SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-77650; File No. SR-Phlx-2016-49)

April 19, 2016

Self-Regulatory Organizations; NASDAQ PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Delete Obsolete Rules

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 8, 2016, NASDAQ 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 delete Rule 971, entitled "Termination of Memberships and Equity Trading Permits and Leases and A-B-C Agreements Relating to Memberships and ETP Use Agreements," to delete Rule 972, entitled "Continuation of Status After the NASDAQ OMX Merger," and to make conforming changes to other rules. The text of the proposed rule change is available on the Exchange's Website at http://www.nasdaqtrader.com/micro.aspx?id=PHLXRulefilings, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b-4.

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

The Exchange proposes to delete certain Phlx rules in order to remove outdated material from the Exchange's Rulebook. Specifically, the Exchange proposes to delete Rule 971, entitled "Termination of Memberships and Equity Trading Permits and Leases and A-B-C Agreements Relating to Memberships and ETP Use Agreements"; and Rule 972, entitled "Continuation of Status After the NASDAQ OMX Merger." The Exchange also proposes to make conforming changes to rules that reference the rules that are being deleted.

Rule 971 pertained to the demutualization of the Exchange in 2004. As provided in the rule, demutualization resulted in the termination of memberships and equity trading permits ("ETP"),[3] as well as leases and "A-B-C Agreements" relating to memberships and "ETP Use Agreements."[4] As a result of demutualization, the Exchange moved from a seat-based model of membership, under which memberships were limited in number, to a model under which status as a member organization and associated trading privileges were available to any broker-dealer qualified under the Exchange's rules. To assist in the effectuation of this change, Rule 971 made

[3] ETPs were rights created by the rules of the Exchange that provided the ability to transact cash equities through the exchange but without having the ownership rights associated with membership.

[4] Leases reflected the ownership interest of a member in the exchange prior to demutualization. A-B-C Agreements allowed a member of the exchange, a natural person associated with the broker-dealer, to contribute the use of the membership to the broker-dealer with which he or she was associated. Similarly, ETP Use Agreements allowed an individual ETP holder to contribute its use to the broker-dealer with which he or she was associated.

it clear that all rights existing under the former model were being terminated. Since the rule fully achieved its purpose at the time of demutualization 2004, the Exchange believes that maintaining the rule in the Exchange's rulebook is no longer necessary.

Rule 972 pertains to the merger in 2008 through which The NASDAQ OMX Group, Inc. (since, renamed Nasdaq, Inc.) acquired ownership of the Exchange. The rule provides that the status of members, inactive nominees, and member organizations under Exchange rules would not be affected by the acquisition, and that likewise any existing suspension would not be affected. Since the rule fully achieved its purpose at the time of the acquisition of the Exchange in 2008, the Exchange believes that maintaining the rule in the Exchange's rulebook is no longer necessary.

The Exchange is also amending Rules 908 ("Rights and Privileges of A-1 Permits") and 3202 ("Application of Other Rules of the Exchange") to remove references to Rule 972, and amending Rule 900 ("Administration of Rules by Membership Department") to remove references to Rules 971 and 972.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[5] in general, and furthers the objectives of Section 6(b)(5) of the Act,[6] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

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[5] 15 U.S.C. 78f(b).

[6] 15 U.S.C. 78f(b)(5).

The Exchange believes that Rules 971 and 972 are no longer necessary, since they were fully effective [sic] at the time of the Exchange's demutualization and its acquisition by The NASDAQ OMX Group, Inc., respectively. Accordingly, removing the rules from the Exchange's rulebook will perfect the mechanism of a free and open market by eliminating rules that are unnecessary and potentially confusing to member organizations.

B. Self-Regulatory Organization's Statement on Burden on Competition

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange's proposed amendments seek to delete certain obsolete rules. Because the change will not alter the rights or obligations of member organizations in any respect, the Exchange believes that the change will not affect competition in any respect.

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)(iii) of the Act[7] and subparagraph (f)(6) of Rule 19b-4 thereunder.[8]

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

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[7] 15 U.S.C. 78s(b)(3)(a)(iii).

[8] 17 CFR 240.19b-4(f)(6).

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. The Exchange has provided the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change.

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:

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-2016-49 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-2016-49. 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 website (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-2016-49 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.[9]

Robert W. Errett
Deputy Secretary

[9] 17 CFR 200.30-3(a)(12).