

EXHIBIT 3**Philadelphia Stock Exchange
FLEX Pilot Program Report**

This report regarding the FLEX pilot program of the Philadelphia Stock Exchange, Inc. that eliminates minimum value sizes for opening transactions in new series of FLEX index options and FLEX equity options (“FLEX Pilot”)¹ is compiled pursuant to the request of the Securities and Exchange Commission (“Commission”) for a report if an exchange desires to extend, expand, or seek permanent approval of its FLEX Pilot (“Report”). Based on the Report as detailed below, the Exchange believes that there is clear support for the Commission to permanently approve the FLEX Pilot.

This Report details the PHLX’s experience with the FLEX trades, for the review period from December 1, 2014 to July 31, 2015 (the “Review Period”). During this Review Period, there have been 278 FLEX equity option trades, where the minimum size of an opening transaction of a FLEX trade in a new series was between 0 and 249 contracts-and the underlying value was less than \$1 million. In addition, there were 11 opening FLEX index option trades in a new series, where the underlying value was less than \$10 million.

(1) Data and written analysis on the open interest and trading volume for FLEX equity options between 0 & 249 contracts and less than \$1 million in underlying value

Volume of all FLEX trades with the parameters of the FLEX Program traded on PHLX

The total PHLX volume of all FLEX trades, between 0-249 contracts & less than \$1 million in underlying value during the Review Period was 25,677 contracts. There were 278 opening transactions during the Review Period. Of this amount, 8 trades were done by Retail customers, 21 were High Net Worth customers and 249 were Institutional clients.

Open Interest

Open interest during the Review Period, for the most part, has expired out due to the expiration date(s) of the FLEX options created. At current, there are 10,597 contracts of open interest in the FLEX options series that fall within this contract size and threshold range.

¹ The FLEX Pilot covers opening transactions in new series only. Commentary .01 to Phlx Rule 1079 states: Notwithstanding subparagraphs (a)(8)(A)(i) and (a)(8)(A)(ii) above, for a pilot period ... there shall be no minimum value size requirements for FLEX options.

(2) Data and written analysis on the open interest and trading volume for FLEX index options with a minimum opening size of less than \$10 million in underlying value

Volume of all FLEX trades with the parameters of the FLEX Program traded on PHLX

The total PHLX volume of all FLEX index trades with less than \$10 million in underlying value during the Review Period was 1,250 contracts. There were 11 opening transactions during the Review Period. Of this amount, no trades were done by Retail customers, 5 by High Net Worth customers and 6 by Institutional clients.

Open Interest

Open interest during the Review Period, for the most part, has expired out due to the expiration date(s) of the FLEX options created. At current, there are 700 contracts of open interest in the FLEX options series that fall within this threshold range.

(3) Analysis on the types of investors who initiated FLEX opening transactions

During the operation of the FLEX Pilot, a large majority of the FLEX opening transactions were done by firms that represent a significant amount of liquidity. These firms have accounts that encompass different lines of business. Certain firms, such as RBC Capital Markets Corporation and Deutsche Bank Securities, almost exclusively handle Institutional customers. Certain firms, such as Raymond James Financial, mostly represent High Net Worth (non-institutional) customers. Yet other firms, such as UBS Securities LLC, perform some combination of Retail, High Net Worth and Institutional business. Each of these multi-faceted firms has its own asset classification system indicating how a Retail customer differs from a High Net Worth and an Institutional customer.

The Exchange therefore established reasonable categorizations for the three different types of customers. Given that the average retail account does not exceed \$50,000, any FLEX trades that exceeded the value of such an account, that is, trades with an option premium greater than \$50,000, are considered to be trades for an Institutional customer. Trades with option premiums below \$50,000, on the other hand, represent either Retail or High Net Worth customers. Retail customers likely make trades that involve no more than 10% of the total retail account. We therefore surmised that trades with option premiums less than \$5,000 would be done by Retail customers, and trades with option premiums between \$5,000 and \$49,999 would be done by High Net Worth customers.

Applying these categories to the trades in this review period, we concluded that 84% of the trades were done by Institutional customers (where the option premiums exceed \$50,000), 12% were done by High Net Worth customers (where the option premiums are between \$5,000 and \$49,999), while 4% of the trades were done by Retail customers (where the option premiums are below \$5,000).

This is consistent with the categorizations that we established in previous FLEX pilot program Reports. We note that we have, in preparation of this Report, talked to numerous firms involved with FLEX options trading, and have not become aware of information that would cause us to modify our analysis.

(4) Any additional information that would help to assess the operation of the Pilot Program

The PHLX feels that the Report clearly shows the propriety of the Commission permanently approving the FLEX Pilot.