

*Required fields are shown with yellow backgrounds and asterisks.*

Page 1 of * 19	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2012 - * 011	Amendment No. (req. for Amendments *)
Proposed Rule Change by NASDAQ OMX BX, Inc. Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934			
Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/> Section 19(b)(3)(A) * <input checked="" type="checkbox"/> Section 19(b)(3)(B) * <input type="checkbox"/>  <div style="text-align: center;">Rule</div> <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input checked="" type="checkbox"/> 19b-4(f)(6)
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	
Exhibit 2 Sent As Paper Document <input type="checkbox"/>		Exhibit 3 Sent As Paper Document <input type="checkbox"/>	
<b>Description</b> Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *). <div style="border: 1px solid black; padding: 5px; min-height: 40px;">Proposal to amend Chapter V, Section 26 (Limitation of Liability) of the Trading Rules of the Boston Options Exchange Group, LLC.</div>			
<b>Contact Information</b> 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 proposed rule change. First Name * Maura      Last Name * Looney Title * Associate Vice President E-mail * maura.looney@nasdaqomx.com Telephone * (617) 235-2073      Fax <input type="text"/>			
<b>Signature</b> 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 officer. Date 02/02/2012 By Maura Looney      Associate Vice President <div style="text-align: center;">(Name *)      (Title *)</div> 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. <div style="text-align: center; margin-top: 10px;"><span style="background-color: #cccccc; padding: 5px 20px; border: 1px solid black;">Maura A. Looney,</span></div>			

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

**Form 19b-4 Information (required)**

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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 (required)**

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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 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.

Item 1. Text of Proposed Rule Change

a) NASDAQ OMX BX, Inc. (the “Exchange”) proposes to amend Chapter V, Section 26 (Limitation of Liability) of the Rules of the Boston Options Exchange Group, LLC (“BOX”). The text of the proposed rule change is attached as Exhibit 5.

b) Not applicable to application of any other Exchange rule.

c) Not applicable.

Item 2. The Procedures of the Self-Regulatory Organization

The proposed rule change has been approved by Boston Options Exchange Regulation, LLC (“BOXR”) and BOX Committee of the Exchange Board of Directors pursuant to authority delegated by the Exchange.

Item 3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

a) Purpose

Chapter V, Section 26 of the BOX Trading Rules provides, in general, that neither the Exchange, BOXR, BOX, nor any of their respective affiliates with regard to BOX will be liable to BOX Options Participants for any losses arising from the use of BOX or the BOX Trading Host. The Exchange is proposing to codify provisions within the BOX Trading Rules that permit BOX, for customer service reasons, to compensate an Options Participant, within specified limits as proposed, for certain identified losses. Additionally, the Exchange is proposing to clarify certain provisions within Section 26 regarding to whom it is applicable.

Accordingly, the Exchange proposes to amend Chapter V, Section 26 of the BOX Trading Rules to (1) clarify certain provisions within Section 26 regarding to whom the liability limitation applies; (2) codify provisions within the BOX Rules to permit BOX to compensate Participants for losses under certain circumstances; and (3) establish the

maximum amount of such compensation that BOX may provide during a calendar month pursuant to Section 26.

The Exchange proposes to clarify Section 26(a) by adding the respective directors, officers, committee members, employees, contractors, agents, and other persons acting on the behalf of the Exchange, BOXR, BOX and any of their respective affiliates to the paragraph that identifies the persons to which the limitation of liability is applicable. The Exchange proposes that “Exchange Related Persons and/or Entities” be defined to include the Exchange, BOXR, BOX, and any of their respective affiliates, and their respective directors, officers, committee members, employees, contractors, and agents or other persons acting on their behalf.<sup>1</sup> The Exchange proposes corresponding changes in Sections 26(a)(ii), 26(a)(iii), and in Sections 26(b), 26(c) and 26(d) to add references to the defined term Exchange Related Persons and/or Entities. Additionally, the Exchange proposes to add terrorism to the list of items beyond the control of Exchange Related Persons and/or Entities for which liability is limited.

The Exchange proposes adding new Section 26(e) to establish, subject to the express limits set forth in Section 26(e)(1) through 26(e)(3), that BOX may compensate Options Participants for losses resulting directly from the malfunction of the physical equipment, devices, or programming, or from the negligent acts or omissions of employees of the Exchange, BOXR or BOX.

Under the proposal, BOX’s payments for the aggregate of all claims made by all Options Participants during a single calendar month would not exceed the larger of \$500,000, or the amount of any recovery obtained by BOX under any applicable insurance maintained by BOX. Additionally, in the event that all of the claims made

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<sup>1</sup> See proposed Section 26(a) of Chapter V of the BOX Rules.

during a single calendar month cannot be fully satisfied because they exceed the applicable maximum limitation, then the maximum permitted amount will be proportionally allocated among all such claims. Finally, the Exchange proposes that all claims for compensation under the new proposed provisions must be submitted in writing no later than 12:00 p.m. ET on the next business day following the day on which the use of BOX gave rise to such claims. Once in receipt of a claim, BOX will verify that: (i) a valid order was accepted into BOX; and (ii) any loss claimed resulted directly from the malfunction of the physical equipment, devices, or programming, or from the negligent acts or omissions of employees of the Exchange, BOXR or BOX during the execution or handling of that order. BOX will only compensate Participants for valid claims, and will compensate such Participants at the end of the month.

BOX represents that the determination to compensate a BOX Options Participant will be made on an equitable and non-discriminatory basis without regard to whether the Participant is a Market Maker or Order Flow Provider on BOX, and that such determinations will be made pursuant to procedures of BOX Market Operations Center (“MOC”) with regulatory oversight established by BOXR. Additionally, BOX represents that BOX will maintain a record of Participant claims including documentation detailing its findings and details for approving or denying claims in accordance with its obligations under Section 17 of the Act.

b) Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act,<sup>2</sup> in general, and Section 6(b)(5) of the Act,<sup>3</sup> in particular, in that

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<sup>2</sup> 15 U.S.C. 78f(b).

<sup>3</sup> 15 U.S.C. 78f(b)(5).

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 investors and the public interest. In particular, the proposal will amend Chapter V, Section 26 of the BOX Trading Rules to codify provisions within the BOX Rules to permit BOX to compensate Participants for losses resulting directly from the malfunction of the physical equipment, devices, and/or programming of Exchange Related Persons, or from the negligent acts or omissions of Exchange Related Persons, and to establish the maximum amount of such compensation that BOX may provide during a calendar month.

Additionally, the Exchange believes that the codification of these policies should add transparency to the BOX Rules and that its proposal to amend Chapter V, Section 26 will promote fairness in the national market system. The proposed change will allow BOX to address Participant claims under various circumstances, and allow BOX to act in a similar fashion as many of its competitors. Several exchanges have substantially similar rules and the Exchange believes that the proposed rule change would place BOX in a similar position to address Participant claims.<sup>4</sup>

#### Item 4. 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.

#### Item 5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

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<sup>4</sup> See EDGA Exchange, Inc. (“EDGA”) Rule 11.12, NASDAQ Stock Market LLC (“NASDAQ”) Rule 4626, Chicago Board Options Exchange, Incorporated (“CBOE”), Rule 6.7, NYSE Arca, Inc. (“NYSE Arca”). Options Rule 14.2, International Securities Exchange, LLC (“ISE”), Rule 705, and BATS Exchange, Inc. (“BATS”) Rule 11.16.

The Exchange has neither solicited nor received comments on the proposed rule change.

Item 6. Extension of Time Periods for Commission Action

Not applicable.

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

(a) This proposed rule change is filed pursuant to paragraph (A) of section 19(b)(3) of the Exchange Act<sup>5</sup> and Rule 19b-4(f)(6) thereunder.<sup>6</sup>

(b) This proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The Exchange believes the proposed change is consistent with the protection of investors and in the public interest because it will promote fairness in the market place in situations where a Participant may make claims for losses that result from a malfunction of the physical equipment, devices, or programming, or from the negligent acts or omission of employees of the Exchange, BOXR or BOX.

As such, the Exchange asserts that the proposed change is “non-controversial” and requests that the Commission waive the 30-day operative delay period for such proposals and make the proposed rule change effective and operative upon filing.<sup>7</sup> Such

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<sup>5</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>6</sup> 17 CFR 240.19b-4(f)(6).

<sup>7</sup> As required under Rule 19b-4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change along with a brief description and the text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter

a waiver will permit BOX to immediately implement the proposed rule change for the benefit of Options Participants and will allow BOX to remain competitive with other exchanges.

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.

Item 8. Proposed Change Based Upon Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is based in part on provisions of EDGA Rule 11.12, NASDAQ Rule 4626, CBOE Rule 6.7, NYSE Arca Options Rule 14.2, ISE Rule 705, and BATS Rule 11.16. The Exchange believes that this proposed rule change does not raise any new or unique substantive issues from those raised in similar proposals.

Item 9. Exhibits

1. Form of Notice of the Proposed Rule Change for Publication in the Federal Register.
5. Text of the Proposed Rule Change.

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-BX-2012-011

\_\_\_\_\_, 2012

Self-Regulatory Organizations; NASDAQ OMX BX; Notice of Filing and Immediate Effectiveness of a Proposal to Amend Chapter V, Section 26 of the BOX Rules

Pursuant to Section 19(b)(1) under the Securities Exchange Act of 1934 (the “Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 3, 2012, NASDAQ OMX BX (the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange has designated the proposed rule change as constituting a non-controversial rule change under Rule 19b-4(f)(6) under the Act,<sup>3</sup> which renders the proposal effective upon filing with the Commission. 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 the Substance of the Proposed Rule Change

The Exchange proposes to amend Chapter V, Section 26 (Limitation of Liability) of the Rules of the Boston Options Exchange Group, LLC (“BOX”).

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.

<sup>3</sup> 17 CFR 240.19b-4(f)(6).

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

Chapter V, Section 26 of the BOX Trading Rules provides, in general, that neither the Exchange, BOXR, BOX, nor any of their respective affiliates with regard to BOX will be liable to BOX Options Participants for any losses arising from the use of BOX or the BOX Trading Host. The Exchange is proposing to codify provisions within the BOX Trading Rules that permit BOX, for customer service reasons, to compensate an Options Participant, within specified limits as proposed, for certain identified losses. Additionally, the Exchange is proposing to clarify certain provisions within Section 26 regarding to whom it is applicable.

Accordingly, the Exchange proposes to amend Chapter V, Section 26 of the BOX Trading Rules to (1) clarify certain provisions within Section 26 regarding to whom the liability limitation applies; (2) codify provisions within the BOX Rules to permit BOX to compensate Participants for losses under certain circumstances; and (3) establish the maximum amount of such compensation that BOX may provide during a calendar month pursuant to Section 26.

The Exchange proposes to clarify Section 26(a) by adding the respective directors, officers, committee members, employees, contractors, agents, and other persons acting on the behalf of the Exchange, BOXR, BOX and any of their respective affiliates to the paragraph that identifies the persons to which the limitation of liability is applicable. The Exchange proposes that "Exchange Related Persons and/or Entities" be defined to include the Exchange, BOXR, BOX, and any of their respective affiliates, and their respective directors, officers, committee

members, employees, contractors, and agents or other persons acting on their behalf.<sup>4</sup> The Exchange proposes corresponding changes in Sections 26(a)(ii), 26(a)(iii), and in Sections 26(b), 26(c) and 26(d) to add references to the defined term Exchange Related Persons and/or Entities. Additionally, the Exchange proposes to add terrorism to the list of items beyond the control of Exchange Related Persons and/or Entities for which liability is limited.

The Exchange proposes adding new Section 26(e) to establish, subject to the express limits set forth in Section 26(e)(1) through 26(e)(3), that BOX may compensate Options Participants for losses resulting directly from the malfunction of the physical equipment, devices, or programming, or from the negligent acts or omissions of employees of the Exchange, BOXR or BOX.

Under the proposal, BOX's payments for the aggregate of all claims made by all Options Participants during a single calendar month would not exceed the larger of \$500,000, or the amount of any recovery obtained by BOX under any applicable insurance maintained by BOX. Additionally, in the event that all of the claims made during a single calendar month cannot be fully satisfied because they exceed the applicable maximum limitation, then the maximum permitted amount will be proportionally allocated among all such claims. Finally, the Exchange proposes that all claims for compensation under the new proposed provisions must be submitted in writing no later than 12:00 p.m. ET on the next business day following the day on which the use of BOX gave rise to such claims. Once in receipt of a claim, BOX will verify that: (i) a valid order was accepted into BOX; and (ii) any loss claimed resulted directly from the malfunction of the physical equipment, devices, or programming, or from the negligent acts or omissions of employees of the Exchange, BOXR or BOX during the execution or handling of that order.

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<sup>4</sup> See proposed Section 26(a) of Chapter V of the BOX Rules.

BOX will only compensate Participants for valid claims, and will compensate such Participants at the end of the month.

BOX represents that the determination to compensate a BOX Options Participant will be made on an equitable and non-discriminatory basis without regard to whether the Participant is a Market Maker or Order Flow Provider on BOX, and that such determinations will be made pursuant to procedures of BOX Market Operations Center (“MOC”) with regulatory oversight established by BOXR. Additionally, BOX represents that BOX will maintain a record of Participant claims including documentation detailing its findings and details for approving or denying claims in accordance with its obligations under Section 17 of the Act.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act,<sup>5</sup> in general, and Section 6(b)(5) of the Act,<sup>6</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 investors and the public interest. In particular, the proposal will amend Chapter V, Section 26 of the BOX Trading Rules to codify provisions within the BOX Rules to permit BOX to compensate Participants for losses resulting directly from the malfunction of the physical equipment, devices, and/or programming of Exchange Related Persons, or from the negligent

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

<sup>6</sup> 15 U.S.C. 78f(b)(5).

acts or omissions of Exchange Related Persons, and to establish the maximum amount of such compensation that BOX may provide during a calendar month.

Additionally, the Exchange believes that the codification of these policies should add transparency to the BOX Rules and that its proposal to amend Chapter V, Section 26 will promote fairness in the national market system. The proposed change will allow BOX to address Participant claims under various circumstances, and allow BOX to act in a similar fashion as many of its competitors. Several exchanges have substantially similar rules and the Exchange believes that the proposed rule change would place BOX in a similar position to address Participant claims.<sup>7</sup>

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 Effectiveness Pursuant to Section 19(b)(2)

(a) This proposed rule change is filed pursuant to paragraph (A) of section 19(b)(3) of the Exchange Act<sup>8</sup> and Rule 19b-4(f)(6) thereunder.<sup>9</sup>

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<sup>7</sup> See EDGA Exchange, Inc. ("EDGA") Rule 11.12, NASDAQ Stock Market LLC ("NASDAQ") Rule 4626, Chicago Board Options Exchange, Incorporated ("CBOE"), Rule 6.7, NYSE Arca, Inc. ("NYSE Arca"). Options Rule 14.2, International Securities Exchange, LLC ("ISE"), Rule 705, and BATS Exchange, Inc. ("BATS") Rule 11.16.

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f)(6).

(b) This proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.<sup>10</sup> The Exchange believes the proposed change is consistent with the protection of investors and in the public interest because it will promote fairness in the market place in situations where a Participant may make claims for losses that result from a malfunction of the physical equipment, devices, or programming, or from the negligent acts or omission of employees of the Exchange, BOXR or BOX.

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.

#### 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

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<sup>10</sup> As required under Rule 19b-4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change along with a brief description and the text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-BX-2012-011 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-BX-2012-011. 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 Web site (<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 Web site viewing and printing in the Commission's Public Reference Room, on official business days between the hours of 10 a.m. and 3 p.m., located at 100 F Street, NE, Washington, DC 20549. Copies of such 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-BX-2012-011 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>

Kevin M. O'Neill  
Deputy Secretary

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

**EXHIBIT 5**

New language

[deleted language]

**Boston Options Exchange Group LLC**

\* \* \* \* \*

**CHAPTER V. DOING BUSINESS ON BOX**

**Sec. 1 through 25** No change.

**Sec. 26 Limitation of Liability**

(a) [Neither, t]The Exchange, BOXR, BOX, and[or] any of their respective affiliates, and their respective directors, officers, committee members, employees, contractors, and agents or other persons acting on their behalf [with regard to BOX] (“Exchange Related Persons and/or Entities”) will not be liable to Options Participants or users for any loss, damages, claim or expense:

- i. growing out of the use or enjoyment of BOX or the Trading Host; or
- ii. arising from or occasioned by any inaccuracy, error or delay in, or omission of or from the collection, calculation, compilation, maintenance, reporting or dissemination of any information derived from BOX, resulting either from any act or omission by [the Exchange, BOXR, BOX or any of their affiliates] any Exchange Related Persons and/or Entities, or from any act, condition or cause beyond the reasonable control of [the Exchange, BOXR, BOX or any of their affiliates] any Exchange Related Persons and/or Entities, including but not limited to flood, extraordinary weather conditions, earthquakes or other acts of God, fire, war, terrorism, insurrection, riot, labor dispute, accident, action of government, communications or power failure, or equipment or software malfunction;
- iii. Generally, in the event of a BOX market outage, or interruption of service, a loss pertaining to an order that is entered into BOX will be absorbed by the order entering Participant organization.

Without limiting the generality of the foregoing, [neither the Exchange, BOXR, BOX or any of their affiliates, its directors, officers, committee Participants, employees, contractors or agents] Exchange Related Persons and/or Entities shall not have any liability to any person for any loss,

expense, damages or claims that result from any error, omission or delay in calculating or disseminating any current or closing index value or any reports of transactions in or quotations for options or other securities, including underlying securities.

(b) [The Exchange, BOXR, BOX or any of their affiliates, its directors, officers, committee Participants, employees, contractors or agents] Exchange Related Persons and/or Entities shall not be liable to Options Participants nor any persons associated with Participants for any loss, expense, damages or claims arising out of the use of the facilities, systems or equipment afforded by BOX in relation to the BOX market, [n]or any interruption in or failure or unavailability of any such facilities, systems or equipment, whether or not such loss, expense, damages or claims result or are alleged to result from negligence or other unintentional errors or omissions on the part of [the Exchange, BOXR, BOX or any of their affiliates, its directors, officers, committee Participants, employees, contractors, agents or other persons acting on its behalf,] any Exchange Related Persons and/or Entities or from systems failure, or from any other cause within or outside the control of BOX.

Without limiting the generality of the foregoing, [neither the Exchange, BOXR, BOX or any of their affiliates, its directors, officers, committee Participants, employees, contractors or agents] Exchange Related Persons and/or Entities shall not have any liability to any person for any loss, expense, damages or claims that result from any error, omission or delay in calculating or disseminating any current or closing index value or any reports of transactions in or quotations for options or other securities, including underlying securities.

(c) [The Exchange, BOXR, BOX or any of their affiliates] Exchange Related Persons and/or Entities make no warranty, express or implied, as to results to be obtained by any person or entity from the use of any data transmitted or disseminated by or on behalf of BOX or any reporting authority designated by BOX, including but not limited to, reports of transactions in or quotations for securities traded on BOX or underlying securities, or reports of interest rate measures or index values or related data, and the Exchange Related Persons and/or Entities [, BOXR, BOX or any of their affiliates] make no express or implied warranties of merchantability or fitness for a particular purpose or use with respect to any such data.

(d) No Options Participant or person associated with an Options Participant shall institute a lawsuit or other legal proceeding against any Exchange Related Person and/or Entity [the Exchange, BOXR, BOX or any of their affiliates or any director, officer, employee, contractor, agent or other official of the Exchange, BOXR, BOX or any subsidiary of the Exchange, BOXR, BOX or any of their affiliates,] for actions taken or omitted to be taken in connection with the official business of BOX or any subsidiary, except to the extent such actions or omissions constitute violations of applicable federal securities laws for which a private right of action exists. This provision shall not apply to appeals of disciplinary actions or other actions by BOXR as provided for in the Rules.

(See BSE Rules Chapter XXXIII, "BEACON", Section 7, "BEACON Liability").

(e) Notwithstanding paragraphs (a), (b), and (d) above, and subject to the express limits set forth below, BOX may compensate Options Participants for losses resulting directly

from the malfunction of the physical equipment, devices, or programming, or from the negligent acts or omissions of employees of the Exchange, BOXR or BOX.

- (1) As to the aggregate of all claims made by all Options Participants under this Section during a single calendar month, BOX shall not be liable in excess of the larger of \$500,000, or the amount of any recovery obtained by BOX under any applicable insurance maintained by BOX.
- (2) In the event that all of the claims made under this Section cannot be fully satisfied because in the aggregate they exceed the applicable maximum limitations provided in this Section, then the maximum permitted amount will be proportionally allocated among all such claims arising during a single calendar month based on the proportion that each such claim bears to the sum of all such claims.
- (3) All claims for compensation pursuant to this Section shall be in writing and must be submitted no later than 12:00 p.m. ET on the next business day following the day on which the use of BOX gave rise to such claims. Once in receipt of a claim, BOX will verify that: (i) a valid order was accepted into BOX; and (ii) any loss claimed resulted directly from the malfunction of the physical equipment, devices, or programming, or from the negligent acts or omissions of employees of the Exchange, BOXR or BOX during the execution or handling of that order.

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