

May 22, 2014

VIA E-MAIL

Kevin M. O'Neill
Deputy Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: Securities Exchange Act Rel. No. 34-71839 (SR-NYSEArca-2014-25)

Dear Mr. O'Neill:

NYSE Arca, Inc. filed the attached Partial Amendment No. 1 to the above-referenced filing on May 22, 2014.

Sincerely,



Encl. (Partial Amendment No. 1 to SR-NYSEArca-2014-25)

Required fields are shown with yellow backgrounds and asterisks

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

Filing by NYSE Arca

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 *

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

Description

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 * Glenn Last Name * Gsell
Title * Chief Counsel NYSE Regulation Inc
E-mail * ggsell@nyx.com
Telephone * (415) 835-4805 Fax (415) 393-7853

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 05/22/2014
By Sudhir Bhattacharyya
(Name *)

Vice President



Sudhir Bhattacharyya,

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 *

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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 *

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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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies



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

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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 Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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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 Sent As Paper Document

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

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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.

NYSE Arca, Inc (the “Exchange”) hereby submits this Partial Amendment No. 1 to SR-NYSEArca-2014-25 (the “Filing”). The Exchange seeks to make the following changes to the text in the Filing and the Notice of Proposed Rule Change (Exhibit 1) thereto, and to submit an amended Exhibit 3.

Pursuant to Rule 5.32(d)(2), all FLEX Index Options are subject to the same Underlying Equivalent Value, and not unique Underlying Equivalent Values applicable to different types of FLEX Index Options as stated in the Filing. The Exchange proposes to delete the following bracketed text in the third paragraph on page 4 of the Filing and page 15 of Exhibit 1:

- For an opening transaction (other than FLEX Quotes responsive to a FLEX Request for Quotes) in any FLEX series in which there is no open interest at the time the Request for Quotes is submitted, the minimum value size was (i) for FLEX Equity Options, the lesser of 250 contracts or the number of contracts overlying \$1 million in the underlying securities; and (ii) for FLEX Index Options, \$10 million Underlying Equivalent Value [in the case of Broad Stock Index Group FLEX Index Options and \$5 million Underlying Equivalent Value in the case of Stock Index Industry Group FLEX Index Options].

In addition, as part of SR-NYSEArca-2014-25 the Exchange submitted a Pilot Program Report (“Report”) in support of making permanent its Pilot Program regarding minimum value sizes for opening transactions in new series of FLEX Options. The Report was attached as Exhibit 3. The Exchange has amended the Report to correct the total contract volume of trades under 250 contracts, as shown in the second chart on the first page of the Report. In addition, the Exchange has made non-substantive changes to the descriptive language found in the Report to provide clarity into the operation of the Pilot Program. The Exhibit 3 attached to this partial Amendment replaces the original Exhibit 3 in its entirety.

Additionally, the Exchange requests the Commission to find good cause to grant accelerated approval of NYSEArca-2014-25, as amended, pursuant to Section 19(b)(2) of the Act. Changes proposed by this Amendment No.1 are non-substantive to the Filing and the Report and do not alter the findings in the Report or in any way diminish the Exchange evaluation as to the success of the Pilot Program.

EXHIBIT 3

**Report In Support Of Extending the Pilot Program Eliminating The Minimum
Opening Transaction Size For New Series of FLEX Options**

NYSE Arca Inc. (“Arca” or “Exchange”) is submitting this report in support of adopting, on a permanent basis, the terms of a Pilot Program that reduces the minimum opening transaction size for new series of FLEX Equity Options and FLEX Index Options. This Pilot was established on April 29, 2010 when Arca filed SR-NYSE Arca-2010-34, and was most recently extended to the earlier of July 31, 2014 or the date the Pilot is approved on a permanent basis with the filing of SR-NYSEArca-2014-31. Prior to the creation of the Pilot, the minimum opening transaction size for FLEX Equity Options without existing open interest was the lesser of 250 contracts or the number of contracts overlying \$1 million in the underlying securities, and the minimum opening size for a FLEX Index Option was \$10 million in underlying equivalent value.

As the Exchange is seeking to adopt the Pilot on a permanent basis we are submitting a report in support of that proposal. The report analyzes data related to volume and open interest in FLEX Equity Options that were opened with a minimum opening size of 1 to 249 contracts and less than \$1 million in underlying value, and FLEX Index Options that were opened with less than \$10 million underlying equivalent value. We have also analyzed the types of investors that initiated these transactions.

**NYSE Arca FLEX Minimum Size Pilot Report Data
Analysis of Contract Volume
January 1, 2013 - December 31, 2013**

Number of Opening FLEX Trades	267
Total FLEX Opening Contract Volume	716,342
Number of Opening Equity Trades	241
Total Equity FLEX Opening Contract Volume	597,810
Number of Opening Index Trades	26
Total Index FLEX Opening Contract Volume	118,532
Number of Equity Trades < 250 Contracts	84
High net worth	0
Institutional	83
Retail	0
Total Contract Volume under Pilot	7981
Number of Index Trades <\$10 million	0
High net worth	0
Institutional	0
Retail	0
Total Contract Volume under Pilot	0

The Exchange analyzed FLEX Equity Option and FLEX Index Option transactions from January 1, 2013 - December 31, 2013. The data available for analysis consists of extensive trade data for FLEX trades executed and submitted for clearance to The Options Clearing Corporation ("The OCC"). In addition to information on the size of the FLEX transactions, the Exchange also analyzed the type of Customer availing themselves of the reduction in the Opening Transaction Size.

During the period in question, there were a total of 267 opening FLEX trades representing 716,342 contracts executed by customers. Of these opening FLEX trades, 84 were equity FLEX trades for fewer than 250 contracts, and there were no opening FLEX Index option trades for less than \$10 million underlying equivalent value, for a total of 84 trades covered by the Pilot Program. These 84 trades accounted for contract volume of 7,981 contracts. While the contract volume of the FLEX trades made possible by the Pilot is relatively small, accounting for just 1.11% of the total FLEX volume, the number of trades represents more than 31% of the opening FLEX Transactions. Had the threshold not been eliminated by the program, these trades would not have occurred.

Additionally, NYSE Arca has also analyzed the value of the underlying security represented by the Opening Customer FLEX transactions. A summary is here:

NYSE Arca FLEX Minimum Size Pilot Report Data
Underlying Security Trade Value
January 1, 2013 - December 31, 2013

Total Value All Equity FLEX Trades	\$1,893,253,571
Highest	\$326,860,000
Lowest	\$23,315
Median	\$2,427,000
Total Value Pilot Equity FLEX Trades	\$53,218,459
Highest	\$2,708,475
Lowest	\$23,315
Median	\$410,058
Total Value All Index FLEX Trades	\$1,066,532,350
Highest	\$148,148,000
Lowest	\$16,038,305
Median	\$38,751,000
Total Value Pilot Index FLEX Trades	\$0
Highest	\$0
Lowest	\$0
Median	\$0



A review of the type of customer that opened a FLEX position below the former minimum transaction size reveals a distribution across two Customer types. While 1% were on behalf of Firm/Market-Makers, there were a very large proportion of Institutional customers that availed themselves of smaller FLEX trades under the program: 83 trades, or 98.8% of the transactions under the Pilot were by Institutional customers.

NYSE Arca feels that while this data shows that relatively sophisticated Institutional traders are using the reduced size as evidenced by the number of transaction in the 1 to 249 contract size range, it has provided these customers with an excellent tool for managing risk that is tailored to specific circumstances outside of the regular expiration and strike price of standardized listed options, while still having an exchange regulated and OCC cleared option contract. NYSE Arca feels that in the absence of the smaller size made possible by the Pilot these Institutional participants would have either been unable to effect a hedging strategy as desired or been driven to the less transparent OTC markets to fulfill their strategies.

The Exchange notes that the Pilot is applicable to all types of Customers, including Retail Customers, however there were no FLEX Equity or FLEX Index trades executed at NYSE Arca on behalf of Retail Customers. The Exchange believes that the absence of such FLEX trades executed on behalf of Retail Customers is due to market structure issues including but not limited to those surrounding customer priority. The Exchange is aware that Retail Customers do execute FLEX transactions at other market centers and adopting the Pilot on a permanent basis would permit those Retail Customers to route their orders to NYSE Arca, should they choose.

In light of this data and based on discussions contained in this Proposal, the Exchange believes it is appropriate to adopt the terms of the Pilot Program on a permanent basis.