

*Required fields are shown with yellow backgrounds and asterisks.*

Page 1 of * 8	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2015 - * 49	Amendment No. (req. for Amendments *) 1
Filing 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 checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>
			Section 19(b)(3)(B) * <input type="checkbox"/>	
			Rule	
Pilot <input type="checkbox"/>	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)(2) <input 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)
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) * <input type="checkbox"/>		Section 806(e)(2) * <input type="checkbox"/>	Section 3C(b)(2) * <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 action (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 action.				
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<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.				
(Title *)				
Date	11/04/2015	Executive Vice President and General Counsel		
By	Edward S. Knight	<input type="text"/>		
(Name *)		<input type="text"/>		
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.knight@nasdaq.com"/>				

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-2015-49**

NASDAQ OMX PHLX LLC (“PHLX”) is filing this Partial Amendment No. 1 to proposed rule change SR-Phlx-2015-49. Amended language is reflected in bold.

1. In Exhibit 5 on page 87, Rule 1080.07(d)(ii)(C) is being amended to reflect that an all-or-none Complex Order will be executed if possible:

(C) COOP Evaluation. Upon expiration of the COOP Timer, the system will conduct a COOP Evaluation to determine, for a Complex Order Strategy, the price at which the maximum number of contracts can trade, taking into account Complex Orders marked all-or-none (which will be executed if possible) unless the maximum number of contracts can only trade without including all-or-none orders. The Exchange will open the Complex Order Strategy at that price, executing marketable trading interest, in the following order: first, to non-broker-dealer customers in time priority; next to Phlx XL market makers on a pro rata basis; and then to all other participants on a pro rata basis. The imbalance of Complex Orders that are unexecutable at that price are placed on the CBOOK.

The same change is proposed to the 19b-4 on page 15 in the second paragraph and to Exhibit 1 on page 55. The purpose of the change is to make clear that all-or-none orders will not only be taken into account but will be executed if possible, meaning the price and size of any such all-or-none orders meets the criterion of executing the maximum number of contracts possible in order to establish a COOP Evaluation price. The Exchange believes that this change is appropriate for accelerated treatment because it merely provides additional detail to the rule.

2. On page 88 of Exhibit 5, the first paragraph (Rule 1080.07(d)(ii)(C)(2)) is proposed to be amended to refer to the net price as follows:

(2) Trade is possible. If at the end of the COOP Timer the Phlx XL system determines that there are market or marketable limit Complex Orders or COOP Sweeps, Complex Orders or COOP Sweeps that are equal to or improve the cPBBO, and/or Complex Orders or COOP Sweeps that cross within the cPBBO in the Phlx XL system, the Phlx XL system will [use the following criteria to determine which of those orders will be placed in a COLA as the "COLA-eligible order" (as defined below), for each particular Complex Order Strategy:] do the following: if such interest crosses and does not match in size, the execution price is based on the highest (lowest) executable offer (bid) price when the larger sized interest is offering (bidding), provided, however, that if there is more than one price at which the interest may execute, the execution price when the larger sized interest is offering (bidding) is the midpoint of the highest (lowest) executable offer (bid) price and the next available executable offer (bid) price rounded, if necessary, down (up) to the closest minimum trading increment. If the crossing interest is equal in size, the execution price is the midpoint of lowest executable bid price and the highest executable offer price, rounded, if necessary, up to the closest minimum trading increment. Executable bids/offers include any interest which could be executed at the

net price without trading through residual interest or the cPBBO or without trading at the cPBBO where there is non-broker-dealer customer interest at the best bid or offer for any leg, consistent with Rule 1080.07(c)(iii).

The same change is proposed to the 19b-4 on page 17 in the second paragraph and to Exhibit 1 on page 57. The proposed change reiterates that the price under this provision cannot trade through the best bid or offer on any leg, which is already referred to in sub paragraph (c)(iii). The Exchange believes that accelerated approval for the proposed change is appropriate because it does not impose a new requirement. The Exchange notes that Rule 1080.07(c)(iii) provides for spread priority.

3. On page 90 of Exhibit 5, Rule 1080.07(e)(vi)(A)(1) is being amended to add reference to the treatment of all-or-none orders as follows:

(A) (1) "Legging." If no COLA Sweeps or responsive Complex Orders for the same Complex Order Strategy as the COLA-eligible order were received during the COLA Timer and there is no component that consists of the underlying security, each options component of the COLA-eligible order may trade at the PBBO with existing quotes and/or limit orders on the limit order book for the individual components of the Complex Order, provided that each component is executed such that the components comprise the Complex Order Strategy with the correct ratio for the desired net debit or credit and provided that the Complex Order is not marked all-or-none; **all-or-none orders that are not executed during the COLA are placed on the CBOOK**. Trades pursuant to this paragraph will be allocated in accordance with Exchange Rule 1014(g)(vii).

The same change is proposed to the 19b-4 on page 33 in the second paragraph and to Exhibit 1 on page 73. This change is intended to explain that all-or-none Complex Orders, because they cannot leg, are placed on the CBOOK if not executed in the COLA, so as to be clear about what ensues for such orders. The Exchange believes that this change should be afforded accelerated approval because it merely adds detail to the rule and is consistent with what market participants would expect.

4. On page 92 of Exhibit 5, Rule 1080.07(e)(viii)(C)(1) is proposed to be amended to clarify that Firms are not included, as follows:

(1) Incoming customer (non-broker-dealer customer and non-market-maker off-floor broker-dealer (other than Firms)) Complex Orders that are received during the COLA Timer on the opposite side of the market from the COLA-eligible order with a price equal to or better than the best priced Complex Order or COLA Sweep will be executed against the COLA eligible order (which will be executed [in its entirety] to the fullest extent possible first as described in sub-paragraph (B) above) or other Complex Orders or COLA Sweeps as follows:

This is explained on page 32 of the 19b-4 and on page 66 of the Exhibit 1. This proposed change carves out Firms, which can fall into the definition of non-market maker off-floor broker-dealers.

5. On page 41 of the 19b-4 and page 80 of the Exhibit 1, the Exchange proposes to add the following to address the statutory basis for treating non-market-maker off-floor broker-dealers like Firms:

In the context of determining the execution price if multiple customer Complex Orders are received on the opposite side of the market from a COLA-eligible order, the Exchange believes it should promote just and equitable principles of trade to include both non-broker-dealer customer orders as well as non-market maker off-floor broker-dealer orders as “customers,” because both seek liquidity in the marketplace. The Exchange believes that this change is appropriate for accelerated approval because it adds rationale to the proposal.

6. On page 92 of Exhibit 5, Rule 1080.07(e)(viii)(C)(2) is proposed to be amended to clarify that Phlx market makers, Firms and non-Phlx market makers) are included, as follows:

- (2) Incoming non-customer (**Phlx market makers, Firms and non-Phlx market makers**) Complex Orders that are received during the COLA Timer on the opposite side of the market from the COLA-eligible order with a price equal to or better than the best priced Complex Order or COLA Sweep will be executed against the COLA eligible order (which will be executed [in its entirety] to the fullest extent possible first as described in subparagraph (B) above) or other Complex Orders or COLA Sweeps as follows:

The Exchange also proposes to amend the 19b-4 on page 27 and Exhibit 1 on page 67 to spell out which participants are *included* in the term “non-customer.” The Exchange believes that this change is appropriate for accelerated approval because it merely adds detail to the existing rule.

7. The Exchange is proposing to amend the first full paragraph on page 32 of the 19b-4 and page 72 of the Exhibit 1 to offer additional rationale for its proposal to provide that Firms orders do not start a COLA by stating the following after the second sentence:

The Exchange believes that if Firm orders were able to start a COLA, it may impede the ability of other Complex Orders from starting an auction as the COLA-eligible order. Furthermore, it may impede the submission of competitive responses and/or quoting if market makers are hesitant to provide an aggressive price for COLAs that may have been initiated by Firms. The Exchange believes that this explanation would not be a surprise to Firms who would not expect to start a COLA, such that it would be appropriate to accelerate approval of this change.

The amendment provides additional rationale, but the proposed rule text is not changing.

8. The Exchange is proposing to delete Rule 1080.07(c)(ii)(D), because the Exchange's automated execution system cannot be disengaged. The Exchange explained this in connection with a similar deletion in Rule 1080.07(d)(ii)(A)(2) respecting the opening. The Exchange believes that this change is appropriate for accelerated approval because the proposal already explains that this ability no longer exists. This is to be reflected in Exhibit 5 on page 85 as follows:

\* \* \* \* \*

(c) (i) A Complex Order is eligible to trade on Phlx XL only when each options component of the Complex Order is open for trading on the Exchange, and where the underlying security is a component of the Complex Order, such underlying security is open for trading on its primary market. Complex Orders may be executed against the Complex Order Book (as defined below) or placed on the Complex Order Book. Certain Complex Orders will be entered into a Complex Order Live Auction (as defined below) either following a Complex Order Opening Process (as defined below) or when a Complex Order improves the cPBBO.

(ii) Complex Orders will not trade on Phlx XL under the following conditions:

(A) the Complex Order is received prior to the opening on the Exchange of any options component of the Complex Order;

(B) during an opening rotation for any options component of the Complex Order;

(C) during a trading halt for any options component of the Complex Order;

(D) [when the Exchange's automated execution system is disengaged for any options component of the Complex Order;] **Reserved.**

(E) when the Exchange's Risk Monitor Mechanism is engaged for any options component of the Complex Order that represents all or a portion of the PBBO pursuant to Rule 1093; or

(F) when the Exchange's market for any options component of the Complex Order is disseminated pursuant to Rule 1082(a)(ii)(B).

Except as provided in sub-paragraph (d)(ii)(A)(2) below, once the condition(s) set forth in sub-paragraphs (A) - (F) above have terminated, the Phlx XL system will begin a Complex Order Opening Process.

\* \* \* \* \*

9. On page 94 of Exhibit 5, subparagraph (f)(ii) should be amended as follows:

(ii) [Reserved.] **Phlx XL market makers may submit one or more bids and/or offers known as Sweeps. A Sweep is a one-sided electronic quotation at a particular price**

**submitted for execution against existing interest in a particular Complex Order Strategy, including against interest on the CBOOK (“CBOOK Sweep”). Any CBOOK Sweeps which do not execute immediately will expire.**

10. At the bottom of page 34 and page 73, the following should be added:

Lastly, the Exchange proposes to codify the ability to submit Sweeps to trade against the CBOOK (“CBOOK Sweeps”) into Rule 1080.07(f)(ii). A Sweep is a one-sided electronic quotation at a particular price submitted for execution against existing interest in a particular Complex Order Strategy against the CBOOK. Any CBOOK Sweeps which do not execute immediately will expire. As discussed above, the Exchange believes it is appropriate to permit only Phlx XL market makers to submit sweeps over the quoting protocol, just as other types of sweeps are sent this way by Phlx XL market makers. If a non-Phlx XL market maker participant seeks to submit interest to expire if not executed immediately, such participant could submit an IOC order, such that there is no disadvantage to non-Phlx XL market maker participants. From the perspective of a member entering an order, CBOOK Sweeps are treated like any other order in terms of interacting with the CBOOK, except that they can only be submitted by Phlx XL market makers and they expire if they are not executed immediately. In this respect, CBOOK Sweeps are similar to COOP Sweeps and COLA Sweeps. The Exchange believes that it is appropriate to accelerate approval of this change, because it is reasonable for market participants to expect this type of sweep to expire, as other types of sweeps, such as COOP Sweeps and COLA Sweeps, also expire if not executed right away.

11. The Exchange proposes to amend Rule 1080.07(c)(iii) as follows:

(iii) Spread Priority. (A) Complex Orders consisting of a conforming ratio may be executed at a total credit or debit price **[with] without giving** priority **[over] to** individual bids or offers established in the marketplace **[(including customers)]** that are not better than the bids or offers comprising such total credit or debit, provided that **if any of the bids or offers established in the marketplace consist of a non-broker-dealer customer order**, at least one option leg is executed at a better price than the established bid or offer for that option contract **by the minimum trading increment** and no option leg is executed at a price outside of the established bid or offer for that option contract.

(B) Where a Complex Order **in a conforming ratio** consists of the underlying security (stock or ETF) and one options leg [in a conforming ratio], such options leg [does not have priority over bids and offers established in the marketplace, including] **has priority over bids or offers established in the marketplace, except over bids or offers established by non-broker-dealer** customer orders. However, where a Complex Order **in a conforming ratio** consists of the underlying stock or ETF and more than one options leg [in a conforming ratio], the options legs have priority over bids and offers established in the marketplace, including **non-broker-dealer** customer orders, if at least one options leg improves the existing market for that option.

12. The Exchange proposes to add to the 19b-4 and Exhibit 1 the following explanation of the aforementioned change:

The Exchange proposes to correct Rule 1080.07(c)(iii) to make clear that a Complex Order has priority over established bids or offers for the individual legs unless the established bid or offer for at least one leg is a non-broker-dealer customer order. If the established bid or offer for at least one leg is a non-broker-dealer customer order, at least one leg must be executed at a better price than the established bid or offer for that leg. Thus, a Complex Order cannot be executed at the cPBBO if there is non-broker-dealer customer interest at the cPBBO. For example, respecting a Complex Order with four legs, if one leg is a non-broker-dealer customer order and the best bid or offer for the other three legs consists of market maker quotes, the Complex Order would be required to trade at a price better than the cPBBO. This follows a similar format to ISE Rule 722(b)(2). The Exchange believes that it is appropriate to accelerate approval of this change because it does not substantively change how complex order priority functions today.

13. The Exchange also proposes to add to the Statutory Basis on page 41 of the 19b-4 and page 80 of Exhibit 1 the following:

The Exchange believes that the proposed changes to the spread priority provisions in Rule 1080.07(c)(iii) should promote just and equitable principles of trade, consistent with the Act, by preserving customer priority. The ability to achieve spread priority over non-customers is common among the options exchanges.

14. The Exchange proposes to add the following sentence as the second sentence to the paragraph beginning with the word “Ninth” on page 33 of the 19b-4 and page 73 of Exhibit 1 in order to provide an implementation period for all-or-none orders:

The Exchange proposes to begin accepting all-or-none Complex Orders within 60 days after approval of this proposed rule change.