

Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2025 - * 61

Amendment No. (req. for Amendments *)

Filing by Nasdaq PHLX LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010
Section 806(e)(1) *

Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

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

A proposal to amend Legging Orders.

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 * Last Name *

Title *

E-mail *

Telephone * Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, Nasdaq PHLX LLC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date (Title *)

By

(Name *)

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

 Date: 2025.11.19 12:27:50 -05'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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SR-Phlx-2025-61 19b-4.docx

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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SR-Phlx-2025-61 Exhibit 1.docx

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 Advanced 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 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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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 Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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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 Sent As Paper Document

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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SR-Phlx-2025-61 Exhibit 5.docx

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item 1 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) Nasdaq Phlx LLC (“Phlx” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“Commission”) an amendment to its Legging Order functionality at Options 3, Section 7(k).

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

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors (the “Board”). Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.



¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

a. Purpose

The Exchange previously filed a rule proposal to align all Complex Order functionality on Phlx to Nasdaq ISE, LLC (“ISE”) and Nasdaq MRX, LLC (“MRX”) Complex Order functionality.³ Specifically, the Exchange adopted Legging Order functionality identical to ISE and MRX Options 3, Section 7(k).⁴

On Phlx, if a Legging Order is created from a Complex Order with a lower priority (i.e., Non-Customer Order) at the same price and, thereafter, a Complex Order with a higher priority arrives (i.e., Customer), the prior lower priority Legging Order would be removed and replaced with the Legging Order for the Complex Order with a higher priority. This is consistent with Phlx’s allocation methodology. On Phlx bids and offers at the same price on the Complex Order Book will be executed pro-rata based on size with Customer priority.⁵ Phlx’s allocation methodology differs from ISE and MRX where bids and offers at the same price on the Complex Order Book are executed in time priority.⁶

³ See Securities Exchange Act Release No. 102862 (April 15, 2025), 90 FR 16731 (April 21, 2025) (SR-Phlx-2025-17) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Phlx's Complex Order Functionality) (“Complex Order Filing”). SR-Phlx-2025-17 proposed the same operative date as this proposal as they are both part of the same technology migration.

⁴ See *id.*

⁵ Phlx Options 3, Section 14(d)(2) permits execution in time priority or pro-rata based on size. Phlx will utilize pro-rata based on size allocation with Customer priority when it implements the Complex Order Filing.

⁶ ISE and MRX Options 3, Section 14(d)(2) permits execution in time priority or pro-rata based on size.

Recently adopted rule text at Options 3, Section 7(k)(1)⁷ provides that a Legging Order may be automatically generated for one or both leg(s) of a Complex Options Order resting on top of the Complex Order Book at a price: (i) that matches or improves upon the best displayed bid or offer on the single-leg limit order book; and (ii) at which the net price can be achieved when the other leg is executed against the best displayed bid or offer on the single-leg limit order book, excluding other Legging Orders. Further, recently adopted Options 3, Section 7(k)(4)⁸ states, “A Legging Order is automatically removed from the single-leg limit order book if:… (vii) a Legging Order is generated by a different Complex Order in the same leg at a better price or the same price for a participant with a higher price priority.” However, recently adopted Options 3, Section 7(k)(2)⁹ describes when Legging Orders will not be generated and states, among other things that, “A Legging Order will not be generated:… (iv) if there is already a Legging Order in that options series on the same side of the market at the same price.” The language in Options 3, Section 7(k)(2)(iv) does not currently align with the rule text in Options 3, Section 7(k)(1) or Options 3, Section 7(k)(4)(vii) given that Phlx’s allocation methodology includes Customer priority. Accordingly, at this time the Exchange proposes to amend Options 3, Section 7(k)(2)(iv) to more accurately state a Legging Order will not be generated if there is already a Legging Order in that options series for a Complex Options Order with higher priority on the same side of the market at the same price. The proposed change to Options 3, Section 7(k)(2)(iv) will reflect Phlx’s

⁷ See supra note 3.

⁸ See supra note 3.

⁹ See supra note 3.

Customer priority allocation methodology and make Options 3, Section 7(k)(2)(iv) consistent with Options 3, Section 7(k)(4)(vii).

Implementation

The Exchange will implement this rule change at the same time as the Complex Order Filing.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹¹ in particular, in that it is designed to promote just and equitable principles of trade and to protect investors and the public interest for the reasons discussed below.

The Exchange's proposal to amend Options 3, Section 7(k)(2)(iv) to provide that a Legging Order will not be generated if there is already a Legging Order in that options series for a Complex Options Order with higher priority on the same side of the market at the same price is consistent with the Act. The proposed amendment to Options 3, Section 7(k)(2)(iv) accounts for Phlx's allocation methodology and removes any ambiguity in the rule as to the System's process of generating Legging Orders. Of note, ISE and MRX bids and offers at the same price on the Complex Order Book are executed in time priority.¹²

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

The Exchange does not believe that the proposed rule change will impose any

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

¹² ISE and MRX Options 3, Section 14(d)(2) permits execution in time priority or pro-rata based on size.

burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Phlx's proposal to amend Options 3, Section 7(k)(2)(iv) does not impose an undue burden on intra-market competition because the amended rule would be applied in a uniform manner to the generation of all Legging Orders by the System.

Phlx's proposal to amend Options 3, Section 7(k)(2)(iv) does not impose an undue burden on inter-market competition as other options exchanges may adopt Legging Orders and similar rules for the generation of such orders.

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

The Exchange does not consent to an extension of the time period for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)¹³ of the Act and Rule 19b-4(f)(6) thereunder¹⁴ in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ 17 CFR 240.19b-4(f)(6).

Commission may designate if consistent with the protection of investors and the public interest.

The Exchange's proposal does not significantly affect the protection of investors or the public interest because it would ensure that Options 3, Section 7(k)(2)(iv) is consistent with Phlx's allocation methodology which includes Customer priority. The proposal amends 7(k)(2)(iv) to provide that a Legging Order would not be generated if there is already a Legging Order in that options series for a Complex Options Order with higher priority on the same side of the market at the same price.

The Exchange's proposal does not impose any significant burden on competition because the amended rule would be applied in a uniform manner to the generation of all Legging Orders by the System.

Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits

the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30 day operative delay period. Waiver of the operative delay is consistent with the protection of investors and the public interest because it will permit Phlx to amend its Legging Order rule at Options 3, Section 7(k)(2)(iv), prior to the implementation of the new Legging Order functionality, in a manner that is consistent with its elected allocation methodology.

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

While the adopted Legging Order functionality is identical to ISE and MRX Options 3, Section 7(k), Phlx bids and offers at the same price on the Complex Order Book will be executed pro-rata based on size with Customer priority.¹⁵ This differs from ISE and MRX where bids and offers at the same price on the Complex Order Book are executed in time priority.¹⁶

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

Not applicable.

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

Not applicable.

¹⁵ Phlx Options 3, Section 14(d)(2) permits execution in time priority or pro-rata based on size with Customer priority. Phlx will utilize pro-rata based on size allocation when it implements SR-Phlx-2025-17.

¹⁶ ISE and MRX Options 3, Section 14(d)(2) permits execution in time priority or pro-rata based on size.

11. Exhibits

1. Notice of Proposed Rule Change for publication in the Federal Register.
5. Text of the proposed rule change.

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 Exchange previously filed a rule proposal to align all Complex Order functionality on Phlx to Nasdaq ISE, LLC (“ISE”) and Nasdaq MRX, LLC (“MRX”) Complex Order functionality.³ Specifically, the Exchange adopted Legging Order functionality identical to ISE and MRX Options 3, Section 7(k).⁴

On Phlx, if a Legging Order is created from a Complex Order with a lower priority (i.e., Non-Customer Order) at the same price and, thereafter, a Complex Order with a higher priority arrives (i.e., Customer), the prior lower priority Legging Order would be removed and replaced with the Legging Order for the Complex Order with a higher priority. This is consistent with Phlx’s allocation methodology. On Phlx bids and offers at the same price on the Complex Order Book will be executed pro-rata based on size with Customer priority.⁵ Phlx’s allocation methodology differs from ISE and MRX where bids and offers at the same price on the Complex Order Book are executed in time priority.⁶

³ See Securities Exchange Act Release No. 102862 (April 15, 2025), 90 FR 16731 (April 21, 2025) (SR-Phlx-2025-17) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Phlx's Complex Order Functionality) (“Complex Order Filing”). SR-Phlx-2025-17 proposed the same operative date as this proposal as they are both part of the same technology migration.

⁴ See id.

⁵ Phlx Options 3, Section 14(d)(2) permits execution in time priority or pro-rata based on size. Phlx will utilize pro-rata based on size allocation with Customer priority when it implements the Complex Order Filing.

⁶ ISE and MRX Options 3, Section 14(d)(2) permits execution in time priority or pro-rata based on size.

Recently adopted rule text at Options 3, Section 7(k)(1)⁷ provides that a Legging Order may be automatically generated for one or both leg(s) of a Complex Options Order resting on top of the Complex Order Book at a price: (i) that matches or improves upon the best displayed bid or offer on the single-leg limit order book; and (ii) at which the net price can be achieved when the other leg is executed against the best displayed bid or offer on the single-leg limit order book, excluding other Legging Orders. Further, recently adopted Options 3, Section 7(k)(4)⁸ states, “A Legging Order is automatically removed from the single-leg limit order book if:… (vii) a Legging Order is generated by a different Complex Order in the same leg at a better price or the same price for a participant with a higher price priority.” However, recently adopted Options 3, Section 7(k)(2)⁹ describes when Legging Orders will not be generated and states, among other things that, “A Legging Order will not be generated:… (iv) if there is already a Legging Order in that options series on the same side of the market at the same price.” The language in Options 3, Section 7(k)(2)(iv) does not currently align with the rule text in Options 3, Section 7(k)(1) or Options 3, Section 7(k)(4)(vii) given that Phlx’s allocation methodology includes Customer priority. Accordingly, at this time the Exchange proposes to amend Options 3, Section 7(k)(2)(iv) to more accurately state a Legging Order will not be generated if there is already a Legging Order in that options series for a Complex Options Order with higher priority on the same side of the market at the same price. The proposed change to Options 3, Section 7(k)(2)(iv) will reflect Phlx’s Customer priority allocation methodology and make Options 3, Section 7(k)(2)(iv) consistent with Options 3, Section 7(k)(4)(vii).

⁷ See supra note 3.

⁸ See supra note 3.

⁹ See supra note 3.

Implementation

The Exchange will implement this rule change at the same time as the Complex Order Filing.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹¹ in particular, in that it is designed to promote just and equitable principles of trade and to protect investors and the public interest for the reasons discussed below.

The Exchange's proposal to amend Options 3, Section 7(k)(2)(iv) to provide that a Legging Order will not be generated if there is already a Legging Order in that options series for a Complex Options Order with higher priority on the same side of the market at the same price is consistent with the Act. The proposed amendment to Options 3, Section 7(k)(2)(iv) accounts for Phlx's allocation methodology and removes any ambiguity in the rule as to the System's process of generating Legging Orders. Of note, ISE and MRX bids and offers at the same price on the Complex Order Book are executed in time priority.¹²

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.

Phlx's proposal to amend Options 3, Section 7(k)(2)(iv) does not impose an undue burden on intra-market competition because the amended rule would be applied in a uniform manner to the generation of all Legging Orders by the System.

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

¹² ISE and MRX Options 3, Section 14(d)(2) permits execution in time priority or pro-rata based on size.

Phlx's proposal to amend Options 3, Section 7(k)(2)(iv) does not impose an undue burden on inter-market competition as other options exchanges may adopt Legging Orders and similar rules for the generation of such orders.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹³ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁴

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-Phlx-2025-61 on the subject line.

Paper Comments:

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

All submissions should refer to file number SR-Phlx-2025-61. This file number should be included on the subject line if email 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 website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-Phlx-2025-61 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Sherry R. Haywood,

Assistant Secretary.

¹⁵ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined.

Nasdaq PHLX LLC Rules

* * * * *

Options Rules

* * * * *

Options 3 Options Trading Rules

* * * * *

Section 7. Types of Orders and Order and Quote Protocols

The Exchange may determine to make certain order types and time-in-force, respectively, available on a class or System basis. Orders may not be unbundled, nor may a firm solicit a customer to unbundle an order for this purpose.

* * * * *

(k) **Legging Orders.** A Legging Order is a Limit Order on the single-leg limit order book in an individual series that represents one leg of a two-legged Complex Options Order that is to buy or sell an equal quantity of two options series resting on the Exchange's Complex Order Book. Legging Orders are firm orders that are included in the Exchange's displayed best bid or offer. Legging Orders are not routable and have a TIF of Day.

The System will evaluate whether Legging Orders may be generated (1) when a Complex Options Order enters the Complex Order Book, and (2) after a time interval (to be determined by the Exchange, not to exceed 1 second) when the NBBO or Exchange best bid or offer in any component of a Complex Options Order changes. The Exchange may determine to limit the number of Legging Orders generated on an objective basis and may determine to remove existing Legging Orders in order to maintain a fair and orderly market in times of extreme volatility or uncertainty. Legging Orders are treated as having no Public Customer capacity on the single-leg order book, regardless of being generated from Public Customer Complex Options Orders.

* * * * *

(2) *When Legging Orders Will Not Be Generated.* A Legging Order will not be generated: (i) at a price that locks or crosses the best bid or offer of another exchange, (ii) if there is a complex auction on either side in the Complex Options Strategy, or a single-leg auction on either side in any component of the Complex Options Strategy, or a Posting Period in progress on the same side in the series, pursuant to Options 3, Section 15 regarding Acceptable Trade Range; (iii) if the price of the leg(s) of a Complex Options Order is outside of the price limits described in Options 3, Section 16(a); (iv) if there is already a Legging Order in that options series for a Complex Options Order with higher priority on the same side of the market at the same price; (v) for Complex Orders with 2 option legs, where both legs are buying or both legs are selling and both legs are calls or both legs are puts, as described in Options 3, Section 14(d)(3)(A); (vi) if the Exchange has not opened; or a particular option series has not opened or such options series is halted.

* * * * *