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Page 1 of * 33		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2015 - * 94		Amendment No. (req. for Amendments *)	
Filing 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 checked="" type="checkbox"/>	
						Section 19(b)(3)(A) * <input 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"/>		<input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4)	
						<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) * <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"/>					
Description							
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).							
A proposal to amend Phlx Rule 1079 (FLEX Index, Equity and Currency Options) to make permanent a pilot program.							
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.							
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E-mail * jurij.trypupenko@nasdaq.com							
Telephone * (301) 978-8132		Fax (301) 978-8472					
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 11/17/2015		Executive Vice President and General Counsel					
By Edward S. Knight							
(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.		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.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² NASDAQ OMX PHLX LLC (“Phlx” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposal to amend Phlx Rule 1079 (FLEX Index, Equity and Currency Options) to make permanent a pilot program that eliminates minimum value sizes for opening transactions in new series of FLEX index options and FLEX equity options (together known as “FLEX Options”).³

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and the text of the proposed rule change is attached as Exhibit 5.

(b) Inapplicable.

(c) Inapplicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Board of Directors of the Exchange on May 18, 2015. 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 In addition to FLEX Options, FLEX currency options are also traded on the Exchange. These flexible index, equity, and currency options provide investors the ability to customize basic option features including size, expiration date, exercise style, and certain exercise prices; and may have expiration dates within five years. See Rule 1079. FLEX currency options traded on the Exchange are also known as FLEX FX Options. The pilot program discussed herein does not encompass FLEX currency options.

Questions and comments on the proposed rule change may be directed to Jurij Trypupenko, Associate General Counsel, The NASDAQ OMX Group, Inc., at (301) 978-8132.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

a. Purpose

The purpose of this proposed rule change is to amend Phlx Rule 1079 (FLEX Index, Equity and Currency Options) to make permanent a pilot program that eliminates minimum value sizes for opening transactions in new series of FLEX Options (the "Pilot Program" or "Pilot"), and to indicate that the minimum size of a request for quote ("RFQ") is one contract. The Exchange is requesting the Commission to permanently approve the Pilot Program. The Exchange believes that the Pilot Program has been successful and well received by its membership and the investing public for the period that it has been in operation as a pilot program.⁴

Rule 1079 deals with the process of listing and trading FLEX equity, index, and currency options on the Exchange. Rule 1079(a)(8)(A) currently sets the minimum opening transaction value size in the case of a FLEX Option in a newly established (opening) series if there is no open interest in the particular series when a RFQ is submitted (except as provided in Commentary .01 to Rule 1079): (i) \$10 million underlying equivalent value, respecting FLEX market index options, and \$5 million

⁴ The Pilot Program was instituted in 2010 and last extended in 2015. See Securities Exchange Act Release Nos. 62900 (September 13, 2010), 75 FR 57098 (September 17, 2010) (SR-Phlx-2010-123) (notice of filing and immediate effectiveness of proposal instituting Pilot Program); and 75794 (August 31, 2015), 80 FR 53606 (September 4, 2015) (SR-Phlx-2015-74) (notice of filing and immediate effectiveness extending Pilot Program through January 31, 2016).

underlying equivalent value respecting FLEX industry index options;⁵ (ii) the lesser of 250 contracts or the number of contracts overlying \$1 million in the underlying securities, with respect to FLEX equity options (together the “minimum value size”).⁶

Presently, Commentary .01 to Rule 1079 states that by virtue of the Pilot Program ending August 31, 2015, or the date on which the pilot is approved on a permanent basis, there shall be no minimum value size requirements for FLEX Options as noted in subsections (a)(8)(A)(i) and (a)(8)(A)(ii) of Rule 1079. The Exchange now proposes to make the Pilot Program permanent.⁷ To accomplish this change, the Exchange is proposing to eliminate the rule text describing the Pilot Program, which is contained in Commentary .01 to Rule 1079. The Exchange is proposing to indicate that the minimum value size requirements for a RFQ for FLEX Options as noted in subsections (a)(8)(A)(i) and (a)(8)(A)(ii) of Rule 1079 is one contract for all FLEX Options. Thus, as a result of the proposed change to make the Pilot Program permanent, subsections (a)(8)(A)(i) and (a)(8)(A)(ii) of Rule 1079 would state, in pertinent part, that if there is no open interest when an RFQ is submitted then the minimum size of an RFQ is: (i) One contract in the

⁵ Market index options and industry index options are broad-based index options and narrow-based index options, respectively. See Rule 1000A(b)(11) and (12).

⁶ Subsection (a)(8)(A) also provides a third alternative: (iii) 50 contracts in the case of FLEX currency options. However, this alternative is not part of the Pilot Program and therefore is not changed by this proposal.

⁷ The Exchange notes that any positions established under this Pilot would not be impacted by the expiration of the Pilot. For example, a 10-contract FLEX equity option opening position that overlies less than \$1 million in the underlying security and expires in January 2016 could be established during the Pilot. If the Pilot Program were not made permanent or extended, the position would continue to exist and any further trading in the series would be subject to the minimum value size requirements for continued trading in that series.

case of FLEX market index options, and one contract in the case of FLEX industry index options; and (ii) One contract in the case of FLEX equity options.⁸

In support of approving the Pilot Program on a permanent basis, and as required by the Pilot Program's approval order, the Exchange is submitting to the Commission a Pilot Program report ("Report"), which is a public report detailing the Exchange's experience with the Pilot.⁹ The Report covers only opening transactions in new series, as per the Pilot. Specifically, the Exchange is providing the Commission with a Report that includes: (i) data and analysis on the open interest and trading volume in (a) FLEX equity options that have an opening transaction with a minimum size of 0 to 249 contracts and less than \$1 million in underlying value; (b) FLEX index options that have an opening transaction with a minimum opening size of less than \$10 million in underlying equivalent value; and (ii) analysis of the types of investors that initiated opening FLEX Options transactions (*i.e.*, institutional, high net worth, or retail).¹⁰

The Exchange believes that there is sufficient investor interest and demand in the Pilot Program to warrant its permanent approval and indicate one contract as the minimum size of an RFQ for all opening transactions in new series of FLEX equity Options and FLEX index Options. The Exchange believes that, for the period that the Pilot Program has been in operation, it has provided investors with additional means of

⁸ In proposing to make the Pilot Program permanent, the Exchange is simply indicating that if there is no open interest when an RFQ is submitted then the minimum size of an RFQ will be one contract for FLEX market index options, FLEX industry index options, and FLEX equity options.

⁹ A copy of the Report is attached as Exhibit 3.

¹⁰ The Report thus discusses only those FLEX option transactions that happened because the Pilot was in place.

managing their risk exposures and carrying out their investment objectives. Furthermore, the Exchange has not experienced any adverse market effects with respect to the Pilot Program.

The Exchange believes that eliminating the minimum value size requirements for opening transactions in new FLEX series on a permanent basis is important and necessary to the Exchange's efforts to create a product and market that provide its membership and investors interested in FLEX-type options with an improved but comparable alternative to the over-the-counter ("OTC") market in customized options, which can take on contract characteristics similar to FLEX Options but are not subject to the same restrictions. By making the Pilot Program permanent, market participants would continue to have greater flexibility in determining whether to execute their customized options in an exchange environment or in the OTC market. The Exchange believes that market participants would benefit from being able to trade these customized options in an exchange environment in several ways, including, but not limited to, the following: (i) enhanced efficiency in initiating and closing out positions; (ii) increased market transparency; and (iii) heightened contra-party creditworthiness due to the role of The Options Clearing Corporation ("OCC") as issuer and guarantor of FLEX Options. The Exchange also believes that the Pilot Program is wholly consistent with comments by then Secretary of the Treasury Timothy F. Geithner, to the U.S. Senate. In particular, Secretary Geithner has stated that:

Market efficiency and price transparency should be improved in derivatives markets by requiring the clearing of standardized contracts through regulated [central counterparties] and by moving the standardized part of these markets

onto regulated exchanges and regulated transparent electronic trade execution systems for OTC derivatives and by requiring development of a system for timely reporting of trades and prompt dissemination of prices and other trade information. Furthermore, regulated financial institutions should be encouraged to make greater use of regulated exchange-traded derivatives. Competition between appropriately regulated OTC derivatives markets and regulated exchanges will make both sets of markets more efficient and thereby better serve end-users of derivatives.¹¹

The Exchange believes that the elimination of the minimum value size requirements for opening FLEX transactions in new FLEX series on a permanent basis would provide FLEX-participating members with greater flexibility in structuring the terms of FLEX Options that best comports with their and their customers' particular needs. In this regard, the Exchange notes that the minimum value size requirements for opening FLEX transactions in new FLEX series were originally put in place to limit participation in FLEX Options to sophisticated, high net worth investors rather than retail investors. However, the Exchange believes that the restriction is no longer necessary and is overly restrictive. The Exchange has also not experienced any adverse market effects with respect to the Pilot Program eliminating the minimum value size requirements for opening FLEX transactions in new FLEX series. Again, based on the Exchange's experience to date and throughout the Pilot Program period, the minimum value size requirements are at times too large to accommodate the needs of members and their

¹¹ See letter from Secretary Geithner to the Honorable Harry Reid, United States Senate (May 13, 2009), located at <http://www.financialstability.gov/docs/OTCletter.pdf>.

customers – who may be institutional, high net worth, or retail – that currently participate in the OTC market. In this regard, the Exchange notes that, prior to establishing the Pilot Program, exchanges that allow FLEX options have received numerous requests from broker-dealers representing institutional, high net worth and retail investors indicating that the minimum value size requirements for opening transactions in new FLEX series prevented them from bringing transactions that are already taking place in the OTC market to an exchange environment.

The Exchange believes that eliminating the minimum value size requirements for opening transactions in new FLEX series on a permanent basis would further broaden the base of investors that use FLEX Options to manage their trading and investment risk, including investors that currently trade in the OTC market for customized options, where similar size restrictions do not apply. The Exchange also believes that this may open up FLEX Options to more retail investors. The Exchange does not believe that this raises any unique regulatory concerns because existing safeguards – such as certain position limit, exercise limit, and reporting requirements – continue to apply.¹² In addition, the Exchange notes that FLEX Options are subject to the options disclosure document (“ODD”) requirements of Rule 9b-1 under the Act.¹³ No broker or dealer can accept an order from a customer to purchase or sell an option contract relating to an options class that is the subject of a definitive ODD (including FLEX Options), or approve the customer’s account for the trading of such an option, unless the broker or dealer furnishes

¹² Certain position limit, aggregation and exercise limit requirements continue to apply to FLEX Options in accordance with Rule 1001 (Position Limits) and Rule 1002 (Exercise Limits).

¹³ 17 CFR 240.9b-1.

or has furnished to the customer a copy of the definitive ODD. The ODD contains a description, special features, and special risks of FLEX Options. Lastly, similar to any other options, FLEX Options are subject to supervision and suitability requirements, such as in Rule 1025 (Supervision of Accounts) and Rule 1026 (Suitability).

In proposing the Pilot Program itself and in now proposing to make it permanent, the Exchange is cognizant of the need for market participants to have substantial options transaction capacity and flexibility to hedge their substantial investment portfolios, on the one hand, and the potential for adverse effects that the minimum value size restrictions were originally designed to address, on the other. However, the Exchange has not experienced any adverse market effects with respect to the Pilot Program. The Exchange is also cognizant of the OTC market, in which similar restrictions on minimum value size do not apply. In light of these considerations and Secretary Geithner's comments on moving the standardized parts of OTC contracts onto regulated exchanges, the Exchange believes that making the Pilot Program permanent is appropriate and reasonable and will provide market participants with additional flexibility in determining whether to execute their customized options in an exchange environment or in the OTC market. The Exchange believes that market participants benefit from being able to trade these customized options in an exchange environment in several ways, including, but not limited to, enhanced efficiency in initiating and closing out positions, increased market transparency, and heightened contra-party creditworthiness due to the role of OCC as issuer and guarantor of FLEX Options.

Pursuant to this filing, the Exchange is proposing to adopt the existing Pilot Program on a permanent basis. Specifically, the Exchange proposes to eliminate in

subsections (a)(8)(A)(i) and (a)(8)(A)(ii) of Rule 1079 references to different minimum sizes applicable to opening FLEX transactions in FLEX market index Options, FLEX industry index Options, and FLEX equity Options, and to indicate that the minimum size for all three such options will be one contract; and to eliminate the Pilot Program set forth in Commentary .01 to Rule 1079.¹⁴ The proposal to make the Pilot Program permanent and thereby eliminate the minimum value size applicable to opening transactions in new FLEX series on the Exchange is similar to a rule change by the NYSE Arca and CBOE when adopting a similar pilot program on a permanent basis.¹⁵

For the foregoing reasons, the Exchange believes that the proposed changes to the minimum value size for opening transactions in new series of FLEX equity and index Options are reasonable and appropriate, promote just and equitable principles of trade, and facilitate transactions in securities while continuing to foster the public interest and investor protection, and therefore should be adopted on a permanent basis. The Exchange will continue to monitor the usage of FLEX Options and review whether changes need to be made to its Rules or the ODD to address any changes in retail FLEX Option participation or any other issues that may occur as a result of the elimination of the minimum value sizes on a permanent basis.

¹⁴ As noted, in the case of FLEX currency options, however, which are not in the Pilot Program, the minimum value would be 50 contracts. Subsection (a)(8)(A)(ii) to Rule 1079.

¹⁵ See Exchange Act Release No. 72537 (July 3, 2014), 79 FR 39442 (July 10, 2014) (SR-NYSEArca-2014-25) (order approving proposal to make permanent NYSE Arca's FLEX no minimum value pilot). See also Exchange Act Release No. 67624 (August 8, 2012), 77 FR 48580 (August 14, 2012) (SR-CBOE-2012-040) (order approving proposal to make permanent CBOE's FLEX no minimum value pilot).

b. Statutory Basis

The Exchange's proposal is consistent with Section 6(b) of the Act¹⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act¹⁷ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanisms of a free and open market and a national market system. Specifically, the Exchange believes that the permanent approval of the Pilot Program, which eliminates minimum value size requirements for opening FLEX transactions in new FLEX series, would provide greater opportunities for investors to manage risk through the use of FLEX Options. Further, the Exchange notes that it has not experienced any adverse effects from the operation of the Pilot Program. The Exchange believes that making the Pilot Program permanent does not raise any unique regulatory concerns.

The Exchange also believes that eliminating the minimum value size requirements for opening FLEX transactions in new FLEX series, thus affording all market participants with an equal opportunity to tailor opening FLEX transactions to meet their own investment objectives without being encumbered by a minimum contract size, will help to remove impediments to and perfect the mechanism of a free and open market and a national market system. In addition, affording market participants who trade FLEX Options the same investment tools available to their counterparts on the NYSE Arca and CBOE will foster cooperation and coordination with persons engaged in facilitating

¹⁶ 15 U.S.C. 78f(b).

¹⁷ 15 U.S.C. 78f(b)(5).

transactions in securities and will help to remove impediments to a free and open market and a national market system. The Exchange believes that adopting rules similar to those approved for and in use at NYSE Arca and CBOE, as discussed, does not raise any unique regulatory concerns. Lastly, the Exchange also believes that the proposed rule change, which provides all market participants, including public investors, with additional opportunities to trade customized options in an exchange environment and subject to exchange based rules, is appropriate in the public interest and for the protection of investors.

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. To the contrary, the proposal would give traders and investors the opportunity to more effectively tailor their trading, investing and hedging through FLEX options traded on the Exchange. Specifically, the proposal is structured to offer the same enhancement to all market participants, regardless of account type, and will not impose a competitive burden on any participant. The Exchange believes that adopting similar FLEX rules to those of NYSE Arca and CBOE will allow the Exchange to more efficiently compete for FLEX Options orders. In addition, the Exchange believes that adopting the Pilot Program on a permanent basis will enable the Exchange to compete with the OTC market, in which similar restrictions on minimum value size do not apply.

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)

The Exchange requests that the Commission grant accelerated approval so that the Exchange has rules similar to those of other options exchanges, which would enable the Exchange to seamlessly continue its Pilot Program on a permanent basis and increase opportunities for investors and public customers to manage risk through the use of FLEX Options. The Exchange believes that good reason exists for accelerated approval, and that such waiver would be consistent with the protection of investors and in the public interest. Accelerated approval would be beneficial to market participants and would help to eliminate the potential for investor confusion.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The substance of this proposed rule change is based on NYSE Arca Commentary .02 to Rule 5.32, and NYSE Arca Rule 5.32(d)(2).¹⁸

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

¹⁸ See NYSE Arca Commentary .02 to Rule 5.32; and Exchange Act Release No. 72537 (July 3, 2014), 79 FR 39442 (July 10, 2014) (SR-NYSEArca-2014-25) (order approving proposal to make permanent NYSE Arca's FLEX no minimum value pilot). While the NYSE Arca proposal also deals with other FLEX issues that are outside the no minimum value pilot, the Exchange does not do so in this proposal. See also CBOE Rule 24A.4 and CBOE Rule 24A.4 Interpretations and Policies .01(b); and Exchange Act Release No. 67624 (August 8, 2012), 77 FR 48580 (Aug 14, 2012) (SR-CBOE-2012-040) (order approving proposal to make permanent CBOE's FLEX no minimum value pilot).

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

1. Completed notice of proposed rule change for publication in the Federal Register.

3. FLEX Pilot Program Report.

5. Proposed rule text.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-Phlx-2015-94)

November __, 2015

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing of
Proposed Rule Change Regarding FLEX No Minimum Value Pilot

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹, and Rule 19b-4² thereunder, notice is hereby given that on November 17, 2015, 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 is filing with the Commission a proposal amend Phlx Rule 1079 (FLEX Index, Equity and Currency Options) to make permanent a pilot program that eliminates minimum value sizes for opening transactions in new series of FLEX index options and FLEX equity options (together known as “FLEX Options”).³

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ In addition to FLEX Options, FLEX currency options are also traded on the Exchange. These flexible index, equity, and currency options provide investors the ability to customize basic option features including size, expiration date, exercise style, and certain exercise prices; and may have expiration dates within five years. See Rule 1079. FLEX currency options traded on the Exchange are also known as FLEX FX Options. The pilot program discussed herein does not encompass FLEX currency options.

The text of the proposed rule change is available on the Exchange's Website at <http://nasdaqomxphlx.cchwallstreet.com>, 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 proposed rule change is to amend Phlx Rule 1079 (FLEX Index, Equity and Currency Options) to make permanent a pilot program that eliminates minimum value sizes for opening transactions in new series of FLEX Options (the "Pilot Program" or "Pilot"), and to indicate that the minimum size of a request for quote ("RFQ") is one contract. The Exchange is requesting the Commission to permanently approve the Pilot Program. The Exchange believes that the Pilot Program has been successful and well received by its membership and the investing public for the period that it has been in operation as a pilot program.⁴

⁴ The Pilot Program was instituted in 2010 and last extended in 2015. See Securities Exchange Act Release Nos. 62900 (September 13, 2010), 75 FR 57098 (September 17, 2010) (SR-Phlx-2010-123) (notice of filing and immediate effectiveness of proposal instituting Pilot Program); and 75794 (August 31, 2015), 80 FR 53606 (September 4, 2015) (SR-Phlx-2015-74) (notice of filing and immediate effectiveness extending Pilot Program through January 31, 2016).

Rule 1079 deals with the process of listing and trading FLEX equity, index, and currency options on the Exchange. Rule 1079(a)(8)(A) currently sets the minimum opening transaction value size in the case of a FLEX Option in a newly established (opening) series if there is no open interest in the particular series when a RFQ is submitted (except as provided in Commentary .01 to Rule 1079): (i) \$10 million underlying equivalent value, respecting FLEX market index options, and \$5 million underlying equivalent value respecting FLEX industry index options;⁵ (ii) the lesser of 250 contracts or the number of contracts overlying \$1 million in the underlying securities, with respect to FLEX equity options (together the “minimum value size”).⁶

Presently, Commentary .01 to Rule 1079 states that by virtue of the Pilot Program ending August 31, 2015, or the date on which the pilot is approved on a permanent basis, there shall be no minimum value size requirements for FLEX Options as noted in subsections (a)(8)(A)(i) and (a)(8)(A)(ii) of Rule 1079. The Exchange now proposes to make the Pilot Program permanent.⁷ To accomplish this change, the Exchange is proposing to eliminate the rule text describing the Pilot Program, which is contained in Commentary .01 to Rule 1079. The Exchange is proposing to indicate that the minimum

⁵ Market index options and industry index options are broad-based index options and narrow-based index options, respectively. See Rule 1000A(b)(11) and (12).

⁶ Subsection (a)(8)(A) also provides a third alternative: (iii) 50 contracts in the case of FLEX currency options. However, this alternative is not part of the Pilot Program and therefore is not changed by this proposal.

⁷ The Exchange notes that any positions established under this Pilot would not be impacted by the expiration of the Pilot. For example, a 10-contract FLEX equity option opening position that overlies less than \$1 million in the underlying security and expires in January 2016 could be established during the Pilot. If the Pilot Program were not made permanent or extended, the position would continue to exist and any further trading in the series would be subject to the minimum value size requirements for continued trading in that series.

value size requirements for a RFQ for FLEX Options as noted in subsections (a)(8)(A)(i) and (a)(8)(A)(ii) of Rule 1079 is one contract for all FLEX Options. Thus, as a result of the proposed change to make the Pilot Program permanent, subsections (a)(8)(A)(i) and (a)(8)(A)(ii) of Rule 1079 would state, in pertinent part, that if there is no open interest when an RFQ is submitted then the minimum size of an RFQ is: (i) One contract in the case of FLEX market index options, and one contract in the case of FLEX industry index options; and (ii) One contract in the case of FLEX equity options.⁸

In support of approving the Pilot Program on a permanent basis, and as required by the Pilot Program's approval order, the Exchange is submitting to the Commission a Pilot Program report ("Report"), which is a public report detailing the Exchange's experience with the Pilot.⁹ The Report covers only opening transactions in new series, as per the Pilot. Specifically, the Exchange is providing the Commission with a Report that includes: (i) data and analysis on the open interest and trading volume in (a) FLEX equity options that have an opening transaction with a minimum size of 0 to 249 contracts and less than \$1 million in underlying value; (b) FLEX index options that have an opening transaction with a minimum opening size of less than \$10 million in underlying equivalent value; and (ii) analysis of the types of investors that initiated opening FLEX Options transactions (*i.e.*, institutional, high net worth, or retail).¹⁰

⁸ In proposing to make the Pilot Program permanent, the Exchange is simply indicating that if there is no open interest when an RFQ is submitted then the minimum size of an RFQ will be one contract for FLEX market index options, FLEX industry index options, and FLEX equity options.

⁹ A copy of the Report is attached as Exhibit 3.

¹⁰ The Report thus discusses only those FLEX option transactions that happened because the Pilot was in place.

The Exchange believes that there is sufficient investor interest and demand in the Pilot Program to warrant its permanent approval and indicate one contract as the minimum size of an RFQ for all opening transactions in new series of FLEX equity Options and FLEX index Options. The Exchange believes that, for the period that the Pilot Program has been in operation, it has provided investors with additional means of managing their risk exposures and carrying out their investment objectives. Furthermore, the Exchange has not experienced any adverse market effects with respect to the Pilot Program.

The Exchange believes that eliminating the minimum value size requirements for opening transactions in new FLEX series on a permanent basis is important and necessary to the Exchange's efforts to create a product and market that provide its membership and investors interested in FLEX-type options with an improved but comparable alternative to the over-the-counter ("OTC") market in customized options, which can take on contract characteristics similar to FLEX Options but are not subject to the same restrictions. By making the Pilot Program permanent, market participants would continue to have greater flexibility in determining whether to execute their customized options in an exchange environment or in the OTC market. The Exchange believes that market participants would benefit from being able to trade these customized options in an exchange environment in several ways, including, but not limited to, the following: (i) enhanced efficiency in initiating and closing out positions; (ii) increased market transparency; and (iii) heightened contra-party creditworthiness due to the role of The Options Clearing Corporation ("OCC") as issuer and guarantor of FLEX Options. The Exchange also believes that the Pilot Program is wholly consistent with comments

by then Secretary of the Treasury Timothy F. Geithner, to the U.S. Senate. In particular, Secretary Geithner has stated that:

Market efficiency and price transparency should be improved in derivatives markets by requiring the clearing of standardized contracts through regulated [central counterparties] and by moving the standardized part of these markets onto regulated exchanges and regulated transparent electronic trade execution systems for OTC derivatives and by requiring development of a system for timely reporting of trades and prompt dissemination of prices and other trade information. Furthermore, regulated financial institutions should be encouraged to make greater use of regulated exchange-traded derivatives. Competition between appropriately regulated OTC derivatives markets and regulated exchanges will make both sets of markets more efficient and thereby better serve end-users of derivatives.¹¹

The Exchange believes that the elimination of the minimum value size requirements for opening FLEX transactions in new FLEX series on a permanent basis would provide FLEX-participating members with greater flexibility in structuring the terms of FLEX Options that best comports with their and their customers' particular needs. In this regard, the Exchange notes that the minimum value size requirements for opening FLEX transactions in new FLEX series were originally put in place to limit participation in FLEX Options to sophisticated, high net worth investors rather than retail investors. However, the Exchange believes that the restriction is no longer necessary and

¹¹ See letter from Secretary Geithner to the Honorable Harry Reid, United States Senate (May 13, 2009), located at <http://www.financialstability.gov/docs/OTCletter.pdf>.

is overly restrictive. The Exchange has also not experienced any adverse market effects with respect to the Pilot Program eliminating the minimum value size requirements for opening FLEX transactions in new FLEX series. Again, based on the Exchange's experience to date and throughout the Pilot Program period, the minimum value size requirements are at times too large to accommodate the needs of members and their customers – who may be institutional, high net worth, or retail – that currently participate in the OTC market. In this regard, the Exchange notes that, prior to establishing the Pilot Program, exchanges that allow FLEX options have received numerous requests from broker-dealers representing institutional, high net worth and retail investors indicating that the minimum value size requirements for opening transactions in new FLEX series prevented them from bringing transactions that are already taking place in the OTC market to an exchange environment.

The Exchange believes that eliminating the minimum value size requirements for opening transactions in new FLEX series on a permanent basis would further broaden the base of investors that use FLEX Options to manage their trading and investment risk, including investors that currently trade in the OTC market for customized options, where similar size restrictions do not apply. The Exchange also believes that this may open up FLEX Options to more retail investors. The Exchange does not believe that this raises any unique regulatory concerns because existing safeguards – such as certain position limit, exercise limit, and reporting requirements – continue to apply.¹² In addition, the Exchange notes that FLEX Options are subject to the options disclosure document

¹² Certain position limit, aggregation and exercise limit requirements continue to apply to FLEX Options in accordance with Rule 1001 (Position Limits) and Rule 1002 (Exercise Limits).

(“ODD”) requirements of Rule 9b-1 under the Act.¹³ No broker or dealer can accept an order from a customer to purchase or sell an option contract relating to an options class that is the subject of a definitive ODD (including FLEX Options), or approve the customer’s account for the trading of such an option, unless the broker or dealer furnishes or has furnished to the customer a copy of the definitive ODD. The ODD contains a description, special features, and special risks of FLEX Options. Lastly, similar to any other options, FLEX Options are subject to supervision and suitability requirements, such as in Rule 1025 (Supervision of Accounts) and Rule 1026 (Suitability).

In proposing the Pilot Program itself and in now proposing to make it permanent, the Exchange is cognizant of the need for market participants to have substantial options transaction capacity and flexibility to hedge their substantial investment portfolios, on the one hand, and the potential for adverse effects that the minimum value size restrictions were originally designed to address, on the other. However, the Exchange has not experienced any adverse market effects with respect to the Pilot Program. The Exchange is also cognizant of the OTC market, in which similar restrictions on minimum value size do not apply. In light of these considerations and Secretary Geithner’s comments on moving the standardized parts of OTC contracts onto regulated exchanges, the Exchange believes that making the Pilot Program permanent is appropriate and reasonable and will provide market participants with additional flexibility in determining whether to execute their customized options in an exchange environment or in the OTC market. The Exchange believes that market participants benefit from being able to trade these customized options in an exchange environment in several ways, including, but not

¹³ 17 CFR 240.9b-1.

limited to, enhanced efficiency in initiating and closing out positions, increased market transparency, and heightened contra-party creditworthiness due to the role of OCC as issuer and guarantor of FLEX Options.

Pursuant to this filing, the Exchange is proposing to adopt the existing Pilot Program on a permanent basis. Specifically, the Exchange proposes to eliminate in subsections (a)(8)(A)(i) and (a)(8)(A)(ii) of Rule 1079 references to different minimum sizes applicable to opening FLEX transactions in FLEX market index Options, FLEX industry index Options, and FLEX equity Options, and to indicate that the minimum size for all three such options will be one contract; and to eliminate the Pilot Program set forth in Commentary .01 to Rule 1079.¹⁴ The proposal to make the Pilot Program permanent and thereby eliminate the minimum value size applicable to opening transactions in new FLEX series on the Exchange is similar to a rule change by the NYSE Arca and CBOE when adopting a similar pilot program on a permanent basis.¹⁵

For the foregoing reasons, the Exchange believes that the proposed changes to the minimum value size for opening transactions in new series of FLEX equity and index Options are reasonable and appropriate, promote just and equitable principles of trade, and facilitate transactions in securities while continuing to foster the public interest and investor protection, and therefore should be adopted on a permanent basis. The

¹⁴ As noted, in the case of FLEX currency options, however, which are not in the Pilot Program, the minimum value would be 50 contracts. Subsection (a)(8)(A)(ii) to Rule 1079.

¹⁵ See Exchange Act Release No. 72537 (July 3, 2014), 79 FR 39442 (July 10, 2014) (SR-NYSEArca-2014-25) (order approving proposal to make permanent NYSE Arca's FLEX no minimum value pilot). See also Exchange Act Release No. 67624 (August 8, 2012), 77 FR 48580 (August 14, 2012) (SR-CBOE-2012-040) (order approving proposal to make permanent CBOE's FLEX no minimum value pilot).

Exchange will continue to monitor the usage of FLEX Options and review whether changes need to be made to its Rules or the ODD to address any changes in retail FLEX Option participation or any other issues that may occur as a result of the elimination of the minimum value sizes on a permanent basis.

2. Statutory Basis

The Exchange's proposal is consistent with Section 6(b) of the Act¹⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act¹⁷ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanisms of a free and open market and a national market system. Specifically, the Exchange believes that the permanent approval of the Pilot Program, which eliminates minimum value size requirements for opening FLEX transactions in new FLEX series, would provide greater opportunities for investors to manage risk through the use of FLEX Options. Further, the Exchange notes that it has not experienced any adverse effects from the operation of the Pilot Program. The Exchange believes that making the Pilot Program permanent does not raise any unique regulatory concerns.

The Exchange also believes that eliminating the minimum value size requirements for opening FLEX transactions in new FLEX series, thus affording all market participants with an equal opportunity to tailor opening FLEX transactions to meet their own investment objectives without being encumbered by a minimum contract size, will help

¹⁶ 15 U.S.C. 78f(b).

¹⁷ 15 U.S.C. 78f(b)(5).

to remove impediments to and perfect the mechanism of a free and open market and a national market system. In addition, affording market participants who trade FLEX Options the same investment tools available to their counterparts on the NYSE Arca and CBOE will foster cooperation and coordination with persons engaged in facilitating transactions in securities and will help to remove impediments to a free and open market and a national market system. The Exchange believes that adopting rules similar to those approved for and in use at NYSE Arca and CBOE, as discussed, does not raise any unique regulatory concerns. Lastly, the Exchange also believes that the proposed rule change, which provides all market participants, including public investors, with additional opportunities to trade customized options in an exchange environment and subject to exchange based rules, is appropriate in the public interest and for the protection of investors.

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. To the contrary, the proposal would give traders and investors the opportunity to more effectively tailor their trading, investing and hedging through FLEX options traded on the Exchange. Specifically, the proposal is structured to offer the same enhancement to all market participants, regardless of account type, and will not impose a competitive burden on any participant. The Exchange believes that adopting similar FLEX rules to those of NYSE Arca and CBOE will allow the Exchange to more efficiently compete for FLEX Options orders. In addition, the Exchange believes that adopting the Pilot Program on a permanent basis will enable the Exchange to compete with the OTC market, in which similar restrictions on minimum value size do not apply.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will: (A) by order approve or disapprove the proposed rule change, or (B) institute proceedings to determine whether the proposed rule change should be 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
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-Phlx-2015-94 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-Phlx-2015-94. 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 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices 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-2015-94 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

Robert W. Errett
Deputy Secretary

¹⁸ 17 CFR 200.30-3(a)(12).

EXHIBIT 3**Philadelphia Stock Exchange
FLEX Pilot Program Report**

This report regarding the FLEX pilot program of the Philadelphia Stock Exchange, Inc. that eliminates minimum value sizes for opening transactions in new series of FLEX index options and FLEX equity options (“FLEX Pilot”)¹ is compiled pursuant to the request of the Securities and Exchange Commission (“Commission”) for a report if an exchange desires to extend, expand, or seek permanent approval of its FLEX Pilot (“Report”). Based on the Report as detailed below, the Exchange believes that there is clear support for the Commission to permanently approve the FLEX Pilot.

This Report details the PHLX’s experience with the FLEX trades, for the review period from December 1, 2014 to July 31, 2015 (the “Review Period”). During this Review Period, there have been 278 FLEX equity option trades, where the minimum size of an opening transaction of a FLEX trade in a new series was between 0 and 249 contracts-and the underlying value was less than \$1 million. In addition, there were 11 opening FLEX index option trades in a new series, where the underlying value was less than \$10 million.

(1) Data and written analysis on the open interest and trading volume for FLEX equity options between 0 & 249 contracts and less than \$1 million in underlying value

Volume of all FLEX trades with the parameters of the FLEX Program traded on PHLX

The total PHLX volume of all FLEX trades, between 0-249 contracts & less than \$1 million in underlying value during the Review Period was 25,677 contracts. There were 278 opening transactions during the Review Period. Of this amount, 8 trades were done by Retail customers, 21 were High Net Worth customers and 249 were Institutional clients.

Open Interest

Open interest during the Review Period, for the most part, has expired out due to the expiration date(s) of the FLEX options created. At current, there are 10,597 contracts of open interest in the FLEX options series that fall within this contract size and threshold range.

¹ The FLEX Pilot covers opening transactions in new series only. Commentary .01 to Phlx Rule 1079 states: Notwithstanding subparagraphs (a)(8)(A)(i) and (a)(8)(A)(ii) above, for a pilot period ... there shall be no minimum value size requirements for FLEX options.

(2) Data and written analysis on the open interest and trading volume for FLEX index options with a minimum opening size of less than \$10 million in underlying value

Volume of all FLEX trades with the parameters of the FLEX Program traded on PHLX

The total PHLX volume of all FLEX index trades with less than \$10 million in underlying value during the Review Period was 1,250 contracts. There were 11 opening transactions during the Review Period. Of this amount, no trades were done by Retail customers, 5 by High Net Worth customers and 6 by Institutional clients.

Open Interest

Open interest during the Review Period, for the most part, has expired out due to the expiration date(s) of the FLEX options created. At current, there are 700 contracts of open interest in the FLEX options series that fall within this threshold range.

(3) Analysis on the types of investors who initiated FLEX opening transactions

During the operation of the FLEX Pilot, a large majority of the FLEX opening transactions were done by firms that represent a significant amount of liquidity. These firms have accounts that encompass different lines of business. Certain firms, such as RBC Capital Markets Corporation and Deutsche Bank Securities, almost exclusively handle Institutional customers. Certain firms, such as Raymond James Financial, mostly represent High Net Worth (non-institutional) customers. Yet other firms, such as UBS Securities LLC, perform some combination of Retail, High Net Worth and Institutional business. Each of these multi-faceted firms has its own asset classification system indicating how a Retail customer differs from a High Net Worth and an Institutional customer.

The Exchange therefore established reasonable categorizations for the three different types of customers. Given that the average retail account does not exceed \$50,000, any FLEX trades that exceeded the value of such an account, that is, trades with an option premium greater than \$50,000, are considered to be trades for an Institutional customer. Trades with option premiums below \$50,000, on the other hand, represent either Retail or High Net Worth customers. Retail customers likely make trades that involve no more than 10% of the total retail account. We therefore surmised that trades with option premiums less than \$5,000 would be done by Retail customers, and trades with option premiums between \$5,000 and \$49,999 would be done by High Net Worth customers.

Applying these categories to the trades in this review period, we concluded that 84% of the trades were done by Institutional customers (where the option premiums exceed \$50,000), 12% were done by High Net Worth customers (where the option premiums are between \$5,000 and \$49,999), while 4% of the trades were done by Retail customers (where the option premiums are below \$5,000).

This is consistent with the categorizations that we established in previous FLEX pilot program Reports. We note that we have, in preparation of this Report, talked to numerous firms involved with FLEX options trading, and have not become aware of information that would cause us to modify our analysis.

(4) Any additional information that would help to assess the operation of the Pilot Program

The PHLX feels that the Report clearly shows the propriety of the Commission permanently approving the FLEX Pilot.

EXHIBIT 5

Proposed new text is underlined. Deleted text is [bracketed].

NASDAQ OMX PHLX LLC Rules
Options Rules

* * * * *

Rule 1079. FLEX Index, Equity and Currency Options

A Requesting Member shall obtain quotes and execute trades in certain non-listed FLEX options at the specialist post of the non-FLEX option on the Exchange. The term “FLEX option” means a FLEX option contract that is traded subject to this Rule. Although FLEX options are generally subject to the rules in this section, to the extent that the provisions of this Rule are inconsistent with other applicable Exchange rules, this Rule takes precedence with respect to FLEX options.

(a)

(1) – (7) No Change.

(8) Minimum size—

(A) **Opening**—If there is no open interest in the particular series when an RFQ is submitted, the minimum size of an RFQ is:

(i) [except as provided in Commentary .01 below, \$10 million underlying equivalent value,]One contract in the case of respecting] FLEX market index options, and [\$5 million underlying equivalent value respecting]one contract in the case of FLEX industry index options;

(ii) [except as provided in Commentary .01 below, the lesser of 250 contracts or the number of contracts overlying \$1 million in the underlying securities, with respect to]One contract in the case of FLEX equity options; and

(iii) 50 contracts in the case of FLEX currency options.

(B) - (D) No Change.

(9) – (15) No Change.

(b) - (f) No Change.

••• *Commentary:* -----

.01 [Notwithstanding subparagraphs (a)(8)(A)(i) and (a)(8)(A)(ii) above, for a pilot period ending the earlier of August 31, 2015, or the date on which the pilot is approved on a permanent basis, there shall be no minimum value size requirements for FLEX options]Reserved.

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