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November 28, 2011

Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Dear Ms. Murphy:

NASDAQ OMX PHLX LLC (“Phlx”) appreciates the opportunity to respond to the comment letter filed by Sal Arnuk and Joe Saluzzi of Themis Trading, LLC¹ with respect to a proposed rule change by Phlx to introduce a “Minimum Life Order” for use on Phlx’s market for trading cash equities, NASDAQ OMX PSX (“PSX”).² The Minimum Life Order is a new voluntary order type that may not be cancelled by the entering market participant for a period of 100 milliseconds following its receipt by PSX. All Minimum Life Orders must be designated as Displayed Orders.

We understand the commentors to be generally supportive of the concept of a Minimum Life Order. However, they express a concern that the order may leak information to other traders about the intentions of persons posting the order, because, they believe, a new flag in PSX’s data feed will be disseminated to show when an order has a minimum life condition attached to it. This concern is misplaced, because although all Minimum Life Orders must be displayed, they will not be distinguished from other Displayed Orders in any data that will be disseminated to market participants. The “U” flag mentioned by the commentors will be used for order entry, but not for order display. Thus, Phlx does not believe that the potential exists for market participants to use information about the posting of Minimum Life Orders to model their trading strategies. Rather, Phlx believes that if usage of the order type on PSX becomes prevalent, market participants seeking to interact with liquidity displayed at that venue will experience higher fill rates. Phlx believes that this in turn may result in more order flow being directed to PSX.

Phlx further believes that it is not necessary for the Securities and Exchange Commission (the “Commission”) to address larger market structure issues raised by the commentors in the context of reviewing Phlx’s filing. Rather, the Commission should conclude that the proposal is an appropriate effort by one exchange to enhance its competitiveness and market quality, and

¹ Letter from Sal Arnuk and Joe Saluzzi, Themis Trading, LLC to Elizabeth Murphy, Secretary, Securities and Exchange Commission (November 1, 2011).

² Securities Exchange Act Release No. 65610 (October 24, 2011), 76 FR 67012 (October 28, 2011) (SR-Phlx-2011-141).

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accordingly, should be approved as consistent with the requirements of the Securities Exchange Act of 1934.

Sincerely,

A handwritten signature in blue ink, appearing to read "John M. Yetter", with a long horizontal flourish extending to the right.

John M. Yetter