

Required fields are shown with yellow backgrounds and asterisks.

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

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<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 action (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 action.

First Name * <input type="text" value="Carla"/>	Last Name * <input type="text" value="Behnfeldt"/>
Title * <input type="text" value="Associate General Counsel"/>	
E-mail * <input type="text" value="carla.behnfeldt@nasdaqomx.com"/>	
Telephone * <input type="text" value="(215) 496-5208"/>	Fax <input type="text"/>

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.

(Title *)

Date <input type="text" value="07/30/2014"/>	Executive Vice President and General Counsel
By <input type="text" value="Edward S. Knight"/>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
(Name *)	

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.

Persona Not Validated - 1383935917270,

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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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 *

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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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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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, security-based swap submission, or advance notice 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.

Partial Amendment No. 1 to SR-Phlx-2014-23

NASDAQ OMX PHLX LLC (“PHLX” or the “Exchange”) is filing this Partial Amendment No. 1 to rule filing SR-Phlx-2013-23 in which the Exchange proposes to revise the priority afforded to in-crowd participants respecting crossing, facilitation and solicited orders in open outcry trading. The purposes of this Amendment No. 1 are (1) to amend the purpose section to clarify a reference to a previously-approved proposed rule change filed by the Exchange and (2) to amend the purpose section to clarify an example.

I. Clarification of Reference to Previously-Approved Proposed Rule Change.

The Exchange proposes to amend the first full paragraph on page 6 which carries over to page 7 of the Form 19b-4, and accompanying footnotes, and similarly amend the first full paragraph on page 17 which carries over onto page 18 of Exhibit 1, and accompanying footnotes, to read as follows (additions are underlined and deletions are bracketed):

The Exchange now proposes to further encourage order flow providers to send such orders to the Exchange by eliminating the 500 contract minimum order size from Commentary .05(c)(ii). As amended, the rule would afford priority to in-crowd participants over Non-Crowd Participants and out-of-crowd broker-dealer limit orders in crossing, facilitation and solicited orders regardless of the size of those orders. The current 500 contract minimum size requirement presents the possibility that one of the two sides of a Floor Brokered cross will not be fully executed on the trading floor. [The size requirement was initially adopted by the Exchange in 2006] Initially, to foster the new electronic trading of options, the Exchange permitted Non-Crowd Participants to participate in Floor Broker crosses.¹² [by limiting participation of in-crowd participants in order] In 2006 the

Exchange adopted the 500 contract size requirement which continued to permit Non-Crowd Participants to participate in smaller (under five hundred contracts) Floor Broker crosses.^{[12]13} Today, electronic options trading is well-established and no longer requires such special rules and incentives to develop further.

¹² See Securities Exchange Act Release Nos. 50100 (July 27, 2004), 69 FR 46612 (August 3, 2004) (SR-Phlx-2003-59) and 51126 (Feb. 2, 2005), 70 FR 6915 (Feb. 9, 2005) (SR-Phlx-2004-90).

^{[12] 13} See Securities Exchange Act Release No. 54267 (August 3, 2006), 71 FR 45888 (August 10, 2006). See also Securities Exchange Act Release No. 64401 (May 4, 2011), 76 FR 27105 (May 10, 2011) (amending the rule to state that in-crowd participants in such orders also have priority over out-of-crowd broker-dealer limit orders on the limit order book).

Existing footnotes 13 through 20 are accordingly renumbered to be footnotes 14 through 21.

II. Clarification of Example.

The proposed rule change contains an example on page 8 of the Form 19b-4. To clarify the example, the Exchange proposes to replace the first full paragraph on page 8 of the Form 19b-4 and accompanying footnote, and similarly amend the first full paragraph on page 19 which carries over onto page 20 of Exhibit 1 and accompanying footnote, to read as follows (additions are underlined and deletions are bracketed):

If in this example, however, the Floor Broker's order to sell and contra order to buy at 1.00 were only for 400 contracts, the Floor Broker would be unable to cross the [200] 300 contracts remaining interest after selling to all 1.00 public customer interest on the book (100) [and to all 1.00 interest in the trading crowd (100 contracts)] because the current rule gives the Floor Broker no priority over RSQTs , out-of-crowd SQTs and broker-dealer orders on the book respecting

orders less than 500 contracts. The rule as revised would remove the limitation of the 500 contract minimum. Thus, under the revised rule, the Floor Broker in the example could enter the trading crowd with an order to sell 400 contracts and a contra order to buy 400 contracts at 1.00. After selling to all 1.00 public customer interest on the book (100) and to all 1.00 interest in the trading crowd (100 contracts), the Floor Broker would be allowed to cross the remaining interest (200 contracts) at 1.00, with priority over RSQTs, out-of-crowd SQTs and broker-dealer orders on the book.¹⁶

¹⁶ As above, if the crossing order in this paragraph's example were a facilitation order or a solicited order, the resulting allocation of contracts would be no different.

(Note that the footnote above was renumbered from 16 to 15 pursuant to the first amendment discussed above.)