity issues.

---

10 15 U.S.C. 78s(b)(3)(A).

11 17 CFR 240.19b-4(f)(6).

More specifically, the Exchange is merely trying to align its rules internally as well as with other options exchanges.[12] In addition, the proposal is designed to benefit investors by giving them more flexibility to closely tailor their investment and hedging decisions to their needs.

Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

For the foregoing reasons, this rule filing qualifies as a "non-controversial" rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission. 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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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.

The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. The Exchange believes the waiver of the 30-days will allow the Exchange to compete with other options exchanges proposing similar changes without putting the Exchange at a competitive disadvantage. In addition, the Exchange believes that the proposed change protects investors and is in the public interest because it fosters

---

[12] See supra note 3.

competition by allowing the QOS Program to increase on more than one exchange. Additionally, the waiver would allow the Exchange to align its rules for ETF options and index options more quickly.

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

The proposed change is based upon the recent CBOE Filing and NYSE Filings.[13] As the rules for the Exchange, CBOE, NYSE Arca and NYSE MKT are similar, the Exchange is proposing substantively the same changes that were made in the noted filings. As stated above, the purpose of this Exchange filing is to align the Exchange's rules with those of other options exchanges, and, thus the Exchange is proposing the same amendments as those proposed in the CBOE Filing and NYSE Filings.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

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

5. Proposed rule text.

---

[13] See Securities Exchange Act Release Nos. 71080 (December 16, 2013), 78 FR 77191 (December 20, 2103)(notice of filing and immediate effectiveness of SR-CBOE-2013-125); 70854 (November 13, 2013), 78 FR 69465 (November 19, 2103)(notice of filing and immediate effectiveness of SR-NYSEMKT-2013-90); and 70855 (November 13, 2013), 78 FR 69493 (November 19, 2013)(notice of filing and immediate effectiveness of SR-NYSEArca-2013-120). The Exchange's housekeeping change to delete obsolete language from its QOS Program rule is outside the scope of the cited filings.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. ; File No. SR-Phlx-2014-30)

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Regarding the Quarterly Options Series Program

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1], and Rule 19b-4[2] thereunder, notice is hereby given that on April 25, 2014, 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 is filing with the Commission a proposal to amend Rule 1012 (Series of Options Open for Trading) in order to modify the Quarterly Options Series ("QOS") Program to eliminate the cap on the number of additional series that may be listed per expiration month for each QOS in exchange-traded fund ("ETF") options.

The text of the amended Exchange rule is set forth in Exhibit 5. The text of the proposed rule change is available on the Exchange's Website at http://nasdaqomxphlx.cchwallstreet.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

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 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 purpose of this filing is to amend Commentary .08 to Rule 1012 in order to modify the QOS Program to eliminate the cap on the number of additional series that may be listed per expiration month for each QOS in ETF options. This filing does not propose any substantive changes to the QOS Program.

The Exchange is proposing to amend Commentary .08 to Rule 1012 to align its rules with those of other options exchanges that do not have a cap on the number of additional series that may be listed per expiration month for each QOS in ETF options.[3]

As set out in Commentary .08, the Exchange may list QOS up to five currently listed options classes that are either index options or options on ETFs. The Exchange may also list QOS on any option classes that are selected by other securities exchanges

3 See Securities Exchange Act Release No. 71080 (December 16, 2013), 78 FR 77191 (December 20, 2103)(notice of filing and immediate effectiveness of SR-CBOE-2013-125)(the "CBOE Filing"). See also Securities Exchange Act Release Nos. 70854 (November 13, 2013), 78 FR 69465 (November 19, 2103)(notice of filing and immediate effectiveness of SR-NYSEMKT-2013-90); and 70855 (November 13, 2013), 78 FR 69493 (November 19, 2013)(notice of filing and immediate effectiveness of SR-NYSEArca-2013-120)(collectively, the "NYSE Filings").

that employ a similar program under their respective rules. Currently, for each QOS in ETF options that has been initially listed on the Exchange, the Exchange may list up to 60 additional series per expiration month. The Exchange now proposes to delete the 60 additional series cap.

The Exchange notes that its proposal would also make the treatment of additional QOS series in ETF options consistent with the treatment of additional QOS series in stock index options.[4] While these QOS Programs are similar, the QOS Program in stock index options does not place a cap on the number of additional series that the Exchange may list per expiration month for each QOS in index options. Elimination of the cap set forth in Commentary .08(d), therefore, would result in similar regulatory treatment in respect of additional series in ETF options and additional series in index options. The Exchange also notes that it is not subject to the same series limitations for other programs including options series with weekly expirations.[5]

---

4 See Rule 1101A(b)(v), which governs the QOS for index options.

5 Commentary .11 to Rule 1012, for example, governs the Exchange's Short Term Options ("STOs", which are also known as "Weeklys") Series Program. Commentary .11 sets a maximum of fifty (50) currently listed option classes on which Short Term Option Series may be opened. The Exchange also may list Short Term Option Series on any option classes that are selected by other securities exchanges that employ a similar program under their respective rules. If the Exchange opens less than thirty (30) Short Term Option Series for a Short Term Option Expiration Date, additional series 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 security moves substantially from the exercise price or prices of the series already opened. Any additional strike prices listed by the Exchange shall be reasonably close to the price of the underlying equity security and within the following parameters: (i) if the price of the underlying security is less than or equal to $20, additional strike prices shall be not more than one hundred percent (100%) above or below the price of the underlying security; and (ii) if the price of the underlying security is greater than $20, additional strike prices shall be not more than fifty percent

The Exchange believes the elimination of the cap would also help market participants meet their investment objective by providing expanded opportunities to roll ETF options into later quarters. Because of the current cap, however, the Exchange may not be able to list the appropriate series to do so. Elimination of the cap would allow the Exchange to meet the investment needs of market participants in such situations. Elimination of the cap would also allow the Exchange to react to moving markets by adding appropriate strike prices closer to the underlying security. The Exchange believes that the proposed change would provide market participants with the ability to better tailor their trading to meet their investment objectives, including hedging securities positions, by permitting the Exchange to list additional QOS in ETF options that meet such objectives. With regard to the impact of this proposal on system capacity, the Exchange represents that it and the Options Price Reporting Authority ("OPRA") have the necessary systems capacity to handle any potential additional traffic associated with this current amendment to the QOS Program. The Exchange believes that its members will not have a capacity issue as a result of this proposal. The Exchange also represents that it does not believe this expansion will cause fragmentation to liquidity.

(50%) above or below the price of the underlying security. The Exchange may also open additional strike prices of Short Term Option Series that are more than 50% above or below the current price of the underlying security (if the price is greater than $20); provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers. Market-Makers trading for their own account shall not be considered when determining customer interest under this provision. In the event that the underlying security has moved such that there are no series that are at least 10% above or below the current price of the underlying security, the Exchange will delist any series with no open interest in both the call and the put series according to parameters set forth in Commentary .11.

To help ensure that only active options series are listed, the Exchange has in place procedures to delist inactive series. Commentary .08 requires the Exchange to review, on a monthly basis, the QOS Program series that are outside a range of five (5) strikes above and five (5) strikes below the current price of the underlying ETF, and delist series with no open interest in both the put and the call series having: (a) a strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; or (b) a strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month.[6] The Exchange believes this provision helps to maintain capacity to handle quote traffic.

In terms of housekeeping changes, the Exchange is proposing to delete obsolete language in Commentary .08(h) that refers to a years-old timeframe that is no longer relevant (*e.g.*, the last quarter of 2008).

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[7] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[8] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to,

---

6 Commentary .08(g) to Rule 1012.

7 15 U.S.C. 78f(b).

8 15 U.S.C. 78f(b)(5).

and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

In particular, the Exchange believes that the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market because it will expand the investment options available to investors and will allow for more efficient risk management. The Exchange believes that removing the cap on the number of QOS in ETF options permitted to be listed on the Exchange will result in a continuing benefit to investors by giving them more flexibility to closely tailor their investment and hedging decisions to their needs, and, therefore, the proposal is designed to protect investors and the public interest. In addition, the elimination of the cap will, as discussed, make the treatment of additional QOS series in ETF options consistent with most options exchanges, and consistent with the treatment of additional QOS series in index options on the Exchange, thus resulting in similar regulatory treatment for similar option products.[9]

With regard to the impact of this proposal on system capacity, the Exchange has noted that it and OPRA have the necessary systems capacity to handle any potential additional traffic associated with this current amendment to the QOS Program. The Exchange believes that its members will not have a capacity issue as a result of this proposal. The Exchange also represents that it does not believe this expansion will cause fragmentation to liquidity.

---

9 The Exchange is also making a housekeeping change to delete obsolete language, which is designed to clarify the QOS Program rule and reduce potential confusion.

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 Act. To the contrary, the Exchange believes that the proposed rule change will relieve any burden on, and in fact will promote, competition. The elimination of the cap on additional series in the QOS program will benefit investors by providing more flexibility to more closely tailor their investment and hedging decisions.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)[10] of the Act and subparagraph (f)(6) of Rule 19b-4 thereunder.[11]

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If

---

10 15 U.S.C. 78s(b)(3)(A).

11 17 CFR 240.19b-4(f)(6).

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-2014-30 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-Phlx-2014-30. 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 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices 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-2014-30 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.[12]

Kevin M. O'Neill
Deputy Secretary

---

[12] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

NASDAQ OMX PHLX LLC Rules
Options Rules

* * * * *

Rule 1012. Series of Options Open for Trading

(a) - (d) No Change.

• • • ***Commentary:*** ------------------

.01 - **.07** No Change.

.08 Quarterly Options Series Program. The Exchange may list and trade P.M. settled options series that expire at the close of business on the last business day of a calendar quarter ("Quarterly Options Series").The Exchange may list Quarterly Options Series for up to five (5) currently listed options classes that are either Index Options or options on Exchange Traded Funds ("ETFs"). In addition, the Exchange may also list Quarterly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.

(a) – (c) No Change.

(d) Additional Series. Additional Quarterly Options Series 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 security moves substantially from the initial exercise price or prices. To the extent that any additional strike prices are listed by the Exchange, such additional strike prices shall be within thirty percent (30%) above or below the closing price of the underlying ETF (or "Exchange-Traded Fund Shares") as defined in Rule 1000(b)42 on the preceding day. The Exchange may also open additional strike prices of Quarterly Options Series in ETF options that are more than 30% above or below the current price of the underlying ETF provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers. Market Makers trading for their own account shall not be considered when determining customer interest under this provision. The opening of new Quarterly Options Series shall not affect the series of options of the same class previously opened. [In addition to the initial listed series, the Exchange may list up to sixty (60) additional series per expiration month for each Quarterly Options Series in ETF options.]

(e) – (g) No Change.

(h) [During the last quarter of 2008 (and for the new expiration month being added after December Quarterly Option Series expiration), the Exchange may list up to one hundred (100) additional series per expiration month for each Quarterly Options Series in ETF options.]Reserved.

* * * * *