

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 4	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2012 - * 54	Amendment No. (req. for Amendments *) 1	
Proposed Rule Change by NASDAQ OMX PHLX LLC. Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934					
Initial * <input type="checkbox"/>	Amendment * <input checked="" 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"/>
			Rule		
Pilot <input checked="" type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	19b-4(f)(1) <input type="checkbox"/>	19b-4(f)(2) <input checked="" type="checkbox"/>	19b-4(f)(3) <input type="checkbox"/>
			19b-4(f)(4) <input type="checkbox"/>	19b-4(f)(5) <input type="checkbox"/>	19b-4(f)(6) <input type="checkbox"/>
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 *). <input type="text"/>					
<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 *	Angela		Last Name *	Dunn	
Title *	Associate General Counsel				
E-mail *	angela.dunn@nasdaqomx.com				
Telephone *	(215) 496-5692	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	10/24/2012				
By	Edward S. Knight		Executive Vice President and General Counsel		
		(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.		<input type="button" value="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)**

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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.

**Amendment No. 1**

NASDAQ OMX PHLX LLC (“Phlx” or “Exchange”) proposes this Amendment No. 1 to SR-Phlx-2012-54.<sup>1</sup> The specific amendments are noted below.

The purpose of this amendment is to amend Form 19(b)(4) and Exhibit 1 of SR-Phlx-2012-54. Specifically, the Exchange proposes to add additional paragraphs to page 5 of the 19(b)(4) and page 21 of the Exhibit 1 to SR-Phlx-2012-54 before the Statutory Basis section as follows:

\* \* \* \* \*

**Pilot Program**

The Exchange proposes to implement changes to its fees related to the Directed Participant Fee to Remove Liquidity in Complex Orders as well as the Market Maker Fee to Remove Liquidity<sup>2</sup> as proposed herein with a \$0.05 fee differential pursuant to a pilot program set to expire one (1) year from the date the proposed fees become operative. The Exchange would submit pilot reports on a monthly basis analyzing the effect of the fee differential, as it relates to the Fee for Removing Liquidity as assessed on Directed Participants and other Market Makers, on competition and market quality. The Exchange agrees to submit to the Commission on a monthly basis certain summary data as the Commission may request regarding this fee pilot and make its analysis of the data publicly available. The data would include information with respect to rates of order interaction of Customer Complex Orders and rates of price improvement, and an analysis of the effect of the fee differential (as it relates to the Fee for

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<sup>1</sup> See Securities Exchange Act Release No. 66884 (April 30, 2012), 77 FR 26595 (May 4, 2012) (SR-Phlx-2012-27 and SR-Phlx-2012-54) (Suspension of and Order Instituting Proceedings to Determine Whether to Approve or Disapprove Proposed Rule Changes Relating to Complex Order Fees and Rebates for Adding and Removing Liquidity in Select Symbols).

<sup>2</sup> The term Market Maker applies to Market Makers as defined in the proposal as well as Specialists.

Removing Liquidity for Directed Participants and other market makers) upon inter-market and intra-market competition, which data would also be made publically available.

The Exchange also represents that Market Makers including Directed Participants, at the time of the trade, are unaware of the identity of the contra-party to the trade and moreover, Exchange Rule 707 titled “Conduct Inconsistent with Just and Equitable Principles of Trade” is intended to prohibit coordinated actions between Directed Participants and OFPs.<sup>3</sup> The Exchange proactively conducts surveillance for, and enforces against, such violations.

Further, the Exchange proposes that the changes to its fees be operative on December 3, 2012.

\* \* \* \* \*

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<sup>3</sup> See Rule 707.