

## January 2010 Fee Change Reference Guide

NASDAQ OMX PHLX<sup>SM</sup> (PHLX<sup>®</sup>) will implement the following fee changes for trades settling on or after Monday, January 4, 2010 (trade date December 31, 2009).

### Specialist, Registered Options Traders, Streaming Quote Traders and Remote Streaming Quote Traders Equity Option Transactions

Currently, PHLX charges specialists \$0.21 and ROTs, SQTs and RSQTs \$0.22 per contract, up to 4.5 million contracts. Beyond 4.5 million contracts, the fee is \$0.01.

For January 2010 (in all classes except SPY), specialists, SQTs and RSQTs will be charged **\$0.05** per contract in equity options that are directed to the Directed specialist, SQT or RSQT by a member or member organization (Order Flow Provider or OFP) and executed electronically on the Exchange's electronic trading platform for options, the PHLX XL system. The fee for all other trades will be \$0.21 per contract.

All equity options transaction charges will be capped at \$900,000 per month.

### SPY Options Pricing

PHLX will introduce a new pricing schedule for electronic executions in SPY options, assessed per contract side:

	Non-Directed Customer	Directed Customer	Directed Participant	SQT, RSQT and Specialist	Firm	Broker-Dealer
<b>Rebate for Adding Liquidity</b>	\$0.05	\$0.20	\$0.25	\$0.20	\$0.00	\$0.00
<b>Fee for Adding Liquidity</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.35	\$0.45
<b>Fee for Removing Liquidity</b>	\$0.40	\$0.25	\$0.30	\$0.40	\$0.45	\$0.45

- Fee caps or discounts will not apply to electronic executions in SPY.
- SPY volume will not be eligible for the Market Access Provider (MAP) program.
- No payment for order flow will be collected.
- The new fee schedule does not affect the Options Floor Broker Subsidy.
- The new fee schedule does not apply to Linkage orders.
- Cancellation fees will still apply.
- Refer to [Exhibit 5](#) of the rule filing for more information.

If a portion of a Complex Order is executed against an individual order or quote, the Complex Order side of the transaction will be free and the individual side will be subject to the new fee schedule. Complex Order to Complex Order transactions will remain subject to the standard [PHLX Equity Options Fee Schedule](#).

If one side of a trade is executed via the Floor-Based Management System (FBMS), the new fee schedule will apply to both sides of the transaction. If both sides of a transaction are executed in open outcry, the standard [PHLX Equity Options Fee Schedule](#) will apply.

The opening and all other electronic SPY auctions will be **free** for Non-Directed Customers, Directed Customer, Specialists, SQTs and RSQTs. Please refer to [PHLX Rule 1080](#) for further details.

### **Permit and Clerk Fees**

Order flow providers currently pay a nominal permit fee of \$500 per month. Today ROTs, SQTs, RSQTs floor brokers and specialists pay \$1,200 for the first permit and \$1,000 for each additional permit. Effective in January, the permit charge will be \$1,000 per permit regardless of classification.

The clerk registration fee will increase from \$50 to \$100 per clerk.

### **Order Entry and Specialized Quote Feed Port Fees**

Order entry will be a flat rate of \$500 per month, per mnemonic. SQF Port Fees will be \$500 per active SQF Port, per month.

### **Streaming Quote Trader and Remote Streaming Quote Trader (Market Maker) Fees**

SQT and RSQT will no longer receive permit credits associated with the fees for the right to be an SQT or RSQT.

### **Proprietary Index Options Transaction Fees**

The rate for specialists, ROT and Firms will be \$0.30 per contract.

### **Equity Options Firm Transaction Fee and Cap**

The transaction fee will be \$0.25 per contract. The new fee cap will be \$85,000 per month.

### **Options Regulatory Fee**

Currently, Registered Representatives, Member Exchanges and Off-Floor Traders must pay a registration fee of \$55.00, a transfer fee of \$55.00 and a termination fee of \$30.00 (Registration Fees). PHLX will eliminate the Registration Fees and replace them with the Options Regulatory Fee (ORF). The ORF is transaction-based fee of \$0.0035 per contract that will be assessed to each member for all options transactions executed or cleared by the member that are cleared by The Options Clearing Corporation (OCC) in the customer range (i.e., that clear in the customer account of the member's clearing firm at OCC). Options Intermarket Linkage Plan (Linkage) P/A Orders are excluded from the ORF.

The ORF will be imposed upon all transactions executed by a member, even if the transactions do not take place on PHLX. The ORF also includes options transactions that are not executed by an Exchange member but are ultimately cleared by an Exchange member. In the case where one member both executes a transaction and clears the transaction, the ORF would be assessed to the member only once on the

execution. In the case where one member executes a transaction and a different member clears the transaction, the ORF would be assessed only to the member who executes the transaction and would not be assessed to the member who clears the transaction. In the case where a non-member executes a transaction and a member clears the transaction, the ORF would be assessed to the member who clears the transaction.

### **Routing Fees**

PHLX will assess a Routing Fee of \$0.50 per contract side for equity and index option orders in penny classes that are routed to NYSE Arca for execution. There will be no fee for routing penny class orders to other away markets and no fee for routing non-penny class orders.

### **More Information**

- Refer to [Options Trader Alert #2009-66](#).
- Refer to [Options Trader Alert #2009-67](#).
- Refer to [Options Trader Alert #2009-69](#).
- Contact [Transaction Services U.S. Market Sales](#) at +1 800 846 0477