



Memo #: 2118-08

MEMORANDUM

TO: All Option Members, Member Organizations and ROTs

DATE: December 24, 2008

RE: Complex Order System Fees

The Exchange has filed to charge options transaction fees for contracts executed electronically via the Complex Order System as part of a Complex Order ([SR-Phlx-2008-62](#)) with the Securities and Exchange Commission on December 24, 2008, to be operative for trades settling on or after January 2, 2008. Details of the proposed fees are outlined below:

1. Specialists and Registered Options Traders ("ROT"), including Streaming Quote Traders ("SQTs")¹ and Remote Streaming Quote Traders ("RSQTs")², will be assessed an equity option transaction charge of \$0.08 per contract side that are executed electronically as part of a Complex Order³. Specialists, ROTs, SQTs, and RSQTs will be assessed the applicable current index options transaction charge, and U.S. Dollar-settled foreign currency options transaction charge that applies to simple option transactions for Complex Orders.
2. Market participants other than specialists and ROTs would be assessed the applicable current equity options transaction charge, index options transaction charge, and U.S. Dollar-settled foreign currency options transaction charge that applies to simple option transactions for Complex Orders. **Customer orders will remain free of charge.**

For details concerning these proposed changes to the Exchange's fee schedules please visit, <http://www.nasdaqtrader.com/micro.aspx?id=PHLXRulefilings>

For details concerning the Complex Order System, please contact [NASDAQ Market Sales](#) at +1 800 846 0477.

¹ An SQT is an Exchange Registered Options Trader ("ROT") who has received permission from the Exchange to generate and submit option quotations electronically through an electronic interface with AUTOM via an Exchange approved proprietary electronic quoting device in eligible options to which such SQT is assigned. See Exchange Rule 1014(b)(ii)(A).

² An RSQT is a participant in the Exchange's electronic trading system, "Phlx XL" who has received permission from the Exchange to trade in options for his own account, and to generate and submit option quotations electronically from off the floor of the Exchange through AUTOM in eligible options to which such RSQT has been assigned.

³ A Complex Order is composed of two or more option components and is priced as a single order (a "Complex Order Strategy") on a net debit or net credit basis. See Exchange Rule 1080, Commentary .08. For a complete description of the Exchange's Complex Order System, see Securities Exchange Act Release No. 58361 (August 14, 2008), 73 FR 49529 (August 21, 2008) (SR-Phlx-2008-50).