

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-65142; File No. SR-Phlx-2011-112)

August 16, 2011

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by NASDAQ OMX PHLX LLC Relating to Clarifying Amendments to the Rule Book

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on August 8, 2011, NASDAQ OMX 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 amend Exchange Rules 625, 3228 and Options Procedure Floor Advice (“OFPA”) F-10 to eliminate unnecessary text and correct cross-references in Rule text. The Exchange also proposes to eliminate an unnecessary title in the Rule Book.

The text of the proposed rule change is available on the Exchange’s website at <http://nasdaqtrader.com/micro.aspx?id=PHLXfilings>, at the principal office of the Exchange, at the Commission’s Public Reference Room, and on the Commission’s website at [www.sec.gov](http://www.sec.gov).

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 proposed rule change. The text of these statements may be examined at the places specified in

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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 purpose of the proposed rule change is to eliminate unnecessary text and correct cross-references in the Rule Book. The various amendments relate to cross-references and text in several Rules that were not deleted in connection with other rule filings. The Exchange proposes four amendments.

First, the Exchange proposes to amend language in Exchange Rule 625, entitled “Training” to remove a reference to a “PAU.” This reference relates to a term that was used in connection with XLE, the Exchange’s former equity trading system, which is no longer utilized. The Exchange recently eliminated all references to XLE, including the definition of a Participant Authorized User of “PAU.”<sup>3</sup> The Exchange proposes to eliminate the reference to a PAU in Exchange Rule 625 as the term is no longer necessary.

Second, the Exchange proposes to amend a reference in Exchange Rule 3228, entitled “Compliance with Rules and Registration Requirements.” The Exchange recently amended Exchange Rule 3211 to move certain text in paragraphs (a) through (c) to a new Exchange Rule 911, entitled “Member and Member Organization Participation.”<sup>4</sup> The Exchange proposes to replace the reference to Exchange Rule 3211 with Exchange Rule 911 within Exchange Rule 3228 to reflect the current location of the referenced text.

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<sup>3</sup> See Securities Exchange Act Release No. 64338 (April 25, 2011), 76 FR 24069 (April 29, 2011) (SR-Phlx-2011-13).

<sup>4</sup> See Securities Exchange Act Release No. 65010 (August 2, 2011), 76 FR 48195 (August 8, 2011) (SR-Phlx-2011-100).

Third, the Exchange also proposes to delete text in OFPA F-10, entitled “Unusual Market Conditions.” The Exchange previously filed a proposed rule change to delete Exchange Rule 1015, entitled “Execution Guarantee” and OFPA A-11, entitled “Responsibility To Fill Customer Orders.”<sup>5</sup> The Exchange deleted both Rule 1015 and OFPA A-11 because those rules were outdated due to the combination of the adoption of firm quote obligations in options and increased automation. The text of OFPA F-10 references both Exchange Rule 1015 and OFPA A-11 in the second paragraph. The Exchange is proposing to delete this paragraph as the text is no longer necessary and outdated.

Fourth, the Exchange is proposing a technical amendment to delete a reference to “ITS Rules” in the Rule Book. The Exchange previously removed references to the Intermarket Trading System (“ITS”) Plan and deleted Exchange Rules 2000-2002.<sup>6</sup> The Exchange proposes to delete this reference as it is unnecessary.

While changes pursuant to this proposal are immediately effective, the Exchange designates the amendment to Exchange Rule 3228 become operative on August 26, 2011.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>7</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>8</sup> in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect

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<sup>5</sup> See Securities Exchange Act Release No. 63064 (October 7, 2010), 75 FR 63231 (October 14, 2010) (SR-Phlx-2010-136).

<sup>6</sup> See Securities Exchange Act Release No. 55569 (April 2, 2007), 72 FR 17978 (April 10, 2007) (SR-Phlx-2007-31).

<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

investors and the public interest, by amending the text of the Exchange Rules and OFPA to update cross-references and remove outdated and unnecessary text. The Exchange believes that these amendments will clarify the Exchange's Rules to the benefit of the membership.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

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

Pursuant to Section 19(b)(3)(A) of the Act<sup>9</sup> and Rule 19b-4(f)(1)<sup>10</sup> thereunder, the Exchange has designated this proposal as one that constitutes a stated policy, practice or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the SRO, and therefore has become effective.

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 action is necessary or appropriate in the public interest, for the protection of investors, or 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.

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<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f)(1).

#### 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](mailto:rule-comments@sec.gov). Please include File Number SR-Phlx-2011-112 on the subject line.

##### Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-Phlx-2011-112. 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-2011-112 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.<sup>11</sup>

Elizabeth M. Murphy  
Secretary

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<sup>11</sup> 17 CFR 200.30-3(a)(12).