Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) *
Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document
Exhibit 3 Sent As Paper Document

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Edward S. Knight
Executive Vice President and General Counsel

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.
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.

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).

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.

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.

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.

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.

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.
1. **Text of the Proposed Rule Change**

   (a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”)\(^1\) and Rule 19b-4 thereunder,\(^2\) The NASDAQ Stock Market LLC (“NASDAQ” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend Chapter XV, entitled “Options Pricing,” at Section 2, which governs pricing for NASDAQ members using the NASDAQ Options Market (“NOM”), NASDAQ’s facility for executing and routing standardized equity and index options, to remove references to the PHLX Housing Sector\(^\text{TM} \) (HGX\(^\text{SM} \)) and PHLX Oil Service Sector\(^\text{SM} \) (OSX\(^\text{SM} \)).

   While the changes proposed herein are effective upon filing, the Exchange has designated the amendments become operative on May 1, 2015.

   A notice of the proposed rule change for publication in the Federal Register is attached hereto as **Exhibit 1** and a copy of the applicable rule text is attached hereto as **Exhibit 5**.

   (b) Not applicable.

   (c) Not applicable.

2. **Procedures of the Self-Regulatory Organization**

   The proposed rule change was approved by senior management of NASDAQ pursuant to authority delegated by the Board of Directors of NASDAQ on July 16, 2014.

   NASDAQ staff will advise the Board of Directors of NASDAQ of any action taken

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pursuant to delegated authority. No other action by NASDAQ is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to Angela Saccomandi Dunn, Associate General Counsel, The NASDAQ OMX Group, Inc. at (215) 496-5692.

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

   a. Purpose

   The Exchange proposes to amend Chapter XV, Section 2, “NASDAQ Options Market – Fees and Rebates” to remove references to HGX and OSX, as these indexes will be delisted on or before May 1, 2015.

   Today, the Exchange assesses fees related to these NASDAQ OMX PHLX LLC (“Phlx”) proprietary indexes which are listed on NOM. The Exchange assesses the following fees for HGX and OSX:

   | Fee for Adding Liquidity | $0.40 | $0.89 | $0.89 | $0.89 | $0.40 | $0.89 |
   | Fee for Removing Liquidity | $0.40 | $0.89 | $0.89 | $0.89 | $0.40 | $0.89 |

   The Exchange will delist these two proprietary indexes and will no longer assess the above-referenced fees for HGX and OSX. The Exchange will continue to assess the above fees for the PHLX Semiconductor SectorSM (SOXSM) index.

   b. Statutory Basis

   NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,3 in general, and with Section 6(b)(4) and 6(b)(5) of the Act,4 in

particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which NASDAQ operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange’s proposal to remove the references and not assess fees for HGX and OSX is reasonable because the Exchange is seeking to delist these indexes from NOM as of the delisting.

The Exchange’s proposal to remove the references and not assess fees for HGX and OSX is equitable and not unfairly discriminatory because no market participant will be able to transact options in HGX or OSX on NOM as of the delisting.

4. **Self-Regulatory Organization’s Statement on Burden on Competition**

NASDAQ 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. The Exchange will delist HGX and OSX on or before May 1, 2015 and no longer offer market participants the opportunity to transact options in those indexes, therefore the removal of the fees does not impose an undue burden on competition. No market participant will be able to transact options in HGX or OSX on NOM as of the delisting.

5. **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.

6. **Extension of Time Period for Commission Action**

Not applicable.

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4 15 U.S.C. 78f(b)(4) and (5).
7. **Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)**

Pursuant to Section 19(b)(3)(A)(ii) of the Act, NASDAQ has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

8. **Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission**

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. **Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act**

Not applicable.

10. **Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act**

Not applicable.

11. **Exhibits**

1. Notice of proposed rule for publication in the Federal Register.

5. Applicable portion of the Exchange’s rule text.

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Exhibit 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. ; File No. SR-NASDAQ-2015-037)

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to HGX and OSX

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 10, 2015, The NASDAQ Stock Market LLC (“NASDAQ” 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 NASDAQ. 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

NASDAQ proposes to amend Chapter XV, entitled “Options Pricing,” at Section 2, which governs pricing for NASDAQ members using the NASDAQ Options Market (“NOM”), NASDAQ’s facility for executing and routing standardized equity and index options, to remove references to the PHLX Housing Sector™ (HGX℠) and PHLX Oil Service Sector℠ (OSX℠).

While the changes proposed herein are effective upon filing, the Exchange has designated the amendments become operative on May 1, 2015.

The text of the proposed rule change is available on the Exchange’s Website at http://www.nasdaq.cchwallstreet.com, 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. 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 amend Chapter XV, Section 2, “NASDAQ Options Market – Fees and Rebates” to removes references to HGX and OSX, as these indexes will be delisted on or before May 1, 2015.

Today, the Exchange assesses fees related to these NASDAQ OMX PHLX LLC (“Phlx”) proprietary indexes which are listed on NOM. The Exchange assesses the following fees for HGX and OSX:

- Fee for Adding Liquidity: $0.40 $0.89 $0.89 $0.89 $0.40 $0.89
- Fee for Removing Liquidity: $0.40 $0.89 $0.89 $0.89 $0.40 $0.89

The Exchange will delist these two proprietary indexes and will no longer assess the above-referenced fees for HGX and OSX. The Exchange will continue to assess the above fees for the PHLX Semiconductor SectorSM (SOXSM) index.
2. **Statutory Basis**

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,\(^3\) in general, and with Section 6(b)(4) and 6(b)(5) of the Act,\(^4\) in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which NASDAQ operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange’s proposal to remove the references and not assess fees for HGX and OSX is reasonable because the Exchange is seeking to delist these indexes from NOM as of the delisting.

The Exchange’s proposal to remove the references and not assess fees for HGX and OSX is equitable and not unfairly discriminatory because no market participant will be able to transact options in HGX or OSX on NOM as of the delisting.

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

NASDAQ 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. The Exchange will delist HGX and OSX on or before May 1, 2015 and no longer offer market participants the opportunity to transact options in those indexes, therefore the removal of the fees does not impose an undue burden on competition. No market participant will be able to transact options in HGX or OSX on NOM as of the delisting.

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\(^4\) 15 U.S.C. 78f(b)(4) and (5).
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**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.\(^5\) 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.

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-NASDAQ-2015-037 on the subject line.

**Paper comments:**

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• 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-NASDAQ-2015-037. 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 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-NASDAQ-2015-037 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.  

Kevin M. O’Neill  
Deputy Secretary 

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Options Rules

Chapter XV Options Pricing

Sec. 2 NASDAQ Options Market—Fees and Rebates

The following charges shall apply to the use of the order execution and routing services of the NASDAQ Options Market for all securities.

(1) Fees for Execution of Contracts on the NASDAQ Options Market

<table>
<thead>
<tr>
<th>Fees and Rebates (per executed contract)</th>
<th>Customer</th>
<th>Professional</th>
<th>Firm</th>
<th>Non-NOM Market Maker</th>
<th>NOM Market Maker</th>
<th>Broker-Dealer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Penny Pilot Options:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Rebate to Add Liquidity</td>
<td>***</td>
<td>***</td>
<td>$0.10</td>
<td>$0.10</td>
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<td>$0.10</td>
</tr>
<tr>
<td>Fee for Removing Liquidity</td>
<td>$0.48</td>
<td>$0.50&lt;sup&gt;d&lt;/sup&gt;</td>
<td>$0.50&lt;sup&gt;d&lt;/sup&gt;</td>
<td>$0.50&lt;sup&gt;d&lt;/sup&gt;</td>
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<td>$0.50&lt;sup&gt;d&lt;/sup&gt;</td>
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<tr>
<td><strong>Non-Penny Pilot Options (including NDX&lt;sup&gt;1&lt;/sup&gt;):</strong></td>
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<tr>
<td>Fee for Adding Liquidity</td>
<td>N/A</td>
<td>$0.45</td>
<td>$0.45</td>
<td>$0.45</td>
<td>$0.35</td>
<td>$0.45</td>
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<tr>
<td>Fee for Removing Liquidity</td>
<td>$0.85</td>
<td>$0.89</td>
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<tr>
<td>Rebate to Add Liquidity</td>
<td>$0.84&lt;sup&gt;3&lt;/sup&gt;</td>
<td>N/A</td>
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<tr>
<td><strong>SOX[, HGX and OSX]:</strong></td>
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<tr>
<td>Fee for Adding Liquidity</td>
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<tr>
<td>Fee for Removing Liquidity</td>
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<sup>1</sup>For transactions in NDX, a surcharge of $0.15 per contract will be added to the
Fee for Adding Liquidity and the Fee for Removing Liquidity in Non-Penny Pilot Options, except for a Customer who will not be assessed a surcharge.

3 A Participant that qualifies for Penny Pilot Options Customer or Professional Rebate to Add Liquidity Tiers 7 or 8 in a given month will receive an additional $0.01 per contract Non-Penny Pilot Options Customer Rebate to Add Liquidity for each transaction which adds liquidity in Non-Penny Pilot Options in that month.

*** The Customer and Professional Rebate to Add Liquidity in Penny Pilot Options will be paid as noted below. To determine the applicable percentage of total industry customer equity and ETF option average daily volume, the Participant's Penny Pilot and Non-Penny Pilot Customer and/or Professional volume that adds liquidity will be included.

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(2) – (5) No Change.

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