

Frequently Asked Questions
NASDAQ OMX PHLX X.STATION under PHLX XL II

NOTE: The re-platforming of the PHLX XL system was completed on Thursday, July 23, 2009. Please find migration details below and contact [Transaction Services, U.S. Market Sales](#) for any additional questions.

The NASDAQ OMX PHLXSM (PHLX[®]) trading system for equity, index and World Currency Options (PHLX XL[®]) is being migrated to the INET architecture beginning in June 2009. The new system is referred to as PHLX XL II (XL II) during the migration period. This document attempts to answer questions that are important to users of the PHLX X.STATION to access XL II.

I. Overview

1. Q: Does the PHLX X.STATION change under XL II?

A: Under XL II, the PHLX X.STATION interface remains essentially unchanged. There will, however, be some functionality differences. The most important change is the manner of initiating trades from the X.STATION. X.STATION users will still be able to select an order for trade; however, **the price and size of the selected order will be a recommendation for trade when submitted to the trade engine.** Based on market movement, the participants involved may actually trade against quotes and orders other than the order selected. In the event that the trade recommendation executes against other quotes and orders, the initially selected order will remain on the book. The actual execution information will appear in the 'Manual Trade' window. **All trade executions will occur at a price equal to or better than the recommendation price, with a size equal to or less than the recommendation size.**

Other notable changes in XL II were made to the following:

- Event Window display
- Manual Tab
- New Names Later Indicator (OMNI) feature

Details of these changes are outlined in the questions below.

2. Q: What does the PHLX X.STATION Event Window now display under XL II?

A: The Event Window will display all trades in which the Specialist was involved, all manual executions initiated from the X.STATION, all Floor Broker

Management System (FBMS) trades, and all Data Entry Terminal (DET) (paper ticket) trades. The Event Window will no longer show trades in which the Specialist was NOT involved. These trades will be available to view in [TradeInfo](#).

3. Q: What is the new Manual Tab on the PHLX X.STATION?

A: The Manual Tab will display all executions as a result of trade recommendations initiated from the X.STATION. These include both the trade recommendations that are mentioned in Question #1 and OMNI trades.

4. Q: What is the new OMNI feature on the PHLX X.STATION?

A: OMNI allows the Specialist to execute a trade without submitting the clearing information at the time of the trade. The trade will hit the tape and give the customer a report. The Specialist must then use the new Specialist Help Desk (SHD) application to enter the allocation and clearing information for the trade.

5. Q: Are any X.STATION features being retired with the new XL II version?

A: Yes:

- The 'Mark Orders for Execution' feature has been replaced by the OMNI functionality.
- There will no longer be a 'Broker Owes' feature in XL II because Floor Brokers will now be required to clear the book themselves.
- X.STATION users will no longer be able to cancel orders via the X.STATION.
- Users will no longer be able to Override and Re-Init at option level or Engage, Disengage and Re-Init at underlying level. The X.STATION now has the functionality to Halt and Re-start trading.
- Away Best Bid/Offer (ABBO) and PHLX Best Bid/Offer (PBBO) participants will not be shown in the Order Detail Window for XL II symbols.

6. Q: How does the X.STATION under XL II handle Linkage?

A: Linkage of customer orders will be handled similar to today with a few minor changes.

- a. Linkage orders cannot be manually sent under XL II (P, P/A or S).
- b. The 'Rcvd S Orders' tab will show Inbound Satisfaction orders but Execution, Rejection and Trade Look-up information is not available.
- c. The 'Sent Orders', 'Sent S Orders' and 'Trade Thru' tabs will not be displayed for symbols trading on XL II.

7. Q: How can X.STATION users interact with Opening Imbalance orders?

A: Under XL II, trade requests can be sent from the 'Opening Imbalance Window' on the X.STATION during the opening and re-opening (provided an imbalance exists). The user can select the price and volume in this window instead of having to select the order from the 'Trw Window.' If the flag,

'IsActive' is selected, the 'Trw Buy' and 'Sell Windows' will be deactivated and no orders will be able to be selected.

8. Q: Can an X.STATION user make trade recommendations that include quotes?

A: Under the current XL system, only the order size volume can be manually allocated. On the new XL II platform, the Specialist has the functionality to manually allocate a trade recommendation with size greater than the order size. This allows the Specialist to walk down and trade against the depth of book including both orders and quotes.

9. Q: Is the 'Specialist Help Desk' (SHD) still available under XL II?

A: The window will be available during the XL II transition ('Hist' button), but will only be populated with information regarding XL symbols. Once a symbol is traded on the XL II platform, the order and trade info will not be shown in the SHD. The information will only be seen in TradeInfo for XL II symbols.

10. Q: How will I learn how to access and use the new SHD and TradeInfo applications?

A: The new computers located at each Specialist Post provide access to these two applications. The PHLX market operations group will provide training on these applications prior to deployment of XL II symbols on the Specialist's X.STATION.