

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 21

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4File No.* SR - 2012 - * 50
Amendment No. (req. for Amendments *)

Proposed Rule Change by NASDAQ OMX PHLX LLC.

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

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

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

Relating to Routing Fees

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 * Angela Last Name * Dunn

Title * Associate General Counsel

E-mail * Angela.dunn@nasdaqomx.com

Telephone * (215) 496-5692 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 04/11/2012

By Edward S. Knight
(Name *)Executive Vice President and General Counsel
(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.

Edward S Knight,

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)

Add Remove View

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)

Add Remove View

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

Add Remove View

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

Add Remove View

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 certain Routing Fees to recoup costs incurred by the Exchange in routing to BATS Exchange, Inc. (“BATS”).

The Exchange intends for these amendments to be effective upon filing, except with respect to the amendments related to the Firm/Broker-Dealer/Market Maker category, which Routing Fees will be operative on April 27, 2012 when SR-Phlx-2012-41 becomes operative.³

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and a copy of 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 August 19, 2011. 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 rule change.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities and Exchange Act Release No. 66754 (April 6, 2012) (SR-Phlx-2012-41) which filing is immediately effective and will become operative on April 27, 2012.

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 this filing is to recoup costs that the Exchange incurs for routing and executing certain orders in equity and index options to BATS. The Exchange's Pricing Schedule at Section V currently includes the following Routing Fees for routing Customer, Professional, Firm, Broker-Dealer and Market Maker orders to away markets.⁴

| Exchange | Customer | Professional | Firm/Broker-Dealer/Market Maker |
|--|-----------------|---------------------|--|
| NYSE AMEX | \$0.11 | \$0.31 | \$0.55 |
| BATS | \$0.55 | \$0.55 | \$0.55 |
| BOX | \$0.11 | \$0.11 | \$0.55 |
| CBOE | \$0.11 | \$0.31 | \$0.55 |
| CBOE orders greater than 99 contracts in RUT, RMN, NDX, MNX, ETFs, ETNs and HOLDRs | \$0.29 | \$0.31 | \$0.55 |
| C2 | \$0.55 | \$0.56 | \$0.55 |
| ISE | \$0.11 | \$0.29 | \$0.55 |
| ISE Select Symbols* | \$0.31 | \$0.39 | \$0.55 |
| NYSE ARCA (Penny Pilot) | \$0.55 | \$0.55 | \$0.55 |
| NYSE ARCA (Standard) | \$0.11 | \$0.11 | \$0.55 |
| NOM | \$0.54 | \$0.54 | \$0.55 |
| NOM (NDX and MNX) | \$0.56 | \$0.56 | \$0.55 |

⁴ The Exchange recently amended its Pricing Schedule to adopt a "Firm/Broker-Dealer/Market Maker" Routing Fee category. See Securities and Exchange Act Release No. 66755 (April 6, 2012) (SR-Phlx-2012-42). The pricing change was filed for immediate effectiveness with an operative date of April 27, 2012.

* These fees are applicable to orders routed to ISE that are subject to Rebates and Fees for Adding and Removing Liquidity in Select Symbols. See ISE’s Schedule of Fees for the complete list of symbols that are subject to these fees.

The Exchange is proposing to amend the current BATS Routing Fees by renaming those fees as “BATS Penny.”⁵ The Exchange is not proposing to amend the current rate of \$0.55 per contract for Customers, Professionals, Firms, Broker-Dealers, and Market Makers, but proposes to apply those fees solely to Penny options routed to BATS.

The Exchange proposes to create new Routing Fees to BATS for non-Penny options. BATS recently adopted a \$0.75 per contract non-Penny fee for customers that remove liquidity from the BATS Options order book and a \$0.80 per contract non-Penny fee for professionals, firms and market makers that remove liquidity from the BATS Options order book.⁶ The Exchange is proposing to adopt BATS non-Penny Routing Fees to account for the new BATS fees for removing liquidity and other routing costs incurred by the Exchange when routing to BATS, as follows:

| Exchange | Customer | Professional | Firm/Broker-Dealer/Market Maker |
|-----------------|-----------------|---------------------|--|
| BATS non-Penny | \$0.86 | \$0.91 | \$0.91 |

In May 2009, the Exchange adopted Rule 1080(m)(iii)(A) to establish Nasdaq Options Services LLC (“NOS”), a member of the Exchange, as the Exchange’s exclusive

⁵ BATS defines Penny options as those issues that are quoted pursuant to BATS Rule 21.5, Interpretation and Policy .01.

⁶ See SR-BATS-2012-015.

order router.⁷ NOS is utilized by the Exchange's fully automated options trading system, PHLX XL[®],⁸ solely to route orders in options listed and open for trading on the PHLX XL system to destination markets. Each time NOS routes to away markets NOS is charged a \$0.06 clearing fee and, in the case of certain exchanges, a transaction fee is also charged in certain symbols, which fees are passed through to the Exchange. The Exchange currently recoups clearing and transaction charges incurred by the Exchange as well as certain other costs incurred by the Exchange when routing to away markets, such as administrative and technical costs associated with operating NOS, membership fees at away markets, and technical costs associated with routing.⁹

The Exchange intends for these amendments to be effective upon filing, except with respect to the amendments related to the Firm/Broker-Dealer/Market Maker category, which Routing Fees will be operative on April 27, 2012 when SR-Phlx-2012-41 becomes operative.¹⁰

⁷ See Securities Exchange Act Release No. 59995 (May 28, 2009), 74 FR 26750 (June 3, 2009) (SR-Phlx-2009-32).

⁸ This proposal refers to "PHLX XL" as the Exchange's automated options trading system. In May 2009 the Exchange enhanced the system and adopted corresponding rules referring to the system as "Phlx XL II." See Securities Exchange Act Release No. 59995 (May 28, 2009), 74 FR 26750 (June 3, 2009) (SR-Phlx-2009-32). The Exchange intends to submit a separate technical proposed rule change that would change all references to the system from "Phlx XL II" to "PHLX XL" for branding purposes.

⁹ The Exchange is therefore adopting BATS non-Penny Routing Fees to account for the BATS fees of \$0.75 per contract for customer orders and \$0.80 per contract for professional, firm and market maker orders, the \$0.06 clearing cost and another \$0.05 per contract associated with administrative and technical costs associated with operating NOS.

¹⁰ The Exchange recently filed a rule change to expand the routing capabilities of certain options orders that are eligible for electronic routing to other market centers by PHLX XL. See Securities and Exchange Act Release No. 66754 (April 6, 2012) (SR-Phlx-2012-41). Specifically, Exchange Rule 1080(m) was amended to permit Firm, Broker-

As with all fees, the Exchange may adjust these Routing Fees in response to competitive conditions by filing a new proposed rule change.

b. Statutory Basis

The Exchange believes that its proposal to amend its Pricing Schedule is consistent with Section 6(b) of the Act¹¹ in general, and furthers the objectives of Section 6(b)(4) of the Act¹² in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members.

The Exchange believes that the proposed amendment to the current BATS Routing Fees to rename those fees as “BATS Penny” and apply those fees to Penny options routed to BATS and adopt separate Routing Fees for non-Penny options routed to BATS is reasonable because the two separate categories take into account the different fees for removing liquidity assessed by BATS for non-Penny versus Penny options. The Exchange seeks to recoup costs incurred when routing orders to BATS on behalf of its members.

The Exchange believes that the proposed amendment to the current BATS Routing Fees to rename those fees as “BATS Penny” and apply those fees to Penny options routed to BATS and adopt separate Routing Fees for non-Penny options routed to BATS is equitable and not unfairly discriminatory because the Exchange will uniformly apply the BATS Penny as well as BATS non-Penny Routing Fees to its members based

Dealer and Market Maker orders to be eligible for routing to other market centers when the Exchange cannot execute such orders at the National Best Bid or Offer. SR-Phlx-2012-The rule change is immediately effective and will be operative on April 27, 2012.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(4).

on the type of options orders routed to BATS.¹³

The proposed BATS non-Penny Routing Fees are reasonable because they seek to recoup costs that are incurred by the Exchange when routing Customer, Professional, Firm, Broker-Dealer and Market Maker orders to BATS on behalf of members. Each destination market's transaction charge varies and there is a standard clearing charge for each transaction incurred by the Exchange along with other administrative and technical costs that are incurred by the Exchange. The Exchange believes that the proposed Routing Fees would enable the Exchange to recover the remove fees assessed by BATS for non-Penny options, plus clearing and other administrative and technical fees for the execution of such orders when routed to BATS. The Exchange also believes that the proposed BATS non-Penny Routing Fees are equitable and not unfairly discriminatory because they would be uniformly applied to all non-Penny orders that are routed to BATS.

With respect to the Firm/Broker-Dealer/Market Maker category, the Exchange recently adopted those fees and proposed to assess a fixed Routing Fee of \$0.55 per contract applicable to all away markets.¹⁴ The Exchange noted in that rule change that pricing on the various options exchanges varies significantly from exchange to exchange for non-Customer orders. Accordingly, the Exchange proposed a \$0.55 per contract side Routing Fee in order to capture the majority of the transaction and clearing fees for Firm, Broker-Dealer and Market Maker orders, while making the Exchange's Routing Fees easier to calculate and predict for members whose proprietary orders are routed away. In addition, fixed Routing Fees are easier to comprehend by the members whose orders are

¹³ See note 5.

¹⁴ See note 4.

routed away. Further, predicting, calculating and charging back "pass-through" fees is an unduly burdensome, expensive and complicated task for members whose orders are routed away. The Exchange noted that fixed Routing Fees for Firm, Broker-Dealer and Market Maker orders should ease the burden, expense and complexity of this task. Furthermore, fixed fees are easier to manage and maintain for the Exchange, ensuring accurate billing and accounting. The Exchange believes its proposal to increase the BATS non-Penny Customer Routing Fee from \$0.55 per contract to \$0.86 per contract and the Professional, Firm, Broker-Dealer and Market Maker Routing Fees from \$0.55 per contract to \$0.91 per contract is reasonable because the fees proposed by BATS are not within the range of fees assessed by other exchanges since the recent increase in the BATS fee to removing liquidity from \$0.44 per contract to \$0.75 per contract for customer non-Penny options and from \$0.44 per contract to \$0.80 for professionals, firms and market makers. The Exchange believes it is reasonable to recoup the BATS remove fees plus the clearing and other costs to recoup Routing Fees.¹⁵ The Exchange believes that the increase to the Firm/Broker-Dealer/Market Maker non-Penny BATS Routing Fees are equitable and not unfairly discriminatory because, as previously mentioned, those fees would be similarly calculated for Customers, Professionals, Firms, Broker-Dealers and Market Makers.¹⁶ Additionally, the non-Penny BATS Routing Fees would be uniformly assessed for all non-Penny orders routed to BATS.

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

¹⁵ See note 9.

¹⁶ The Exchange's proposed non-Penny BATS Routing Fees are calculated similarly for all participants by adding the fee to remove liquidity assessed by BATS for the particular market participant plus a fee of \$.11 per contract which represents clearing and other costs noted herein.

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,¹⁷ 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 based on a rule filing by BATS.¹⁸

9. Exhibits

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

¹⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁸See SR-BATS-2012-015 (an immediately effective rule change to modify the fees assessed by BATS to remove liquidity in the BATS Options order book in Penny and non-Penny options). Specifically, BATS adopted a \$0.75 per contract non-Penny fee for customers that remove liquidity from the BATS Options order book and a \$0.80 per contract non-Penny fee for professionals, firms and market makers that remove liquidity from the BATS Options order book.

Exhibit 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-Phlx-2012-50)

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of
Proposed Rule Change by NASDAQ OMX PHLX LLC Relating to Routing Fees

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 11, 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 certain Routing Fees to recoup costs incurred by the Exchange in routing to BATS Exchange, Inc. ("BATS").

The Exchange intends for these amendments to be effective upon filing, except with respect to the amendments related to the Firm/Broker-Dealer/Market Maker category, which Routing Fees will be operative on April 27, 2012 when SR-Phlx-2012-41 becomes operative.³

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities and Exchange Act Release No. 66754 (April 6, 2012) (SR-Phlx-2012-41) which filing is immediately effective and will become operative on April 27, 2012.

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, 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 this filing is to recoup costs that the Exchange incurs for routing and executing certain orders in equity and index options to BATS. The Exchange's Pricing Schedule at Section V currently includes the following Routing Fees for routing Customer, Professional, Firm, Broker-Dealer and Market Maker orders to away markets.⁴

| Exchange | Customer | Professional | Firm/Broker-Dealer/Market Maker |
|-----------|----------|--------------|---------------------------------|
| NYSE AMEX | \$0.11 | \$0.31 | \$0.55 |
| BATS | \$0.55 | \$0.55 | \$0.55 |
| BOX | \$0.11 | \$0.11 | \$0.55 |
| CBOE | \$0.11 | \$0.31 | \$0.55 |

⁴ The Exchange recently amended its Pricing Schedule to adopt a "Firm/Broker-Dealer/Market Maker" Routing Fee category. See Securities and Exchange Act Release No. 66755 (April 6, 2012) (SR-Phlx-2012-42). The pricing change was filed for immediate effectiveness with an operative date of April 27, 2012.

| | | | |
|--|--------|--------|--------|
| CBOE orders greater than 99 contracts in RUT, RMN, NDX, MNX, ETFs, ETNs and HOLDRs | \$0.29 | \$0.31 | \$0.55 |
| C2 | \$0.55 | \$0.56 | \$0.55 |
| ISE | \$0.11 | \$0.29 | \$0.55 |
| ISE Select Symbols* | \$0.31 | \$0.39 | \$0.55 |
| NYSE ARCA (Penny Pilot) | \$0.55 | \$0.55 | \$0.55 |
| NYSE ARCA (Standard) | \$0.11 | \$0.11 | \$0.55 |
| NOM | \$0.54 | \$0.54 | \$0.55 |
| NOM (NDX and MNX) | \$0.56 | \$0.56 | \$0.55 |

* These fees are applicable to orders routed to ISE that are subject to Rebates and Fees for Adding and Removing Liquidity in Select Symbols. See ISE's Schedule of Fees for the complete list of symbols that are subject to these fees.

The Exchange is proposing to amend the current BATS Routing Fees by renaming those fees as "BATS Penny."⁵ The Exchange is not proposing to amend the current rate of \$0.55 per contract for Customers, Professionals, Firms, Broker-Dealers, and Market Makers, but proposes to apply those fees solely to Penny options routed to BATS.

The Exchange proposes to create new Routing Fees to BATS for non-Penny options. BATS recently adopted a \$0.75 per contract non-Penny fee for customers that remove liquidity from the BATS Options order book and a \$0.80 per contract non-Penny fee for professionals, firms and market makers that remove liquidity from the BATS Options order book.⁶ The Exchange is proposing to adopt BATS non-Penny Routing

⁵ BATS defines Penny options as those issues that are quoted pursuant to BATS Rule 21.5, Interpretation and Policy .01.

⁶ See SR-BATS-2012-015.

Fees to account for the new BATS fees for removing liquidity and other routing costs incurred by the Exchange when routing to BATS, as follows:

| Exchange | Customer | Professional | Firm/Broker-Dealer/Market Maker |
|-----------------|-----------------|---------------------|--|
| BATS non-Penny | \$0.86 | \$0.91 | \$0.91 |

In May 2009, the Exchange adopted Rule 1080(m)(iii)(A) to establish Nasdaq Options Services LLC (“NOS”), a member of the Exchange, as the Exchange’s exclusive order router.⁷ NOS is utilized by the Exchange’s fully automated options trading system, PHLX XL[®],⁸ solely to route orders in options listed and open for trading on the PHLX XL system to destination markets. Each time NOS routes to away markets NOS is charged a \$0.06 clearing fee and, in the case of certain exchanges, a transaction fee is also charged in certain symbols, which fees are passed through to the Exchange. The Exchange currently recoups clearing and transaction charges incurred by the Exchange as well as certain other costs incurred by the Exchange when routing to away markets, such as administrative and technical costs associated with operating NOS, membership fees at away markets, and technical costs associated with routing.⁹

⁷ See Securities Exchange Act Release No. 59995 (May 28, 2009), 74 FR 26750 (June 3, 2009) (SR-Phlx-2009-32).

⁸ This proposal refers to “PHLX XL” as the Exchange’s automated options trading system. In May 2009 the Exchange enhanced the system and adopted corresponding rules referring to the system as “Phlx XL II.” See Securities Exchange Act Release No. 59995 (May 28, 2009), 74 FR 26750 (June 3, 2009) (SR-Phlx-2009-32). The Exchange intends to submit a separate technical proposed rule change that would change all references to the system from “Phlx XL II” to “PHLX XL” for branding purposes.

⁹ The Exchange is therefore adopting BATS non-Penny Routing Fees to account for the BATS fees of \$0.75 per contract for customer orders and \$0.80 per contract for professional, firm and market maker orders, the \$0.06 clearing cost and another \$0.05 per

The Exchange intends for these amendments to be effective upon filing, except with respect to the amendments related to the Firm/Broker-Dealer/Market Maker category, which Routing Fees will be operative on April 27, 2012 when SR-Phlx-2012-41 becomes operative.¹⁰

As with all fees, the Exchange may adjust these Routing Fees in response to competitive conditions by filing a new proposed rule change.

2. Statutory Basis

The Exchange believes that its proposal to amend its Pricing Schedule is consistent with Section 6(b) of the Act¹¹ in general, and furthers the objectives of Section 6(b)(4) of the Act¹² in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members.

The Exchange believes that the proposed amendment to the current BATS Routing Fees to rename those fees as “BATS Penny” and apply those fees to Penny options routed to BATS and adopt separate Routing Fees for non-Penny options routed to BATS is reasonable because the two separate categories take into account the different fees for removing liquidity assessed by BATS for non-Penny versus Penny options. The contract associated with administrative and technical costs associated with operating NOS.

¹⁰ The Exchange recently filed a rule change to expand the routing capabilities of certain options orders that are eligible for electronic routing to other market centers by PHLX XL. See Securities and Exchange Act Release No. 66754 (April 6, 2012) (SR-Phlx-2012-41). Specifically, Exchange Rule 1080(m) was amended to permit Firm, Broker-Dealer and Market Maker orders to be eligible for routing to other market centers when the Exchange cannot execute such orders at the National Best Bid or Offer. SR-Phlx-2012-The rule change is immediately effective and will be operative on April 27, 2012.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(4).

Exchange seeks to recoup costs incurred when routing orders to BATS on behalf of its members.

The Exchange believes that the proposed amendment to the current BATS Routing Fees to rename those fees as “BATS Penny” and apply those fees to Penny options routed to BATS and adopt separate Routing Fees for non-Penny options routed to BATS is equitable and not unfairly discriminatory because the Exchange will uniformly apply the BATS Penny as well as BATS non-Penny Routing Fees to its members based on the type of options orders routed to BATS.¹³

The proposed BATS non-Penny Routing Fees are reasonable because they seek to recoup costs that are incurred by the Exchange when routing Customer, Professional, Firm, Broker-Dealer and Market Maker orders to BATS on behalf of members. Each destination market’s transaction charge varies and there is a standard clearing charge for each transaction incurred by the Exchange along with other administrative and technical costs that are incurred by the Exchange. The Exchange believes that the proposed Routing Fees would enable the Exchange to recover the remove fees assessed by BATS for non-Penny options, plus clearing and other administrative and technical fees for the execution of such orders when routed to BATS. The Exchange also believes that the proposed BATS non-Penny Routing Fees are equitable and not unfairly discriminatory because they would be uniformly applied to all non-Penny orders that are routed to BATS.

With respect to the Firm/Broker-Dealer/Market Maker category, the Exchange recently adopted those fees and proposed to assess a fixed Routing Fee of \$0.55 per

¹³ See note 5.

contract applicable to all away markets.¹⁴ The Exchange noted in that rule change that pricing on the various options exchanges varies significantly from exchange to exchange for non-Customer orders. Accordingly, the Exchange proposed a \$0.55 per contract side Routing Fee in order to capture the majority of the transaction and clearing fees for Firm, Broker-Dealer and Market Maker orders, while making the Exchange's Routing Fees easier to calculate and predict for members whose proprietary orders are routed away. In addition, fixed Routing Fees are easier to comprehend by the members whose orders are routed away. Further, predicting, calculating and charging back "pass-through" fees is an unduly burdensome, expensive and complicated task for members whose orders are routed away. The Exchange noted that fixed Routing Fees for Firm, Broker-Dealer and Market Maker orders should ease the burden, expense and complexity of this task. Furthermore, fixed fees are easier to manage and maintain for the Exchange, ensuring accurate billing and accounting. The Exchange believes its proposal to increase the BATS non-Penny Customer Routing Fee from \$0.55 per contract to \$0.86 per contract and the Professional, Firm, Broker-Dealer and Market Maker Routing Fees from \$0.55 per contract to \$0.91 per contract is reasonable because the fees proposed by BATS are not within the range of fees assessed by other exchanges since the recent increase in the BATS fee to removing liquidity from \$0.44 per contract to \$0.75 per contract for customer non-Penny options and from \$0.44 per contract to \$0.80 for professionals, firms and market makers. The Exchange believes it is reasonable to recoup the BATS remove fees plus the clearing and other costs to recoup Routing Fees.¹⁵ The Exchange believes

¹⁴ See note 4.

¹⁵ See note 9.

that the increase to the Firm/Broker-Dealer/Market Maker non-Penny BATS Routing Fees are equitable and not unfairly discriminatory because, as previously mentioned, those fees would be similarly calculated for Customers, Professionals, Firms, Broker-Dealers and Market Makers.¹⁶ Additionally, the non-Penny BATS Routing Fees would be uniformly assessed for all non-Penny orders routed to BATS.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.¹⁷ 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.

¹⁶ The Exchange's proposed non-Penny BATS Routing Fees are calculated similarly for all participants by adding the fee to remove liquidity assessed by BATS for the particular market participant plus a fee of \$.11 per contract which represents clearing and other costs noted herein.

¹⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

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-Phlx-2012-50 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-2012-50. 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-2012-50 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.¹⁸

Kevin M. O'Neill
Deputy Secretary

¹⁸ 17 CFR 200.30-3(a)(12).

Exhibit 5

New text is underlined; deleted text is in brackets.

**NASDAQ OMX PHLX LLC
PRICING SCHEDULE**

* * * * *

V. Routing Fees

| Exchange | Customer | Professional | Firm/Broker-Dealer/Market Maker |
|--|-----------------|---------------------|--|
| NYSE AMEX | \$0.11 | \$0.31 | \$0.55 |
| BATS <u>Penny</u> | \$0.55 | \$0.55 | \$0.55 |
| <u>BATS non-Penny</u> | <u>\$0.86</u> | <u>\$0.91</u> | <u>\$0.91</u> |
| BOX | \$0.11 | \$0.11 | \$0.55 |
| CBOE | \$0.11 | \$0.31 | \$0.55 |
| CBOE orders greater than 99 contracts in RUT, RMN, NDX, MNX, ETFs, ETNs and HOLDRs | \$0.29 | \$0.31 | \$0.55 |
| C2 | \$0.55 | \$0.56 | \$0.55 |
| ISE | \$0.11 | \$0.29 | \$0.55 |
| ISE Select Symbols* | \$0.31 | \$0.39 | \$0.55 |
| NYSE ARCA (Penny Pilot) | \$0.55 | \$0.55 | \$0.55 |
| NYSE ARCA (Standard) | \$0.11 | \$0.11 | \$0.55 |
| NOM | \$0.54 | \$0.54 | \$0.55 |
| NOM (NDX and MNX) | \$0.56 | \$0.56 | \$0.55 |

* These fees are applicable to orders routed to ISE that are subject to Rebates and Fees for Adding and Removing Liquidity in Select Symbols. See ISE's Schedule of Fees for the complete list of symbols that are subject to these fees.

* * * * *