

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="22"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2015"/> - * <input type="text" value="37"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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Filing 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 type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

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

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

A proposal to amend Exchange rules to describe how All-or-None orders are handled by its new Options Floor Broker Management System.

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 * <input type="text" value="Edith"/>	Last Name * <input type="text" value="Hallahan"/>
Title * <input type="text" value="Principal Associate General Counsel"/>	
E-mail * <input type="text" value="edith.hallahan@nasdaq.com"/>	
Telephone * <input type="text" value="(215) 496-5179"/>	Fax <input type="text" value="(215) 496-6729"/>

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.

(Title *)

Date <input type="text" value="04/22/2015"/>	Executive Vice President and General Counsel
By <input type="text" value="Edward S. Knight"/>	<input type="text"/>
(Name *)	

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 *

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

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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) NASDAQ OMX PHLX LLC (“Exchange” or “Phlx”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“Commission”) a proposal to amend Exchange rules to describe how All-or-None (“AON”) orders are handled by its new Options Floor Broker Management System (“FBMS”).

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1. The text of the proposed rule change is set forth below.

Proposed new language is underlined; deleted text is in brackets.

* * * * *

A-9 All-or-None Option Orders

An all-or-none option order is a limit order which is to be executed in its entirety, or not at all. Unlike a fill-or-kill order, an all-or-none order is not cancelled if it is not executed as soon as it is represented in the trading crowd. An all-or-none order has no standing respecting executions in the crowd except with respect to other all-or-none orders.

When represented in the crowd, [A]all-or-none orders are not included as part of the bid or offer. [However, an all-or-none order entrusted to a Specialist should be disclosed to the trading crowd if such order falls within or upon the bid or offer for the particular option series.

For example, if the market in XYZ Oct 30 calls is 4 - 4.25, 10×15, and there is an all-or-none order on the Specialist's book to sell 10 XYZ Oct 30 calls at 4.25 all-or-none, the Specialist, in response to a request for the market in XYZ Oct 30 calls, should respond:

"The market is 4 - 4.25, 10×15, 10 (to sell) at 4.25 all-or-none."

Accordingly, under this policy, all-or-none option orders should be announced to the trading crowd as part of the quoted market, but not as part of the bid or offer.]

When entered electronically pursuant to Rule 1080 or into Options Floor Broker Management System pursuant to Rule 1063, an all-or-none order has standing and is

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

eligible for execution in time priority with all other customer orders and all-or-none professional orders (as specified in Rule 1000(b)(14)) at that price if the all-or-none contingency can be met.

FINE SCHEDULE

Fine not applicable

* * * * *

(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 16, 2014. Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to Edith Hallahan, Principal Associate General Counsel, The NASDAQ OMX Group, Inc., at 215-496-5179.

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

a. Purpose

Background

Today, the Exchange is operating two versions of FBMS as part of an implementation period for the new FBMS. The old FBMS enabled Floor Brokers and/or their employees to enter, route, and report transactions stemming from options orders executed manually (verbally) in open outcry on the Exchange. It also established an electronic audit trail for options orders represented by Floor Brokers on the Exchange.

Floor Brokers can use old FBMS to submit orders to the PHLX XL II System (“System”) pursuant to Rule 1063, rather than executing the orders in the trading crowd.

With the new FBMS, all options transactions on the Exchange involving at least one Floor Broker can continue to be represented in open outcry in the trading crowd but are now required to be executed by and through the new FBMS. In connection with order execution, the Exchange allows FBMS to execute two-sided orders entered by Floor Brokers, including multi-leg orders up to 15 legs, after the Floor Broker has represented the orders in the trading crowd. FBMS also provides Floor Brokers with an enhanced functionality called the complex calculator that calculates and displays a suggested price of each individual component of a multi-leg order, up to 15 legs, submitted on a net debit or credit basis. The Exchange deployed the new FBMS in March 2014. Despite the initial intent to phase out the old FBMS after an implementation period involving the old and new FBMS operating concurrently, the Exchange has determined to operate the old FBMS until November 3, 2015 and is planning to implement a new, third FBMS, the details of which will be filed as a proposed rule change.³ In the event that the Floor Broker is utilizing the new FBMS and the new FBMS malfunctions or is otherwise not available after a Floor Broker has entered an order, the Floor Broker can re-enter that order into the old FBMS.

³ Securities Exchange Act Release No. 73586 (November 13, 2014), 79 FR 68931 (November 19, 2014)(SR-Phlx-2014-71).

Proposal

The purpose of the proposal is to address the way AON orders on the book are handled electronically by the new FBMS.⁴ In its filing for approval of the new FBMS, the Exchange addressed AON orders merely by referring to Advice A-9, which provides, in pertinent part, that an AON option order is a limit order which is to be executed in its entirety, or not at all.⁵ Advice A-9 further provides that an AON order has no standing in the crowd except with respect to other AON orders. Accordingly, when a Floor Broker using the old FBMS executes an order in the trading crowd today where there is an AON order executable against the Floor Broker's order on the contra-side, the Floor Broker can skip that AON order and trade with another quote or order at that price, because the AON order has no standing. This would continue to be the case for verbal executions, which occur when the old FBMS is used, when the new FBMS malfunctions⁶ and where there is no Floor Broker involved.⁷ The Exchange is not proposing to change this, other than to make a slight language change to clarify that the execution is occurring in the trading crowd.

Although this is how AON orders are treated on the trading floor today when executed manually in the trading crowd, AON orders are treated differently when the new FBMS is used because the System performs the execution. Specifically, in the new FBMS, AON orders that can trade against any eligible interest, not just other AON

⁴ Only customers and professionals can submit AON orders. See Rules 1000(b)(14) and Rule 1080(b).

⁵ See also Rule 1066(c)(4).

⁶ Rule 1063(e)(ii).

⁷ Rule 1000(f)(ii).

orders, and they are not skipped. When a Floor Broker seeks to execute an order using the new FBMS where there is an AON order at a price equal to or better than the Floor Broker's order on the contra-side, the Floor Broker must enter his order into the new FBMS and execute against the full size of the AON order electronically. If the Floor Broker does not fulfill the full size of the AON order, the Floor Broker's order will be returned with no execution occurring.

This is the same way that AON orders are treated by the System; they are subject to the normal price and time priority principles of Rule 1014, except that the AON contingency must be met for the AON order to trade. An AON order with time priority will trade in time priority before another customer order if its size contingency can be met. If the size contingency order cannot be met, the AON order will be skipped and a customer order behind it in time priority may execute. Because the new FBMS executes orders electronically and generally provides more electronic functionality, the Exchange believes it is appropriate to address AON orders executed against orders submitted through the new FBMS in the same way.

Accordingly, Advice A-9 is proposed to be amended to expressly state that how AON orders are handled when executed manually (verbally) as well as when executed electronically. With respect to electronic AON orders, the Exchange proposes to expressly state that an AON order has standing and is eligible for execution in time priority with all other customer orders and AON professional orders (as specified in Rule 1000(b)(14)) at that price if the AON contingency can be met. The Exchange is not changing what types of orders a professional can submit nor the priority of those orders. Rule 1000(b)(14) will continue to state that the term "professional" means any person or

entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). It will also continue to state that a professional will be treated in the same manner as an off-floor broker-dealer for purposes of Rules 1014(g)(except with respect to AON orders, which will be treated like customer orders, except that orders submitted pursuant to Rule 1080(n) for the beneficial account(s) of professionals with an AON designation will be treated in the same manner as off-floor broker-dealer orders), 1033(e), 1064.02 (except professional orders will be considered customer orders subject to facilitation), 1080(n) and 1080.08 as well as Options Floor Procedure Advices B-6, B- 11 and F-5.

The Exchange also proposes to delete the example at the end of Advice A-9. It is obsolete for several reasons; it refers to the “Specialist's book,” which is now generally considered the Exchange's book, the limit order book or just the book; and announcing AON orders on the book to the crowd does not occur where there is a remote specialist. For similar reasons, the Exchange proposes to delete reference to an AON order being “entrusted to a Specialist.” This process is no longer performed.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act⁹ in particular, in that it is designed to promote just and equitable principles of trade and to protect investors and the public interest, by specifically providing how an AON order executes against orders

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

submitted through the new FBMS and by improving the treatment of such AON orders as opposed to AON orders handled manually. Specifically, the proposal results in improving the treatment of electronic AON orders by increasing their interaction with other orders on the Exchange, because AON orders are electronically executed against contra-side orders entered into the new FBMS. More specifically, such orders have standing and time priority, as explained above. The Exchange is not changing the priority of afforded to electronic AON orders, but rather is codifying such treatment in its rules.

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. This treatment of AON orders should help the Exchange compete with other floor-based exchanges for AON orders. More importantly, the proposal should result in more interaction between AON orders and all other orders, as explained above, thereby promoting a more competitive marketplace.

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

No written comments were 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

¹⁰ 15 U.S.C. 78s(b)(3)(A).

of the Act and Rule 19b-4(f)(6) thereunder¹¹ 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 significantly affect the protection of investors or the public interest, or impose any significant burden on competition, as explained below.

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.

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.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day pre-operative waiting period contained in Rule 19b-4(f)(6)(iii) so that the

¹¹ 17 CFR 240.19b-4(f)(6).

Exchange can continue to treat AON orders executed against new FBMS orders the same way as electronic AON orders executed against electronic orders. The priority of electronic AON orders today is addressed in Rule 1014(g)(vii), which covers all electronic orders, and is not being changed. The Exchange believes that this is consistent with the protection of investors and the public interest, because it results in increasing electronic AON order interaction with other orders on the Exchange, as explained above. In addition, the proposed handling of AON orders is the same as another exchange.¹²

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

AON orders are treated the same way on another exchange.¹³

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.

¹² See NYSEArca Rules 6.76(a)(2)(C) and 6.76A(b)(1)(A), which rank and execute AON orders electronically in time priority.

¹³ Id.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-Phlx-2015-37)

April __, 2015

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Exchange Rules to Describe how All-or-None Orders are Handled by its New Options Floor Broker Management System

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 April 22, 2015 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 Exchange rules to describe how All-or-None (“AON”) orders are handled by its new Options Floor Broker Management System (“FBMS”).

The text of the proposed rule change is below; proposed new language is underlined; proposed deletions are in brackets.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

* * * * *

A-9 All-or-None Option Orders

An all-or-none option order is a limit order which is to be executed in its entirety, or not at all. Unlike a fill-or-kill order, an all-or-none order is not cancelled if it is not executed as soon as it is represented in the trading crowd. An all-or-none order has no standing respecting executions in the crowd except with respect to other all-or-none orders.

When represented in the crowd, [A]all-or-none orders are not included as part of the bid or offer. [However, an all-or-none order entrusted to a Specialist should be disclosed to the trading crowd if such order falls within or upon the bid or offer for the particular option series.

For example, if the market in XYZ Oct 30 calls is 4 - 4.25, 10×15, and there is an all-or-none order on the Specialist's book to sell 10 XYZ Oct 30 calls at 4.25 all-or-none, the Specialist, in response to a request for the market in XYZ Oct 30 calls, should respond:

"The market is 4 - 4.25, 10×15, 10 (to sell) at 4.25 all-or-none."

Accordingly, under this policy, all-or-none option orders should be announced to the trading crowd as part of the quoted market, but not as part of the bid or offer.]

When entered electronically pursuant to Rule 1080 or into Options Floor Broker Management System pursuant to Rule 1063, an all-or-none order has standing and is eligible for execution in time priority with all other customer orders and all-or-none professional orders (as specified in Rule 1000(b)(14)) at that price if the all-or-none contingency can be met.

FINE SCHEDULE

Fine not applicable

* * * * *

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

Background

Today, the Exchange is operating two versions of FBMS as part of an implementation period for the new FBMS. The old FBMS enabled Floor Brokers and/or their employees to enter, route, and report transactions stemming from options orders executed manually (verbally) in open outcry on the Exchange. It also established an electronic audit trail for options orders represented by Floor Brokers on the Exchange. Floor Brokers can use old FBMS to submit orders to the PHLX XL II System (“System”) pursuant to Rule 1063, rather than executing the orders in the trading crowd.

With the new FBMS, all options transactions on the Exchange involving at least one Floor Broker can continue to be represented in open outcry in the trading crowd but are now required to be executed by and through the new FBMS. In connection with

order execution, the Exchange allows FBMS to execute two-sided orders entered by Floor Brokers, including multi-leg orders up to 15 legs, after the Floor Broker has represented the orders in the trading crowd. FBMS also provides Floor Brokers with an enhanced functionality called the complex calculator that calculates and displays a suggested price of each individual component of a multi-leg order, up to 15 legs, submitted on a net debit or credit basis. The Exchange deployed the new FBMS in March 2014. Despite the initial intent to phase out the old FBMS after an implementation period involving the old and new FBMS operating concurrently, the Exchange has determined to operate the old FBMS until November 3, 2015 and is planning to implement a new, third FBMS, the details of which will be filed as a proposed rule change.³ In the event that the Floor Broker is utilizing the new FBMS and the new FBMS malfunctions or is otherwise not available after a Floor Broker has entered an order, the Floor Broker can re-enter that order into the old FBMS.

Proposal

The purpose of the proposal is to address the way AON orders on the book are handled electronically by the new FBMS.⁴ In its filing for approval of the new FBMS, the Exchange addressed AON orders merely by referring to Advice A-9, which provides, in pertinent part, that an AON option order is a limit order which is to be executed in its entirety, or not at all.⁵ Advice A-9 further provides that an AON order has no standing in

³ Securities Exchange Act Release No. 73586 (November 13, 2014), 79 FR 68931(November 19, 2014)(SR-Phlx-2014-71).

⁴ Only customers and professionals can submit AON orders. See Rules 1000(b)(14) and Rule 1080(b).

⁵ See also Rule 1066(c)(4).

the crowd except with respect to other AON orders. Accordingly, when a Floor Broker using the old FBMS executes an order in the trading crowd today where there is an AON order executable against the Floor Broker's order on the contra-side, the Floor Broker can skip that AON order and trade with another quote or order at that price, because the AON order has no standing. This would continue to be the case for verbal executions, which occur when the old FBMS is used, when the new FBMS malfunctions⁶ and where there is no Floor Broker involved.⁷ The Exchange is not proposing to change this, other than to make a slight language change to clarify that the execution is occurring in the trading crowd.

Although this is how AON orders are treated on the trading floor today when executed manually in the trading crowd, AON orders are treated differently when the new FBMS is used because the System performs the execution. Specifically, in the new FBMS, AON orders that can trade against any eligible interest, not just other AON orders, and they are not skipped. When a Floor Broker seeks to execute an order using the new FBMS where there is an AON order at a price equal to or better than the Floor Broker's order on the contra-side, the Floor Broker must enter his order into the new FBMS and execute against the full size of the AON order electronically. If the Floor Broker does not fulfill the full size of the AON order, the Floor Broker's order will be returned with no execution occurring.

This is the same way that AON orders are treated by the System; they are subject to the normal price and time priority principles of Rule 1014, except that the AON

⁶ Rule 1063(e)(ii).

⁷ Rule 1000(f)(ii).

contingency must be met for the AON order to trade. An AON order with time priority will trade in time priority before another customer order if its size contingency can be met. If the size contingency order cannot be met, the AON order will be skipped and a customer order behind it in time priority may execute. Because the new FBMS executes orders electronically and generally provides more electronic functionality, the Exchange believes it is appropriate to address AON orders executed against orders submitted through the new FBMS in the same way.

Accordingly, Advice A-9 is proposed to be amended to expressly state that how AON orders are handled when executed manually (verbally) as well as when executed electronically. With respect to electronic AON orders, the Exchange proposes to expressly state that an AON order has standing and is eligible for execution in time priority with all other customer orders and AON professional orders (as specified in Rule 1000(b)(14)) at that price if the AON contingency can be met. The Exchange is not changing what types of orders a professional can submit nor the priority of those orders. Rule 1000(b)(14) will continue to state that the term “professional” means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). It will also continue to state that a professional will be treated in the same manner as an off-floor broker-dealer for purposes of Rules 1014(g)(except with respect to AON orders, which will be treated like customer orders, except that orders submitted pursuant to Rule 1080(n) for the beneficial account(s) of professionals with an AON designation will be treated in the same manner as off-floor broker-dealer orders), 1033(e), 1064.02 (except professional orders will be considered customer orders subject to

facilitation), 1080(n) and 1080.08 as well as Options Floor Procedure Advices B-6, B- 11 and F-5.

The Exchange also proposes to delete the example at the end of Advice A-9. It is obsolete for several reasons; it refers to the “Specialist's book,” which is now generally considered the Exchange's book, the limit order book or just the book; and announcing AON orders on the book to the crowd does not occur where there is a remote specialist. For similar reasons, the Exchange proposes to delete reference to an AON order being “entrusted to a Specialist.” This process is no longer performed.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act⁹ in particular, in that it is designed to promote just and equitable principles of trade and to protect investors and the public interest, by specifically providing how an AON order executes against orders submitted through the new FBMS and by improving the treatment of such AON orders as opposed to AON orders handled manually. Specifically, the proposal results in improving the treatment of electronic AON orders by increasing their interaction with other orders on the Exchange, because AON orders are electronically executed against contra-side orders entered into the new FBMS. More specifically, such orders have standing and time priority, as explained above. The Exchange is not changing the priority of afforded to electronic AON orders, but rather is codifying such treatment in its rules.

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

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. This treatment of AON orders should help the Exchange compete with other floor-based exchanges for AON orders. More importantly, the proposal should result in more interaction between AON orders and all other orders, as explained above, thereby promoting a more competitive marketplace.

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)(ii) of the Act¹⁰ 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

¹⁰ 15 U.S.C. 78s(b)(3)(a)(ii).

¹¹ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day pre-operative waiting period contained in Rule 19b-4(f)(6)(iii) so that the Exchange can continue to treat AON orders executed against new FBMS orders the same way as electronic AON orders executed against electronic orders. The priority of electronic AON orders today is addressed in Rule 1014(g)(vii), which covers all electronic orders, and is not being changed. The Exchange believes that this is consistent with the protection of investors and the public interest, because it results in increasing electronic AON order interaction with other orders on the Exchange, as explained above. In addition, the proposed handling of AON orders is the same as another exchange.¹²

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:

¹² See NYSEArca Rules 6.76(a)(2)(C) and 6.76A(b)(1)(A), which rank and execute AON orders electronically in time priority.

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-2015-37 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-Phlx-2015-37. 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-2015-37 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.¹³

Kevin M O'Neill
Deputy Secretary

¹³ 17 CFR 200.30-3(a)(12).