

Required fields are shown with yellow backgrounds and asterisks.

Proposed Rule Change by NASDAQ OMX PHLX LLC.
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *		Section 19(b)(3)(B) *		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>		
			Rule					
Pilot	Extension of Time Period for Commission Action *	Date Expires *	19b-4(f)(1)	19b-4(f)(2)	19b-4(f)(3)	19b-4(f)(4)	19b-4(f)(5)	19b-4(f)(6)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Exhibit 2 Sent As Paper Document	Exhibit 3 Sent As Paper Document
<input type="checkbox"/>	<input type="checkbox"/>

Description
Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *).

Contact Information
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 * Last Name *
Title *
E-mail *
Telephone * Fax

Signature
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
By
(Name *) (Title *)

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.

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

Add Remove View

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

Add Remove View

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

Add Remove View

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) NASDAQ OMX PHLX LLC (“Phlx” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² proposes to amend the Exchange’s Pricing Schedule at Section I titled “Rebates and Fees for Adding and Removing Liquidity in Select Symbols.”³ Specifically, the Exchange proposes to amend certain Simple Order Fees for Removing Liquidity. The Exchange also proposes various technical amendments to the Pricing Schedule.

While changes to the Pricing Schedule pursuant to this proposal are effective upon filing, the Exchange has designated the proposed amendment to be operative on September 4, 2012.

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 portion of the Exchange’s Pricing Schedule 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 the Exchange pursuant to authority delegated by the Board of Directors of the Exchange on July 10, 2012. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The rebates and fees in Section I apply to certain Select Symbols which are listed in Section I of the Pricing Schedule.

rule change.

Questions and comments on the proposed rule change may be directed to Angela Saccomandi Dunn, Associate General Counsel, 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 purpose of the proposed rule change is to amend Section I of the Exchange's Pricing Schedule. Specifically, the Exchange is proposing to amend Section I of the Pricing Schedule to increase certain Simple Order Fees for Removing Liquidity. Despite the increase to these fees, the Exchange believes that the fees remain competitive with fees assessed by other options exchanges.

The Exchange is also proposing to make technical amendments to Section I of the Pricing Schedule.

The Exchange is proposing to amend Section I, Part A of the Pricing Schedule to increase the Simple Order Fees for Removing Liquidity for Customers from \$0.39 per contract to \$0.43 per contract and increase the Simple Order Fees for Removing Liquidity for Specialists⁴ and Market Makers⁵ from \$0.39 to \$0.45 per contract.

Also, the Exchange is proposing to make technical corrections in Section I, Part A by replacing "\$0.00" with "N/A" for several categories. This is not a change to these fees, but a technical amendment since in these instances "N/A" better reflects that a fee is not relevant for this category rather than "\$0.00" which simply reflects that no fee is

⁴ A Specialist is an Exchange member who is registered as an options specialist pursuant to Rule 1020(a).

⁵ A "Market Maker" includes Registered Options Traders ("ROTs") (Rule 1014(b)(i) and (ii), which include Streaming Quote Traders ("SQTs") (See Rule 1014(b)(ii)(A)) and Remote Streaming Quote Traders ("RSQTs") (See Rule 1014(b)(ii)(B)).

currently being charged for this category.

b. Statutory Basis

The Exchange believes that its proposal to amend its Pricing Schedule is consistent with Section 6(b) of the Act⁶ in general, and furthers the objectives of Section 6(b)(4) of the Act⁷ in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members and other persons using its facilities.

The Exchange believes that its proposal to increase the Simple Order Fees for Removing Liquidity for Customers, from \$0.39 to \$0.43 per contract, and the Simple Order Fees for Removing Liquidity for Specialists and Market Makers, from \$0.39 to \$0.45 per contract, is reasonable because the increases remain competitive with fees assessed by other options exchanges.⁸

The Exchange believes that its proposal to increase the Simple Order Fees for Removing Liquidity for Customers, Specialists and Market Makers is equitable and not unfairly discriminatory because the Exchange would assess all market participants, except Customers, a \$0.45 per contract Simple Order Fee for Removing Liquidity. The Exchange proposes to assess a lower Simple Order Fee for Removing Liquidity to Customers of \$0.43 per contract as compared to \$0.45 per contract for all other market participants because Customer order flow enhances liquidity on the Exchange for the benefit of all market participants.

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(4).

⁸ NYSE Arca, Inc. assesses Customers, Firms, Broker-Dealers and Market Makers a \$0.45 take fee. See NYSE Arca, Inc.'s Fee Schedule.

The Exchange believes that the technical amendments proposed to Section II, Part A are reasonable, equitable and not unfairly discriminatory because the amendments are not substantive but rather technical amendments to provide more detail in the Pricing Schedule for greater clarity.

The Exchange operates in a highly competitive market, comprised of ten exchanges, in which market participants can easily and readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or rebates to be inadequate. Accordingly, the fees that are assessed and the rebates paid by the Exchange must remain competitive with fees charged and rebates paid by other venues and therefore must continue to be reasonable and equitably allocated to those members that opt to direct orders to the Exchange rather than competing venues.

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.

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.

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,⁹ the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed 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. Exhibits

1. Notice of proposed rule for publication in the Federal Register.
5. The applicable portion of the Exchange's Pricing Schedule.

⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

Exhibit 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-Phlx-2012-112)

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by NASDAQ OMX PHLX LLC Relating to Rebates and Fees for Adding and Removing Liquidity in Select Symbols

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 August 31, 2012, 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 the Exchange’s Pricing Schedule at Section I titled “Rebates and Fees for Adding and Removing Liquidity in Select Symbols.”³ Specifically, the Exchange proposes to amend certain Simple Order Fees for Removing Liquidity. The Exchange also proposes various technical amendments to the Pricing Schedule.

While changes to the Pricing Schedule pursuant to this proposal are effective upon filing, the Exchange has designated the proposed amendment to be operative on September 4, 2012.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The rebates and fees in Section I apply to certain Select Symbols which are listed in Section I of the Pricing Schedule.

The text of the proposed rule change is available on the Exchange's Website at <http://www.nasdaqtrader.com/micro.aspx?id=PHLXfilings>, 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 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 purpose of the proposed rule change is to amend Section I of the Exchange's Pricing Schedule. Specifically, the Exchange is proposing to amend Section I of the Pricing Schedule to increase certain Simple Order Fees for Removing Liquidity. Despite the increase to these fees, the Exchange believes that the fees remain competitive with fees assessed by other options exchanges.

The Exchange is also proposing to make technical amendments to Section I of the Pricing Schedule.

The Exchange is proposing to amend Section I, Part A of the Pricing Schedule to increase the Simple Order Fees for Removing Liquidity for Customers from \$0.39 per

contract to \$0.43 per contract and increase the Simple Order Fees for Removing Liquidity for Specialists⁴ and Market Makers⁵ from \$0.39 to \$0.45 per contract.

Also, the Exchange is proposing to make technical corrections in Section I, Part A by replacing "\$0.00" with "N/A" for several categories. This is not a change to these fees, but a technical amendment since in these instances "N/A" better reflects that a fee is not relevant for this category rather than "\$0.00" which simply reflects that no fee is currently being charged for this category.

2. Statutory Basis

The Exchange believes that its proposal to amend its Pricing Schedule is consistent with Section 6(b) of the Act⁶ in general, and furthers the objectives of Section 6(b)(4) of the Act⁷ in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members and other persons using its facilities.

The Exchange believes that its proposal to increase the Simple Order Fees for Removing Liquidity for Customers, from \$0.39 to \$0.43 per contract, and the Simple Order Fees for Removing Liquidity for Specialists and Market Makers, from \$0.39 to

⁴ A Specialist is an Exchange member who is registered as an options specialist pursuant to Rule 1020(a).

⁵ A "Market Maker" includes Registered Options Traders ("ROTs") (Rule 1014(b)(i) and (ii), which include Streaming Quote Traders ("SQTs") (See Rule 1014(b)(ii)(A)) and Remote Streaming Quote Traders ("RSQTs") (See Rule 1014(b)(ii)(B)).

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(4).

\$0.45 per contract, is reasonable because the increases remain competitive with fees assessed by other options exchanges.⁸

The Exchange believes that its proposal to increase the Simple Order Fees for Removing Liquidity for Customers, Specialists and Market Makers is equitable and not unfairly discriminatory because the Exchange would assess all market participants, except Customers, a \$0.45 per contract Simple Order Fee for Removing Liquidity. The Exchange proposes to assess a lower Simple Order Fee for Removing Liquidity to Customers of \$0.43 per contract as compared to \$0.45 per contract for all other market participants because Customer order flow enhances liquidity on the Exchange for the benefit of all market participants.

The Exchange believes that the technical amendments proposed to Section II, Part A are reasonable, equitable and not unfairly discriminatory because the amendments are not substantive but rather technical amendments to provide more detail in the Pricing Schedule for greater clarity.

The Exchange operates in a highly competitive market, comprised of ten exchanges, in which market participants can easily and readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or rebates to be inadequate. Accordingly, the fees that are assessed and the rebates paid by the Exchange must remain competitive with fees charged and rebates paid by other venues and therefore must continue to be reasonable and equitably allocated to those members that opt to direct orders to the Exchange rather than competing venues.

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

⁸ NYSE Arca, Inc. assesses Customers, Firms, Broker-Dealers and Market Makers a \$0.45 take fee. See NYSE Arca, Inc.'s Fee Schedule.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.⁹ 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

⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-Phlx-2012-112 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-2012-112. 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 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-Phlx-2012-112 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.¹⁰

Kevin M. O'Neill
Deputy Secretary

¹⁰ 17 CFR 200.30-3(a)(12).

**NASDAQ OMX PHLX LLC
PRICING SCHEDULE**

I. Rebates and Fees for Adding and Removing Liquidity in Select Symbols

Select Symbols shall be defined as options overlying the following symbols: ARNA, AA, AMD, BAC, CSCO, DIA, EEM, EFA, EWZ, F, FAS, FAZ, FXI, GDX, GE, GLD, INTC, IWM, MSFT, NOK, ORCL, PFE, QQQ, RIMM, SDS, SIRI, SLV, SPY, TBT, TLT, TZA, UNG, USO, VALE, VXX, VZ, XLE, XLF, XLI, and YHOO. The following fees in this Section I shall only apply to Select Symbols.

	Part A. Simple Order					
	Customer Specialist	Market Specialist	Market Maker	Firm	Broker-Dealer	Professional
Rebate for Adding Liquidity	\$0.26	\$0.23	\$0.23	[\$0.00]N/A	[\$0.00]N/A	\$0.23
Fees for Adding Liquidity	N/A	N/A	\$0.00	\$0.05	\$0.05	N/A
Fee for Removing Liquidity	\$0.[39]43	\$0.[39]45	\$0.[39]45	\$0.45	\$0.45	\$0.45
