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November 5, 2014

Mr. Brent J. Fields
Secretary
US Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: Amendment No. 1 (SR-Phlx-2014-54)

Dear Mr. Fields:

NASDAQ OMX PHLX LLC filed the above-referenced filing on November 5, 2014. It includes an Exhibit 5, marked to reflect changes from the original Exhibit 5.

Sincerely,

A handwritten signature in blue ink that reads 'Carla Behnfeldt'.

Carla Behnfeldt
Associate General Counsel

Encl. (Amendment No. 1 to SR-Phlx-2014-54)

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 12	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2014 - * 54	Amendment No. (req. for Amendments *) 1
Filing by NASDAQ OMX PHLX LLC. Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934				
Initial * <input type="checkbox"/>	Amendment * <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input 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)(2) <input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(5) <input 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"/>		
Description				
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).				
<input type="text"/>				
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 *	Carla	Last Name *	Behnfeldt	
Title *	Associate General Counsel			
E-mail *	<input type="text"/>			
Telephone *	<input type="text"/>	Fax	<input type="text"/>	
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	11/05/2014	Executive Vice President and General Counsel		
By	Edward S. Knight	<input type="text"/>		
(Name *)		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.				

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 *

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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, 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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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

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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.

Partial Amendment No. 1 to SR-Phlx-2014-54

NASDAQ OMX PHLX LLC (“PHLX” or the “Exchange”) is filing this Partial Amendment No. 1 to rule filing SR-Phlx-2014-54 to make the following changes to the pending 19b-4, Exhibit 1 and Exhibit 5.

Changes to 19b-4 and Exhibit 1.

1. In footnote 3 on page 4 of 59 in the 19b-4 and in footnote 3 on page 30 of 59 in the Exhibit 1, replace the word “PBBO” with the words “Phlx best bid and offer (“PBBO”).
2. In the last sentence on page 7 of 59 which carries over onto page 8 of 59 in the 19b-4, and in the last sentence of the paragraph that begins on page 33 of 59 and carries over onto page 34 of 59 in the Exhibit 1, replace the words “it will immediately cause Legging Orders to be removed” with the words “the generated Legging Order would immediately cause resting Legging Orders to be removed”.
3. In the first full paragraph on page 8 of 59 in the 19b-4 and in the first full paragraph on page 34 of 59 in Exhibit 1, replace the first sentence of that paragraph with the following: “There can be only one Legging Order on the same side of the market in a series. When a Legging Order, if generated, would have priority at the same price over an existing Legging Order based on the participant the lower priority order would be removed.”
4. In the first full paragraph on page 11 of 59 in the 19b-4 and in the carryover paragraph on page 38 of 59 in Exhibit 1, immediately prior to the semicolon preceding (vii), add: “, or pursuant to Rule 1080(n)(vi) a PIXL Order for the

- account of a public customer paired with an order for the account of a public customer”.
5. In the first sentence of the last paragraph on page 14 of 59 of the 19b-4 and in the first sentence of the first paragraph on page 41 of the Exhibit 1, remove the period before footnote 25, and after footnote 25, add: “, or pursuant to Rule 1080(n)(vi) a PIXL Order for the account of a public customer paired with an order for the account of a public customer.” Immediately at the end of this new sentence, add a new footnote 26 which reads: “Exchange Rule 1080(n) provides in part that : “A member may electronically submit for execution an order it represents as agent on behalf of a public customer, broker-dealer, or any other entity ("PIXL Order") against principal interest or against any other order (except as provided in subparagraph (n)(i)(F) below) it represents as agent (an "Initiating Order") provided it submits the PIXL Order for electronic execution into the PIXL Auction ("Auction") pursuant to this Rule.” However, in the case of a PIXL Order for the account of a public customer paired with an order for the account of a public customer, such paired orders will be automatically executed without a PIXL Auction. See Exchange Rule 1080(n)(vi). Proposed Rule 1080.08(f)(iii)(C)(4)(vi) makes clear that a Legging Order will automatically be removed from the order book upon receipt of a PIXL Order that triggers an auction or that executes automatically without an auction pursuant to Rule 1080(n)(vi).” and renumber all footnotes accordingly.
 6. In the first sentence of the first full paragraph on page 20 of 59 in the 19b-4, and in the first sentence of the last paragraph on page 46 of 59 in the Exhibit 1,

replace the words “Lastly, the” with the word “The”. Immediately following the end of that paragraph on page 20 of the 19b-4 and page 47 of Exhibit 1, insert a new paragraph which reads: “Lastly, the Exchange proposes to remove Legging Orders from the limit order book when the Legging Order is on the book at a price which is not at a minimum increment (and therefore not displayed at its limit price) and which is more aggressive than the same side PBBO, and an away market moves to lock the PBBO which is also the NBBO. In this scenario, the Legging Order must be removed to comply with Exchange Rule 1084, Order Protection, as an execution of the Legging Order would result in a trade through of the NBBO for that option, which is prohibited by Rule 1084(a). For example, assume the minimum increment for an option to be displayed on OPRA is \$0.05, and further assume Phlx has a Legging Order bid at \$2.02. The Legging Order is displayed on OPRA at \$2.00 in accordance with the minimum increment allowed for the option thus making the Phlx best bid (and the national best bid) \$2.00. If an away market moves to lock the \$2.00 market displayed by Phlx, the Exchange cannot trade at any price except for \$2.00. The Exchange cannot reprice the Legging Order because the net price for the strategy would then not be achieved when the other leg is executed against the best displayed bid or offer (other than Legging Orders). Therefore, if an away market moves to lock the PBBO at \$2.00, the Legging Order for \$2.02 will be cancelled.” At the end of the first sentence of this new paragraph, add a new footnote 33 which reads: “The Legging Order would be ranked on the order book at its generated price and displayed at a price that is rounded, down for Legging Orders to buy and up for Legging Orders to

- sell, to the nearest minimum increment allowable for that series.” and renumber the remaining footnotes accordingly.
7. Immediately prior to the caption “b. Statutory Basis” on page 20 of 59 in the 19b-4 and immediately prior to the caption “2. Statutory Basis” on page 47 of 59 in the Exhibit 1, add a new caption which reads “Implementation” and following that caption a new paragraph which reads: “The Exchange proposes to implement this proposed rule change within 30 days of approval, and will notify members of implementation by issuing an Options Trader Alert. The Exchange expects to implement the new functionality on a symbol by symbol basis over the course of a week in order to mitigate risks associated with the rollout of new technology.”
 8. In the carryover sentence on page 24 to 25 of 59 in the 19b-4 and in the third sentence of the first full paragraph on page 51 of 59 in the Exhibit 1, immediately following the first comma in the sentence add the words: “upon receipt of a PIXL Order for the account of a public customer paired with an order for the account of a public customer,”.
 9. In the first full sentence on page 26 of 59 in the 19b-4 and in the fifth sentence of the first full paragraph on page 52 of 59 in the Exhibit 1, replace the words “Complex Order will” with the words “generated Legging Order would” and the word “existing” with the word “resting”.
 10. In the third sentence of the last full paragraph on page 26 of 59 of the 19b-4 and in the third sentence of the first full paragraph on page 53 of 59 of the Exhibit 1, replace the words “Lastly, the” with the word “The”, and add to the end of that paragraph the following new sentence: “Lastly, the Exchange will remove

Legging Orders when a Legging Order is on the book at a price not at the minimum increment which is more aggressive than the same side PBBO and an away market moves to lock the PBBO (which is also the NBBO), in order to comply with Exchange Rule 1084, Order Protection.”

Changes to Exhibit 5.

1. In proposed Rule 1080, Commentary .08(f)(iii)(C), on page 57 of 59, in the introductory paragraph replace the words “NBBO or PBBO” with the words “national best bid and/or offer (“NBBO”) or Phlx best bid and/or offer (“PBBO”)”.
2. In proposed Rule 1080, Commentary .08(f)(iii)(C)(2)(vi), on page 58 of 59, replace the words “it will” with the words “the generated Legging Order would” and insert the word “resting” after the word “cause”.
3. In proposed Rule 1080.08(f)(iii)(C)(4)(vi), on page 59 of 59 add to the end the words “or pursuant to Rule 1080(n)(vi) a PIXL Order for the account of a public customer paired with an order for the account of a public customer,”
4. At the end of proposed Rule 1080.08(f)(iii)(C)(4)(x), on page 59 of 59, replace the word “or” with a comma.
5. In proposed Rule 1080.08(f)(iii)(C)(4)(xi), on page 59 of 59, replace the current appearance of the word “or” with a comma, and replace the period at the end with a comma and add the following new words following that new comma: “or (xii) when the Legging Order is on the book at a price which is not at the minimum price increment and which is more aggressive than the same side PBBO, and an away market moves to lock the PBBO (which is also the NBBO).”.

Basis for the Amendment

The proposal SR-Phlx-2014-54, as amended, remains consistent with the Securities Exchange Act of 1934, and specifically with Section 6(b)(5) because it makes technical and clarifying changes to the filing. Partial Amendment 1 provides the meanings of certain abbreviations as well as the Exchange's plans for implementation of the proposed rule change. It also clarifies that (i) the removal of a Legging Order provided for in Rule 1080, Commentary .08(f)(iii)(C)(2)(vi) would occur when it is the generated Legging Order that would immediately cause resting Legging Orders to be removed as specified therein; (ii) that, in addition to receipt of PIXL Orders resulting in PIXL Auctions, receipt of a PIXL Order for the account of a public customer paired with an order for the account of a public customer which is executed under the PIXL rule without triggering an auction will cause removal of Legging Orders; and (iii) that Legging Orders are removed in a crossed market situation when required to comply with existing Exchange Rule 1084, Order Protection.

Accelerated Approval

The Exchange proposes to delete the text "Not applicable." in Item 7 on page 28 of the 19b-4 and replace it with the following:

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) The proposed rule change is filed for accelerated effectiveness pursuant to Section 19(b)(2) of the Act.¹ The Exchange requests that the Commission approve the

¹ 15 U.S.C. 78s(b)(2).

proposed rule change on an accelerated basis pursuant to Section 19(b)(2) of the Act.

The Exchange believes there is good cause for the Commission to accelerate effectiveness, because the amended rule text will clearly and correctly set forth with more precision the operation of the trading system with respect a PIXL Order received for the account of a public customer paired with an order for the account of a public customer, would clearly identify the generated Legging Order as the order which may immediately cause resting Legging Orders to be removed as discussed above, and would clearly state that the trading system would remove a Legging Order in a particular circumstance when required to avoid a trade through prohibited by Exchange Rule 1084(a). Additionally, the amendments provide the meanings of certain abbreviations used in the filing, improving the understandability of the proposed rule change without changing its meaning, and set forth an implementation timeframe so that market participants may better prepare for the introduction of the new trading system functionality.

EXHIBIT 5

New language is underlined

NASDAQ OMX PHLX Rules

* * * * *

Options Rules

* * * * *

Rule 1080. Phlx XL and Phlx XL II

(a) - (p) No change.

...Commentary:

.01 - .07 No change.

.08 Complex Orders on Phlx XL.

(a) - (e) No change.

(f) Complex Limit Order Book ("CBOOK")

(i) – (ii) No change.

(iii) Execution of Complex Orders in the CBOOK. Complex orders in the CBOOK will be executed without consideration of any prices that might be available on other exchanges trading the same contracts.

(A) – (B) No change.

(C) Legging Orders. Legging Orders may be automatically generated on behalf of Complex Orders resting on the top of the CBOOK at a price that improves the cPBBO so that they are represented at the best bid and/or offer on the Exchange for the individual legs. The System will evaluate the CBOOK when a Complex Order enters the CBOOK and at a regular time interval, to be determined by the Exchange (which interval shall not exceed 1 second), following a change in the ~~NBBO~~ or ~~PBBO~~ national best bid and/or offer ("NBBO") or Phlx best bid and/or offer ("PBBO") in any component of a Complex Order eligible to generate Legging Orders, to determine whether Legging Orders may be generated. The Exchange may determine to limit the number of Legging Orders generated on an objective basis and may determine to remove existing Legging Orders in order to maintain a fair and orderly market in times of extreme volatility or uncertainty.

A Legging Order is a limit order on the regular order book in an individual series that represents one leg of a two-legged Complex Order (which improves the cPBBO) that is to buy or sell an equal quantity of two options series resting on the CBOOK. Legging Orders are firm orders that are included in the Exchange's displayed best bid or offer. Legging Orders are not routable and are limit orders with a time-in-force of DAY, as they represent an individual component of a Complex Order.

(1) A Legging Order may be automatically generated for one leg of a Complex Order at a price: (i) that matches or improves upon the best Phlx displayed bid or offer; and (ii) at which the net price can be achieved when the other leg is executed against the best displayed bid or offer (other than Legging Orders). Legging Orders will not be generated if the Exchange or a particular option has not opened, is halted or is otherwise not available for trading. Similarly, the particular Complex Order Strategy must be available for trading.

(2) A Legging Order will not be created: (i) at a price that locks or crosses the best bid or offer of another exchange, (ii) if there is an auction on either side or a Posting Period under Rule 1080(p) regarding Acceptable Trade Range on the same side in progress in the series, (iii) the price of the Complex Order is outside of the ACE Parameter of Rule 1080.08(i), (iv) if there is already a Legging Order in that series on the same side of the market at the same price (unless it has priority based on the participant type, under existing Exchange rules), (v) the Complex Order is an All-or-None Order, or (vi) for a Complex Order if ~~it~~the generated Legging Order would ~~will~~ immediately cause resting Legging Orders to be removed pursuant to section .08(f)(iii)(C)(4)(ix) below. Legging Orders may be generated and executed in an increment other than the minimum increment for that series and will be ranked on the order book at its generated price and displayed at a price that is rounded to the nearest minimum increment for that series. Two Legging Orders relating to the same Complex Order can be generated, but only one of those can execute as part of the execution of a particular Complex Order.

(3) A Legging Order is executed only after all other executable orders (including any non-displayed size) and quotes at the same price are executed in full. When a Legging Order is executed, the other leg of the Complex Order will be automatically executed against the displayed best bid or offer on the Exchange and any other Legging Order based on that Complex Order will be removed.

(4) A Legging Order is automatically removed from the regular order book : (i) if the price of the Legging Order is no longer at the Exchange's displayed best bid or offer on the regular limit order book, (ii) if execution of the Legging Order would no longer achieve the net price of the Complex Order when the other leg is executed against the Exchange's best displayed bid or offer on the regular limit order book (other than another Legging Order), (iii) if the Complex Order is executed in full or in part, (iv) if the Complex Order is cancelled or modified, (v) if the price of the Complex Order is outside the ACE Parameter of Rule 1080.08(i), (vi) upon receipt of a Qualified Contingent Cross Order which includes a component in which there is a Legging Order, ~~or an order that will trigger an auction under Exchange rules in a component in which there is a Legging Order (whether a buy order or a sell order), or pursuant to Rule 1080(n)(vi) a PIXL Order for the account of a public customer paired with an order for the account of a public customer,~~ (vii) if a Legging Order is generated by a different Complex Order in the same leg at a better price or the same price for a participant with a higher priority, (viii) if a Complex Order is marketable against the cPBBO where a Legging Order is present and has more than one leg in common with the existing Complex Order that generated the Legging Order, (ix) if a Complex Order becomes marketable against multiple Legging Orders, (x) if a Complex Order consisting of an unequal quantity of components is marketable against the cPBBO where a Legging Order is present but cannot be executed due to insufficient size in at least one of the components in the cPBBO, ~~or (xi) if an incoming all-or-none order is entered onto the order book at a price which is equal to or crosses the price of a Legging Order,~~ or (xii) when the Legging Order is on the book at a price which is not at the minimum price increment and which is more aggressive than the same side PBBO, and an away market moves to lock the PBBO (which is also the NBBO).

(g) – (i) No change.

.09 PIXL ISO Order. No change.