



Memorandum #2064-08

**M E M O R A N D U M**

To: All Members and Member Organizations  
Subject: Reducing the Exposure Time for Option Limit Orders to One Second  
Date: December 11, 2008

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On December 11, 2008, the Securities and Exchange Commission ("SEC") approved a NASDAQ OMX PHLX proposed rule change to amend Exchange Rule 1080(c) to provide that: (i) Order Entry Firms may not execute as principal against orders on the limit order book they represent as agent unless such agency orders are first exposed on the limit order book for at least one (1) second, or the Order Entry Firm has been bidding or offering on the Exchange for at least one (1) second prior to receiving an agency order that is executable against such order, and (ii) Order Entry Firms must expose orders they represent as agent for at least one (1) second before such orders may be automatically executed, in whole or in part, against orders solicited from members and non-member broker-dealers to transact with such orders.

Please visit [NASDAQ OMX PHLX Approved Rule Filings](#) website to view the rule filing and the SEC release.