

DATE: May 31, 2013

TO: MIAX Members

FROM: MIAX Regulatory Department

RE: Filing No. SR-MIAX-2013-23
Short Term Option Series Program

The Exchange received approval from the Securities and Exchange Commission (“SEC” or “Commission”) to amend Exchange Rule 404, Series of Option Contracts Open for Trading, by modifying Interpretations and Policies .02 to the Rule to expand the number of expirations available under the Short Term Option Series Program (“STOS Program”), to allow the Exchange to delist certain series in STOS that do not have open interest, and to expand the number of series in STOS under limited circumstances.

Currently, the Exchange may select up to 25 currently listed option classes in which STOS options may be opened in the STOS Program, and the Exchange may also match any option classes that are selected by other securities exchanges that employ a similar program under their respective rules. For each option class eligible for participation in the STOS Program, the Exchange may open up to 30 Short Term Option Series for each expiration date in that class.

The amended rule allows the Exchange to open STOS option series for up to five consecutive week expirations. The Exchange intends to add a maximum of five consecutive week expirations under the STOS Program. However, the Exchange will not add an STOS expiration in the same week that a monthly options series expires or, in the case of Quarterly Option Series, on an expiration that coincides with an expiration of Quarterly Option Series on the same class. In other words, the total number of consecutive expirations will be five, including any existing monthly or quarterly expirations.

The text of the amended rule is attached.

Please direct questions to Listings@MIAXOptions.com or (609) 897-7308.

Regulatory inquiries should be directed to Regulatory@MIAXOptions.com or (609) 897-7309.

New text is underlined;
Deleted text is in [brackets]

MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC Rules

Rule 404. Series of Option Contracts Open for Trading

(a) – (g) No change.

Interpretations and Policies:

.01 No change.

.02 **Short Term Option Series Program.** After an option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Thursday or Friday that is a business day (“Short Term Option Opening Date”) series of options on that class that expire at the close of business on each of the next five consecutive [on the] Fridays [of the following week] that [is a] are business days (“Short Term Option Expiration Dates”). If the Exchange is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if the Exchange is not open for business on the Friday of the following business week, the Short Term Option Expiration Date will be the first business day immediately prior to that Friday. Regarding Short Term Option Series:

(a) – (c) No change.

(d) **Additional Series.** The Exchange may open up to 10 additional series for each option class that participates in the Short Term Option Series Program when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying security moves substantially from the exercise price or prices of the series already opened. Any additional strike prices listed by the Exchange shall be within thirty percent (30%) above or below the current price of the underlying security. The Exchange may also open additional strike prices on Short Term Option Series that are more than 30% above or below the current price of the underlying security provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers. Market makers trading for their own account shall not be considered when determining customer interest under this provision. In the event that the underlying security has moved such that there are no series that are at least 10% above or below the current price of the underlying security, the Exchange will delist any series with no open interest in both the call and the put series having a: (i) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and (ii) strike lower than the lowest strike price with open interest in the put and/or the call series for a given expiration month, so as to list series that are at least 10% but not more than 30% above or below the current price of the underlying security. In

the event that the underlying security has moved such that there are no series that are at least 10% above or below the current price of the underlying security and all existing series have open interest, the Exchange may list additional series, in excess of the 30 allowed under Interpretations and Policies .02(a), that are between 10% and 30% above or below the price of the underlying security. The opening of new Short Term Option Series shall not affect the series of options of the same class previously opened.

(e) No change.

.03 - .08 No change.
