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VIA FEDERAL EXPRESS

Mr. Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-0609

Re: SR-BOX-2015-03

Dear Mr. Fields:

The NYSE Group ("NYSE"), on behalf of its subsidiary options exchanges, NYSE Arca Inc. and NYSE MKT LLC (doing business as NYSE Amex Options), appreciates the opportunity to comment on the BOX Options Exchange LLC ("BOX") filing to implement an equity rights program (the "Program"). BOX has proposed to implement an equity rights program in which participants will have the right to acquire equity in, and receive distributions from, BOX Holdings, in exchange for the achievement of certain order flow volume commitment thresholds on BOX over five years, and a nominal initial cash payment. While NYSE supports competition in the options exchange industry, NYSE believes that the referenced filing should provide further detail on the structure of the Program, at which point an opportunity for public comment should again be provided. In particular, the methodology applied to measure Contract Equivalents appears to be described in a confusing and potentially inaccurate manner, which may inadvertently mislead investors as well as firms interested in participating in the Program.

In the filing, BOX states,

> *Each VPR [Volume Performance Right] will include 8.5 unvested new Class C Membership Units of Holdings ("Class C Units") and an average daily transaction volume commitment ("VPR Volume Commitment") with respect to Qualifying Contract Equivalents equal to 0.0055% of the Industry ADV*

> *for a total of five (5) years (twenty (20) consecutive measurement quarters) […]. There are four categories of Contract Equivalents, which are based on the Participant account types set forth in the Exchange's Fee Schedule:*
>
> - *Public Customer: 0.71 executed orders equates to one (1) Contract Equivalent.*
> - *Market Maker: 1.10 executed orders equates to one (1) Contract Equivalent.*
> - *Broker/Dealer: 1.35 executed orders equates to one (1) Contract Equivalent.*
> - *Professional Customer: 1.35 executed orders equates to one (1) Contract Equivalent.*

Obviously, a single option order can represent any number of individual option contracts. However, in the filing, BOX seems to mistakenly intermingle the terms "contract" and "order," which NYSE believes may cause confusion as to the significance of the volume commitments defined therein. For example, it is not clear whether the intent is actually that 1.10 "executed orders" of any size (whether for a single contract, or thousands of contracts) will earn a Market Maker one Contract Equivalent, or whether, as seems more likely (but is not stated), 1.1 executed contracts will earn one Contract Equivalent, which, given that the average option order comprises many contracts, would result in a significantly lower volume requirement than is indicated by the language in the filing.

Additionally, NYSE believes that the filing requires further clarification with regard to the justification for applying various Contract Equivalent weights for various participant types. Specifically, the justification in the purpose section seems to contradict the language in the fee schedule. The filing states,

> *"The specific Contract Equivalent categories were defined and weighted in accordance with the Exchange's Fee Schedule, such that those categories that earn higher fees are weighted more heavily. […]*
>
> *"The Public Customer category is assigned the lowest weight (0.71) because these orders are charged the lowest fees by the Exchange, and the Exchange believes low customer transaction fees are reasonable, appropriate and consistent with the Act because it promotes the best interests of investors to have lower transaction costs for Public Customers and attract Public Customer order flow to BOX. The Market Maker category is assigned more weight (1.10) because these orders generate higher fees designed to be comparable to the fees that such accounts would be charged at competing venues. The Professional Customer and Broker/Dealer Firm categories are assigned the most weight (1.35) because these orders generate the highest fees for the Exchange and, again, are designed to be comparable to fees charged by competing options exchanges."*

However, it appears that the Contract Equivalents in fact achieve the exact opposite effect than is implied by the use of the word "weight" in the above. For example, if a Public Customer sends 1 order for 1 contract, and a Market Maker sends 1 order for 1 contract, the Public Customer would achieve 1.41 Contract Equivalents (1/0.71), while the Market Maker would achieve only 0.91 Contract Equivalents (1/1.10). This calculation clearly weights Public Customer volume more heavily than Market Maker volume, in direct contravention of the statement in the filing that "[t]he Public Customer category is assigned the lowest weight," as

well as the accompanying detailed justification of why assigning this lowest weight is reasonable, appropriate and consistent with the Act.

The Exchange believes that this calculation, the accompanying justification, and the definition of a Contract Equivalent, should both be clarified and/or corrected, as such clarification is necessary for market participants to understand and ultimately provide informed comment on the proposed Program.

Very truly yours,