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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2015 - * 57
Amendment No. (req. for Amendments *)

Filing by Miami International Securities Exchange, LLC.

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
☑	☐	☐	☐	☑	☐

Pilot	Extension of Time Period for Commission Action *	Date Expires *	Rule	
☐	☐		☐ 19b-4(f)(1)	☐ 19b-4(f)(4)
			☐ 19b-4(f)(2)	☐ 19b-4(f)(5)
			☐ 19b-4(f)(3)	☑ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐ Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐ Exhibit 3 Sent As Paper Document ☐

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposed rule change relating to the MIAX opening process.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Richard Last Name * Rudolph
Title * Vice President and Senior Counsel
E-mail * rrudolph@miami-holdings.com
Telephone * (609) 897-1484 Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 09/21/2015
By Richard S. Rudolph
(Name *)

(Title *)
Vice President and Senior Counsel

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Persona Not Validated - 1427205277040,

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information * Add Remove View	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications Add Remove View Exhibit Sent As Paper Document ☐	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.
Exhibit 3 - Form, Report, or Questionnaire Add Remove View Exhibit Sent As Paper Document ☐	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.
Exhibit 4 - Marked Copies Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Miami International Securities Exchange, LLC ("MIAX" or "Exchange"), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] proposes to amend Exchange Rule 503.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and the text of the proposed rule change is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Chief Executive Officer of the Exchange pursuant to authority delegated by the MIAX Board of Directors on December 11, 2014. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the proposed rule change.

Questions and comments on the proposed rule change may be directed to Richard S. Rudolph, Vice President and Senior Counsel at (609) 897-1484.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

a. Purpose

The Exchange proposes to amend Rule 503 to codify existing functionality during the Exchange's Opening Process. Specifically, the Exchange is amending Rule 503(f) to address a discrepancy between the rule text description of how this process works and how it is actually

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

working in production. Specifically, the Exchange proposes to amend the rule to provide that the System will use the Expanded Quote Range ("EQR") when there are quotes and orders that lock or cross each other. The proposal codifies the actual existing functionality during the Exchange's Opening Process. In addition, the Exchange proposes to relocate the EQR subsection that is currently in Rule 503(f)(5) to proposed Rule 503(f)(2)(i).

Currently Rule 503(f) provides that when there are quotes and orders that lock or cross an order, the System will use the highest bid and the lowest offer among valid width quotations received that have a bid/ask differential that is compliant with Rule 603(b)(4) to determine the highest quote bid and lowest quote offer.[3] If that price is within the highest valid width quote bid and lowest valid width quote offer and leaves no imbalance, the Exchange will open at that price, executing marketable trading interest, as long as the opening price includes only Exchange interest. Current Rule 503(f) also provides that the EQR[4] is only calculated when an imbalance occurs due to insufficient liquidity to satisfy all trading interest due an execution at a certain price.[5] In contrast, the System calculates and uses an EQR in all situations during the

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3 See Exchange Rule 603(b)(4). See also Exchange Rule 503(e)(3), which states that "valid width quotations" are quotations that are compliant with Rule 603(b)(4) which provides the following criteria: (i) to price option contracts fairly by, among other things, bidding and offering so as to create differences of no more than $5 between the bid and offer ("bid/ask differentials") following the opening rotation in an equity option contract; and (ii) Exchange may establish differences other than the bid/ask differentials described in (i) above for one or more option series or classes.

4 See Exchange Rule 503(f)(5).

5 See Exchange Rule 503(f)(5). Where there is an imbalance at the price at which the maximum number of contracts can trade that is also at or within the highest valid width quote bid and lowest valid width quote offer, the System will calculate an EQR. The EQR will be recalculated any time a Route Timer or Imbalance Timer expires if material conditions of the market (imbalance size, ABBO price or size, liquidity price or size, etc.) have changed during the timer. Once calculated, the EQR will represent the limits of the range in which transactions may occur during the opening process.

Exchange's Opening Process when there are quotes and orders that lock or cross - whether the lock or cross involves an order or a quote and whether or not there is an order imbalance.

While the System calculates EQR in either situation, it does not necessarily use the EQR in determining the calculated opening price where the maximum quantity of contracts may trade. For example, proposed Rule 503(f)(2)(iii) would state that in situations where there is matched interest that does not represent an imbalance and there is no valid width NBBO, the System will calculate a "quality opening market range" (as defined in a table to be determined by the Exchange and published in a Regulatory Circular) in such option series. If the matched interest would trade at a price outside of the quality opening market range, the imbalance process will be used.

The Exchange notes that in most situations there is no impact in the outcome of the opening due to the proposed change in the rule text to use the EQR instead of the highest bid and the lowest offer among valid width quotations received that have a bid/ask differential that is compliant with Rule 603(b)(4). For example – assume a quote bid of $1.00 for 5 contracts and a quote offer of $0.90 for 5 contracts on MIAX; away market 1 has a bid $0.01; away market 2 has an offer of $5.05. The Exchange should open because $.90 - $1.00 for 5 contracts on either side is within a $5 bid/ask differential and leaves no imbalance. Instead, however, the System in this situation calculates a price range for the open based on an EQR to include the one or more away markets. After determining that the away markets do not have a valid width quote and that it is a crossed market ($0.01 bid by $5.05 offer is not a valid quote range), the System will calculate the

The EQR calculation itself varies depending upon the specific situation, as specified in current Rule 503(f)(5). The EQR calculation will differ depending upon whether one or more away markets have disseminated valid width quotes in the affected series (or) no away markets have disseminated valid width quotes in the affected series. See Exchange Rule 503(f).

EQR using the Exchange's highest valid width bid and lowest valid width offer ($.90 offer by $1.00 bid is a valid quote range). In this example, the Exchange would open the same under the proposed changes to Rule 503 as it does in the current version of the rule.

If the current rule were applied in situations where quotes or orders lock or cross, and there are no valid-width away markets, the System would have nonetheless calculated the highest bid and the lowest offer among valid width quotations received on MIAX that have a bid/ask differential that is compliant with Rule 603(b)(4). The following example illustrates this scenario.

Invalid Width ABBO

Assume a quote bid of $1.00 for 5 contracts and quote offer of $0.90 for 5 contracts on MIAX; assume away market 1 has a bid $0.10; away market 2 has an offer of $5.20 (an invalid width ABBO). The System in this situation calculates a price range for the open based on an EQR that does not include the one or more away markets. In this example, the System sets the EQR to $0.90 - $1.00, using the lowest quote offer and the highest quote bid.

Valid Width ABBO

Assume again a quote bid of $1.00 for 5 contracts and a quote offer of $0.90 for 5 contracts on MIAX; assume away market 1 has a bid $0.85; away market 2 has an offer of $1.10 (a valid width ABBO). The System in this situation calculates a price range for the open based on an EQR that includes the one or more away markets. After determining that the away markets have a valid width quote and that the MIAX market is crossed, the System sets the EQR to $0.85 - $1.10, using the valid-width ABBO.

If the current rule were applied, the System would have calculated the EQR if there had been an imbalance, using the Exchange's highest valid width bid and lowest valid width offer

($.90 offer by $1.00 bid is a valid quote range), and would open only within the limited $0.90 - $1.00 range. In each of the above examples, under the current rule and under the proposed change, the System would open with a trade of 5 contracts at $0.95, the price at which the greatest number of contracts can trade.

The following examples illustrate that the EQR is calculated in all situations, i.e., whether there is an imbalance or not. In the first example, assume quote bids of $0.90 and $0.80 for 5 contracts each, and quote offers of $1.00 and $1.10 of 5 contracts each on MIAX; assume away market 1 has a bid $0.10; away market 2 has an offer of $5.20 (invalid width ABBO). No Imbalance exists. Under the proposed Rule, an EQR calculation occurs, setting the EQR Minimum at the lowest bid minus the allowance per EQR Table ($0.75 in this case), and the EQR Maximum at the highest bid plus the allowance per EQR Table ($1.15 in this case). With no Imbalance and no crossing liquidity, no trade takes place.

Assume again quote bids of $0.90 and $0.80 for 5 contracts each, and quote offers of $1.00 and $1.10 of 5 contracts each on MIAX; assume away market 1 has a bid $0.10; away market 2 has an offer of $5.20 (invalid width ABBO). No Imbalance exists. If the current Rule were to be applied, since there is no Imbalance, an EQR calculation would not occur. With no Imbalance and no crossing quotes or orders, no trade would occur. In each of these examples, because there is no trade, the Exchange would open by disseminating a quote as described in current Rule 503(f)(1).[6]

In Examples 3 and 4, the only difference is whether an EQR is calculated or not. But no trade takes place in either case.

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6 Current Rule 503(f)(1) states that if there are no quotes or orders that lock or cross each other, the System will open by disseminating the Exchange's best bid and offer among quotes and orders that exist in the System at that time.

The Exchange believes that using the EQR instead of the current price range in Rule 503(f) is beneficial to market participants because the EQR provides a more accurate measure as to whether there is sufficient available liquidity in the broader market system to provide a fair and orderly opening process and sufficient price discovery for the options to open for trading because it incorporates the prices on away markets into its evaluation.

The Exchange also proposes to amend current Rule 503(f)(3) to provide that the provision applies to situations when the lock or cross involves an order or a quote, not just an order. Specifically, the Exchange proposes to provide that if there are quotes or orders that lock or cross, the System will use the EQR to determine the highest and lowest price of the opening price range. Currently, to calculate the opening price, the System will take into consideration all valid Exchange quotes and all valid orders, together with other exchanges' markets for the series and identify the price at which the maximum number of contracts can trade. If that price is within the EQR and leaves no imbalance, the Exchange will open at that price, executing marketable trading interest, as long as the opening price includes only Exchange interest.

In addition, the Exchange proposes relocating the EQR subsection that is currently in Rule 503(f)(5) to proposed Rule 503(f)(2)(i). The Exchange believes that this change will reduce the potential for any confusion on the part of its members as to when the EQR is calculated and used during the Exchange's Opening Process. The Exchange also proposes deleting language regarding the imbalance from current Rule 503(f)(7) and relocating the subsection that is currently in Rule 503(f)(7) to proposed Rule 503(f)(2)(iii). In addition, the Exchange also proposes technical changes to the number formatting in current Rule 503(f) in order to reduce the potential for confusion as to which provisions in Rule 503(f) apply to situations where there are quotes and orders that lock and cross each other.

b. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act[7] in general, and furthers the objectives of Section 6(b)(5) of the Act[8] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The proposed amendments remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, protect investors and the public interest by amending the rules regarding the Exchange's Opening Process. The inclusion of the functionality of the System in the rules promotes transparency and clarity in the Exchange's Opening Process. The transparency and accuracy resulting from the codification of this functionality is consistent with the Act because it removes impediments to and perfects the mechanism of a free and open market and a national market system, and, in general, protects investors and the public interest, by accurately describing the steps taken by the System in the limited scenario where the Exchange's opening quote is crossed by orders that have the same size. Participants in the Exchange's opening will have a better understanding of the Exchange's opening process when there are quotes and orders that lock and cross each other. In addition, the Exchange believes that the function of the EQR itself is designed to promote just and equitable principles of trade by providing a clear and objective method to enable a fair and orderly opening on the exchange to the benefits of investors and the public interest.

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7 15 U.S.C. 78f(b).

8 15 U.S.C. 78f(b)(5).

The Exchange believes that using the EQR instead of the current price range in Rule 503(f) is beneficial to market participants because the EQR represents a more accurate measure of the true market for an option on the opening (especially after providing participants with an opportunity to submit new quotes before the EQR is calculated). This step providing that opportunity, now codified in the Rule should reduce the probability of imbalances and will assure participants in the Exchange's opening process that they have the ability to submit new opening quotes in response to an imbalance message. This process is fair because it provides such an opportunity for all participants, and is orderly because that opportunity must take place before the EQR is calculated. Moreover, the imbalance message followed by the EQR calculation is more efficient because it functions to eliminate unnecessary delays in the opening process by allowing participants to submit new quotations against which opening orders and quotes may trade.

4. <u>Self-Regulatory Organization's Statement on Burden on Competition</u>

MIAX does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the Exchange believes the proposed changes will not impose any burden on intra-market competition because it applies to all MIAX participants equally. In addition, the Exchange does not believe the proposal will impose any burden on inter-market competition as the proposal is intended to protect investors by providing further transparency regarding the Exchange's Opening Process. The Exchange believes that using the EQR instead of the current price range in Rule 503(f) is beneficial to market participants because the EQR provides a more accurate measure as to whether there is sufficient available liquidity in the broader market system to provide a fair and orderly opening process and sufficient price discovery for the options to open for trading to the benefit of investors. As such, the Exchange believes that the EQR will not be a burden on competition, but rather promote more trading opportunities and competition during the opening since it is designed to promote just and equitable principles of trade by providing a clear and objective method to enable a fair and orderly opening on the exchange to the benefits of investors and the public interest.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A) of the Act[9] and Rule 19b-4(f)(6)[10] thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The proposal promotes the protection of investors and the public interest because it provides clarity for Exchange members regarding how the Exchange System will open when there are quotes and orders that lock and cross each other. The proposal also promotes the protection of investors and the public interest by codifying existing functionality in a manner that should reduce confusion for Exchange members during the Exchange's Opening Process. The

9 15 U.S.C. 78s(b)(3)(A).

10 17 CFR 240.19b-4(f)(6).

proposal does not impose a burden on competition because it applies evenly to all Exchange participants and provides the investing public with additional details regarding the Exchange's Opening Process which can then be evaluated compared to other option exchanges when selecting a venue in which to send an order.

Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement. Furthermore, a proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act[11] normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)[12] permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest.

The Exchange respectfully requests a waiver of the 30 day operative delay in order to best protect its marketplace. Waiver of operative delay is consistent with the protection of investors and the public interest because it would enable market participants to benefit from the clarifying language regarding how the Exchange's Opening Process operates without undue delay. The Exchange believes that market participants and investors benefit from the use of the EQR as a tool to help enable a fair and orderly opening on the Exchange.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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11 17 CFR 240.19b-4(f)(6).

12 17 CFR 240.19b-4(f)(6).

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed amendment is not based on the rules of any other options exchange.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

1. Notice of proposed rule for publication in the Federal Register.

5. Text of proposed changes to rule text.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-MIAX-2015-57)

September__, 2015

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by Miami International Securities Exchange LLC to Amend Exchange Rule 503

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on September 21, 2015, Miami International Securities Exchange LLC ("MIAX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is filing a proposal to amend Exchange Rule 503.

The text of the proposed rule change is available on the Exchange's website at http://www.miaxoptions.com/filter/wotitle/rule_filing, at MIAX's principal office, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 503 to codify existing functionality during the Exchange's Opening Process. Specifically, the Exchange is amending Rule 503(f) to address a discrepancy between the rule text description of how this process works and how it is actually working in production. Specifically, the Exchange proposes to amend the rule to provide that the System will use the Expanded Quote Range ("EQR") when there are quotes and orders that lock or cross each other. The proposal codifies the actual existing functionality during the Exchange's Opening Process. In addition, the Exchange proposes to relocate the EQR subsection that is currently in Rule 503(f)(5) to proposed Rule 503(f)(2)(i).

Currently Rule 503(f) provides that when there are quotes and orders that lock or cross an order, the System will use the highest bid and the lowest offer among valid width quotations received that have a bid/ask differential that is compliant with Rule 603(b)(4) to determine the highest quote bid and lowest quote offer.[3] If that price is within the highest valid width quote bid and lowest valid width quote offer and leaves no imbalance, the Exchange will open at that price, executing marketable trading interest, as long as the opening price includes only Exchange

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[3] See Exchange Rule 603(b)(4). See also Exchange Rule 503(e)(3), which states that "valid width quotations" are quotations that are compliant with Rule 603(b)(4) which provides the following criteria: (i) to price option contracts fairly by, among other things, bidding and offering so as to create differences of no more than $5 between the bid and offer ("bid/ask differentials") following the opening rotation in an equity option contract; and (ii) Exchange may establish differences other than the bid/ask differentials described in (i) above for one or more option series or classes.

interest. Current Rule 503(f) also provides that the EQR[4] is only calculated when an imbalance occurs due to insufficient liquidity to satisfy all trading interest due an execution at a certain price.[5] In contrast, the System calculates and uses an EQR in all situations during the Exchange's Opening Process when there are quotes and orders that lock or cross - whether the lock or cross involves an order or a quote and whether or not there is an order imbalance.

While the System calculates EQR in either situation, it does not necessarily use the EQR in determining the calculated opening price where the maximum quantity of contracts may trade. For example, proposed Rule 503(f)(2)(iii) would state that in situations where there is matched interest that does not represent an imbalance and there is no valid width NBBO, the System will calculate a "quality opening market range" (as defined in a table to be determined by the Exchange and published in a Regulatory Circular) in such option series. If the matched interest would trade at a price outside of the quality opening market range, the imbalance process will be used.

The Exchange notes that in most situations there is no impact in the outcome of the opening due to the proposed change in the rule text to use the EQR instead of the highest bid and the lowest offer among valid width quotations received that have a bid/ask differential that is

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4 See Exchange Rule 503(f)(5).

5 See Exchange Rule 503(f)(5). Where there is an imbalance at the price at which the maximum number of contracts can trade that is also at or within the highest valid width quote bid and lowest valid width quote offer, the System will calculate an EQR. The EQR will be recalculated any time a Route Timer or Imbalance Timer expires if material conditions of the market (imbalance size, ABBO price or size, liquidity price or size, etc.) have changed during the timer. Once calculated, the EQR will represent the limits of the range in which transactions may occur during the opening process.

The EQR calculation itself varies depending upon the specific situation, as specified in current Rule 503(f)(5). The EQR calculation will differ depending upon whether one or more away markets have disseminated valid width quotes in the affected series (or) no away markets have disseminated valid width quotes in the affected series. See Exchange Rule 503(f).

compliant with Rule 603(b)(4). For example – assume a quote bid of $1.00 for 5 contracts and a quote offer of $0.90 for 5 contracts on MIAX; away market 1 has a bid $0.01; away market 2 has an offer of $5.05. The Exchange should open because $.90 - $1.00 for 5 contracts on either side is within a $5 bid/ask differential and leaves no imbalance. Instead, however, the System in this situation calculates a price range for the open based on an EQR to include the one or more away markets. After determining that the away markets do not have a valid width quote and that it is a crossed market ($0.01 bid by $5.05 offer is not a valid quote range), the System will calculate the EQR using the Exchange's highest valid width bid and lowest valid width offer ($.90 offer by $1.00 bid is a valid quote range). In this example, the Exchange would open the same under the proposed changes to Rule 503 as it does in the current version of the rule.

If the current rule were applied in situations where quotes or orders lock or cross, and there are no valid-width away markets, the System would have nonetheless calculated the highest bid and the lowest offer among valid width quotations received on MIAX that have a bid/ask differential that is compliant with Rule 603(b)(4). The following example illustrates this scenario.

Invalid Width ABBO

Assume a quote bid of $1.00 for 5 contracts and quote offer of $0.90 for 5 contracts on MIAX; assume away market 1 has a bid $0.10; away market 2 has an offer of $5.20 (an invalid width ABBO). The System in this situation calculates a price range for the open based on an EQR that does not include the one or more away markets. In this example, the System sets the EQR to $0.90 - $1.00, using the lowest quote offer and the highest quote bid.

Valid Width ABBO

Assume again a quote bid of $1.00 for 5 contracts and a quote offer of $0.90 for 5 contracts on MIAX; assume away market 1 has a bid $0.85; away market 2 has an offer of $1.10

(a valid width ABBO). The System in this situation calculates a price range for the open based on an EQR that includes the one or more away markets. After determining that the away markets have a valid width quote and that the MIAX market is crossed, the System sets the EQR to $0.85 - $1.10, using the valid-width ABBO.

If the current rule were applied, the System would have calculated the EQR if there had been an imbalance, using the Exchange's highest valid width bid and lowest valid width offer ($.90 offer by $1.00 bid is a valid quote range), and would open only within the limited $0.90 - $1.00 range. In each of the above examples, under the current rule and under the proposed change, the System would open with a trade of 5 contracts at $0.95, the price at which the greatest number of contracts can trade.

The following examples illustrate that the EQR is calculated in all situations, i.e., whether there is an imbalance or not. In the first example, assume quote bids of $0.90 and $0.80 for 5 contracts each, and quote offers of $1.00 and $1.10 of 5 contracts each on MIAX; assume away market 1 has a bid $0.10; away market 2 has an offer of $5.20 (invalid width ABBO). No Imbalance exists. Under the proposed Rule, an EQR calculation occurs, setting the EQR Minimum at the lowest bid minus the allowance per EQR Table ($0.75 in this case), and the EQR Maximum at the highest bid plus the allowance per EQR Table ($1.15 in this case). With no Imbalance and no crossing liquidity, no trade takes place.

Assume again quote bids of $0.90 and $0.80 for 5 contracts each, and quote offers of $1.00 and $1.10 of 5 contracts each on MIAX; assume away market 1 has a bid $0.10; away market 2 has an offer of $5.20 (invalid width ABBO). No Imbalance exists. If the current Rule were to be applied, since there is no Imbalance, an EQR calculation would not occur. With no Imbalance and no crossing quotes or orders, no trade would occur. In each of these examples, because there is no trade, the Exchange would open by disseminating a quote as described in current Rule 503(f)(1).[6]

In Examples 3 and 4, the only difference is whether an EQR is calculated or not. But no trade takes place in either case.

The Exchange believes that using the EQR instead of the current price range in Rule 503(f) is beneficial to market participants because the EQR provides a more accurate measure as to whether there is sufficient available liquidity in the broader market system to provide a fair and orderly opening process and sufficient price discovery for the options to open for trading because it incorporates the prices on away markets into its evaluation.

The Exchange also proposes to amend current Rule 503(f)(3) to provide that the provision applies to situations when the lock or cross involves an order or a quote, not just an order. Specifically, the Exchange proposes to provide that if there are quotes or orders that lock or cross, the System will use the EQR to determine the highest and lowest price of the opening price range. Currently, to calculate the opening price, the System will take into consideration all valid Exchange quotes and all valid orders, together with other exchanges' markets for the series and identify the price at which the maximum number of contracts can trade. If that price is within the EQR and leaves no imbalance, the Exchange will open at that price, executing marketable trading interest, as long as the opening price includes only Exchange interest.

In addition, the Exchange proposes relocating the EQR subsection that is currently in Rule 503(f)(5) to proposed Rule 503(f)(2)(i). The Exchange believes that this change will reduce the potential for any confusion on the part of its members as to when the EQR is calculated and used during the Exchange's Opening Process. The Exchange also proposes

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6 Current Rule 503(f)(1) states that if there are no quotes or orders that lock or cross each other, the System will open by disseminating the Exchange's best bid and offer among quotes and orders that exist in the System at that time.

deleting language regarding the imbalance from current Rule 503(f)(7) and relocating the subsection that is currently in Rule 503(f)(7) to proposed Rule 503(f)(2)(iii). In addition, the Exchange also proposes technical changes to the number formatting in current Rule 503(f) in order to reduce the potential for confusion as to which provisions in Rule 503(f) apply to situations where there are quotes and orders that lock and cross each other.

2. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act[7] in general, and furthers the objectives of Section 6(b)(5) of the Act[8] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The proposed amendments remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, protect investors and the public interest by amending the rules regarding the Exchange's Opening Process. The inclusion of the functionality of the System in the rules promotes transparency and clarity in the Exchange's Opening Process. The transparency and accuracy resulting from the codification of this functionality is consistent with the Act because it removes impediments to and perfects the mechanism of a free and open market and a national market system, and, in general, protects investors and the public interest, by accurately describing the steps taken by the System in the limited scenario where the Exchange's opening quote is crossed by orders that have the same

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7 15 U.S.C. 78f(b).

8 15 U.S.C. 78f(b)(5).

size. Participants in the Exchange's opening will have a better understanding of the Exchange's opening process when there are quotes and orders that lock and cross each other. In addition, the Exchange believes that the function of the EQR itself is designed to promote just and equitable principles of trade by providing a clear and objective method to enable a fair and orderly opening on the exchange to the benefits of investors and the public interest.

The Exchange believes that using the EQR instead of the current price range in Rule 503(f) is beneficial to market participants because the EQR represents a more accurate measure of the true market for an option on the opening (especially after providing participants with an opportunity to submit new quotes before the EQR is calculated). This step providing that opportunity, now codified in the Rule should reduce the probability of imbalances and will assure participants in the Exchange's opening process that they have the ability to submit new opening quotes in response to an imbalance message. This process is fair because it provides such an opportunity for all participants, and is orderly because that opportunity must take place before the EQR is calculated. Moreover, the imbalance message followed by the EQR calculation is more efficient because it functions to eliminate unnecessary delays in the opening process by allowing participants to submit new quotations against which opening orders and quotes may trade.

B. <u>Self-Regulatory Organization's Statement on Burden on Competition</u>

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the Exchange believes the proposed changes will not impose any burden on intra-market competition because it applies to all MIAX participants equally. In addition, the Exchange does not believe the proposal will impose any burden on inter-market competition as the proposal is intended to protect investors by providing further transparency regarding the

Exchange's Opening Process. The Exchange believes that using the EQR instead of the current price range in Rule 503(f) is beneficial to market participants because the EQR provides a more accurate measure as to whether there is sufficient available liquidity in the broader market system to provide a fair and orderly opening process and sufficient price discovery for the options to open for trading to the benefit of investors. As such, the Exchange believes that the EQR will not be a burden on competition, but rather promote more trading opportunities and competition during the opening since it is designed to promote just and equitable principles of trade by providing a clear and objective method to enable a fair and orderly opening on the exchange to the benefits of investors and the public interest.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act[9] and Rule 19b-4(f)(6)[10] thereunder.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such

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9 15 U.S.C. 78s(b)(3)(A).

10 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-MIAX-2015-57 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-MIAX-2015-57. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (http://www.sec.gov/rules/sro.shtml).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-MIAX-2015-57 and should be submitted on or before [insert date 21 days from publication in the Federal Register]. For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[11]

Brent J. Fields
Secretary

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[11] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC Rules

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Rule 503. Openings on the Exchange

(a) - (e) No change.

(f) **Opening Process**

(1) If there are no quotes or orders that lock or cross each other, the System will open by disseminating the Exchange's best bid and offer among quotes and orders that exist in the System at that time.

(2) If there are quotes or orders that lock or cross each other, the System will open by following the Opening Process detailed below.

(i) **Expanded Quote Range**. The System will calculate an Expanded Quote Range ("EQR"). The EQR will be recalculated any time a Route Timer or Imbalance Timer expires if material conditions of the market (imbalance size, ABBO price or size, liquidity price or size, etc.) have changed during the timer. Once calculated, the EQR will represent the limits of the range in which transactions may occur during the opening process.

(A) If one or more away markets have disseminated valid width quotes in the affected series, the System will calculate an EQR for a particular series as follows:

1. Except as provided in subparagraph (2) below, to determine the minimum value for the EQR, an amount, as defined in a table to be determined by the Exchange, will be subtracted from the highest valid width quote bid among valid width quotes on the Exchange and on the away market(s). To determine the maximum value for the EQR, an amount, as defined in a table to be determined by the Exchange, will be added to the lowest valid width quote offer among valid width quotes on the Exchange and on the away market(s).

2. If one or more away markets have disseminated quotes that are not crossed and together comprise a valid width market, and there are valid width quotes on the Exchange that cross each other or that cross away market quotes, then:

a. the minimum value for the EQR will be the highest away market quote bid, and

b. the maximum value for the EQR will be the lowest away market quote offer.

(B) If no away markets have disseminated valid width quotes in the affected series, the System will calculate an Expanded Quote Range ("EQR") for a particular series as follows:

1. Except as provided in subparagraph (3) below, to determine the minimum value for the EQR, an amount, as defined in a table to be determined by the Exchange, will be subtracted from the highest valid width quote bid among valid width quotes on the Exchange; and

2. Except as provided in subparagraph (3) below, to determine the maximum value for the EQR, an amount, as defined in a table to be determined by the Exchange, will be added to the lowest valid width quote offer among valid width quotes on the Exchange.

3. If there are quotes on the Exchange that cross each other, and there is no away market in the affected series, then

a. the minimum value for the EQR will be the lowest valid width quote bid among valid width quotes on the Exchange.

b. the maximum value for the EQR will be the highest valid width quote offer among valid width quotes on the Exchange.

(ii) When two or more prices for an affected series would satisfy the Opening Process as [defined] detailed below and the maximum quantity criterion would satisfy all interest at that level, the System uses the highest and lowest of those prices to determine the mid-point for the opening price. If such midpoint is not expressed as a permitted minimum trading increment, it will be rounded up to determine the opening price. In a situation where a limit order to buy (sell) crosses more than one offer (bid), the System will treat the limit order to buy (sell) like a market order up to and including its limit price for purposes of opening price selection.

(iii) In situations where there is matched interest that does not represent an imbalance and there is no valid width NBBO, the System will calculate a "quality opening market range" (as defined in a table to be determined by the Exchange and published in a Regulatory Circular) in such option series. If the matched interest would trade at a price outside of the quality opening market range, the imbalance process will be used.

[(3)](iv) If there are quotes or orders that lock or cross[an order], the System will use the EQR [highest bid and the lowest offer among valid width quotations received that have a bid/ask differential that is compliant with Rule 603(b)(4)] to determine the highest [quote bid

]and lowest [quote offer]price of the opening price range. To calculate the opening price, the System will take into consideration all valid Exchange quotes and all valid orders, together with other exchanges' markets for the series and identify the price at which the maximum number of contracts can trade. If that price is within the EQR [highest valid width quote bid and lowest valid width quote offer] and leaves no imbalance, the Exchange will open at that price, executing marketable trading interest, as long as the opening price includes only Exchange interest. In series where the highest quote bid is either zero or the lowest Minimum Trading Increment and market order sell interest has a quantity greater than all of the buy interest, the System will treat the market order(s) like a limit order(s) to sell at the lowest Minimum Trading Increment and the Opening Process will be satisfied with an opening price at the lowest Minimum Increment with any remaining balance of the sell order(s) being placed on the Book in time priority and made available for execution following the Opening Process.

[(i)](A) If the calculated opening price included interest other than solely Exchange interest, the System will broadcast a System Imbalance Message (which includes the symbol, side of the market, quantity of matched contracts, the imbalance quantity, "must fill" quantity (i.e., the number of contracts that must be filled in order for that option to open on the Exchange at the indicated price), quantity of routable contracts, and price of the affected series) to Exchange Members and initiate a "Route Timer," not to exceed one second. If no new interest is received during the Route Timer, the System will route to other markets disseminating prices better than the Exchange's opening price, execute marketable interest at the opening price on the Exchange, and route to other markets disseminating prices equal to the Exchange opening price if necessary.

[(A)]1. Orders that are routed and executed may receive executions at multiple prices.

[(B)]2. Any order that is routed pursuant to this Rule will be marked as an Intermarket Sweep Order ("ISO"), as defined in Rule 1400(h), with a limit price equal to the Exchange's opening price.

[(ii)](B) If interest is received during the Route Timer, the System will recalculate the opening price taking such new interest into account. Then, if there is no imbalance, the System will execute marketable interest at the opening price on the Exchange and route the remainder to other markets.

[(iii)](C) A different opening price will not require the System to repeat the entire process.

[(4)](v) **Imbalance.** An "imbalance" occurs when there is insufficient liquidity to satisfy all trading interest due an execution at a certain price.

[(5) **Expanded Quote Range.** Where there is an imbalance at the price at which the maximum number of contracts can trade that is also at or within the highest valid width quote bid and lowest valid width quote offer, the System will calculate an Expanded Quote Range ("EQR"). The EQR will be recalculated any time a Route Timer or Imbalance Timer expires if material conditions of the market (imbalance size, ABBO price or size, liquidity price or size, etc.) have changed during the timer. Once calculated, the EQR will represent the limits of the range in which transactions may occur during the opening process.

(i) If one or more away markets have disseminated valid width quotes in the affected series, the System will calculate an EQR for a particular series as follows:

(A) Except as provided in subparagraph (B) below, to determine the minimum value for the EQR, an amount, as defined in a table to be determined by the Exchange, will be subtracted from the highest valid width quote bid among valid width quotes on the Exchange and on the away market(s). To determine the maximum value for the EQR, an amount, as defined in a table to be determined by the Exchange, will be added to the lowest valid width quote offer among valid width quotes on the Exchange and on the away market(s).

(B) If one or more away markets have disseminated quotes that are not crossed and together comprise a valid width market, and there are valid width quotes on the Exchange that cross each other or that cross away market quotes, then:

1. the minimum value for the EQR will be the highest away market quote bid, and

2. the maximum value for the EQR will be the lowest away market quote offer.

(ii) If no away markets have disseminated valid width quotes in the affected series, the System will calculate an Expanded Quote Range ("EQR") for a particular series as follows:

(A) Except as provided in subparagraph (C) below, to determine the minimum value for the EQR, an amount, as defined in a table to be determined by the Exchange, will be subtracted from the highest valid width quote bid among valid width quotes on the Exchange; and

(B) Except as provided in subparagraph (C) below, to determine the maximum value for the EQR, an amount, as defined in a table to be determined by the Exchange, will be added to the lowest valid width quote offer among valid width quotes on the Exchange.

(C) If there are quotes on the Exchange that cross each other, and there is no away market in the affected series, then

1. the minimum value for the EQR will be the lowest valid width quote bid among valid width quotes on the Exchange.

2. the maximum value for the EQR will be the highest valid width quote offer among valid width quotes on the Exchange.

(6)](vi) If there is sufficient size on the Exchange and on away markets on the opposite side of the market from the imbalance to execute all opening marketable interest at a price that is within the established EQR and the Away Best Bid or Offer ("ABBO") without leaving an imbalance, the System will open the affected series for trading at that price by executing opening marketable interest on the System, as long as the System does not trade at a price inferior to the ABBO. If it would trade at a price inferior to the ABBO, the System will initiate a "Route Timer," not to exceed one second. If no new interest is received during the Route Timer, the System will then route to other markets disseminating prices better than Exchange's opening price, execute marketable interest at the opening price on the Exchange, and route to other markets disseminating prices equal to the Exchange opening price if necessary. If there is still an imbalance after the route timer expires, the System will begin the imbalance process as described below.

[(7) In situations where there is matched interest that does not represent an imbalance and there is no valid width NBBO, the System will calculate a "quality opening market range" (as defined in a table to be determined by the Exchange and published in a Regulatory Circular) in such option series. If the matched interest would trade at a price outside of the quality opening market range, the imbalance process will be used.

(8)](vii) **Imbalance Process.** If all opening marketable size cannot be completely executed at or within the EQR without trading at a price inferior to the ABBO, or cannot trade at or within the quality opening market range in the absence of a valid width NBBO, the System will automatically institute the following imbalance process:

[(i)](A) First, the System will broadcast a System Imbalance Message (which includes the symbol, side of the market, quantity of matched contracts, the imbalance quantity, "must fill" quantity, quantity of routable contracts, and price of the affected series) to subscribers of the Exchange's data feeds, and begin an "Imbalance Timer," not to exceed three seconds. The Imbalance Timer will be for the same number of seconds for all option classes traded on the Exchange. Market Makers may enter Opening Only ("OPG") eQuotes, Auction or Cancel ("AOC") eQuotes, Standard quotes, Opening Orders ("OPG Orders"), AOC Orders and limit orders during the Imbalance Timer. Other Exchange Members may enter OPG Orders, AOC Orders and other order types (except those order types not valid during the opening process as described in Rule 516) during the Imbalance Timer.

[(ii)](B) If at the conclusion of the Timer, quotes and orders submitted during the Imbalance Timer, or other changes to the ABBO, would not allow the entire imbalance amount to trade at the Exchange at or within the EQR without trading at a price inferior to the ABBO, the System will:

[(A)]1. send a new System Imbalance Message to Exchange Members; and

[(B)]2. initiate a Route Timer for routable Public Customer orders not to exceed one second. If during the Route Timer, interest is received by the System which would allow all interest to trade on the System (i.e., there is no longer an imbalance) at the opening price without trading at a price inferior to other markets, the System will trade and the Route Timer will end. The System will monitor quotes received during the Route Timer period and make ongoing corresponding changes to the permitted EQR to reflect them.

[(C)]3. If the Route Timer expires, the End of Route Timer Process will ensue. Under the End of Route Timer Process, the System will determine:

[1.]a. If the total number of contracts displayed at better prices than the Exchange's potential opening price on away markets ("better priced away contracts") would satisfy the number of marketable contracts available on the Exchange. If so, the System will route all marketable contracts on the Exchange to such better priced away markets, and determine an opening MIAX best bid or offer (MBBO) that reflects the interest remaining on the Exchange. The System will price any contracts routed away to other markets at the better away market price.

[2.]b. If the total number of better priced away contracts would not satisfy the number of marketable contracts the Exchange has, the System will determine how many contracts it has available at the Exchange opening price. If the total number of better priced away contracts plus the number of contracts available at the Exchange opening price would satisfy the number of marketable contracts on the Exchange, the System will contemporaneously route a number of contracts that will satisfy interest at other markets at prices better than the Exchange opening price, and trade available contracts on the Exchange at the Exchange opening price.

[3.]c. If the total number of better priced away contracts plus the number of contracts available at the Exchange opening price would not satisfy the number of marketable contracts the Exchange has, the System will determine how many contracts are available at other markets at the Exchange opening price. If the total number of better priced away contracts plus the number of contracts available at the Exchange opening price plus the contracts available at other markets at the Exchange opening price would satisfy the number of marketable contracts the Exchange has, the System will contemporaneously route a number of contracts that will satisfy interest at other markets at prices better than the Exchange opening price, trade available contracts on the Exchange at the Exchange opening price, and route a number of contracts that will satisfy interest at other markets at prices equal to the Exchange opening price.

[4.]d. If the total number of better priced away contracts plus the number of contracts available at the Exchange opening price plus the contracts available at other markets at the Exchange opening price would not satisfy the number of marketable contracts the Exchange has, the System will repeat the Imbalance Process.

[(D)]4. The System may repeat the Imbalance Process up to three times (as established by the Exchange).

[(E)]5. If after that number of times the System still cannot route and/or trade the entire imbalance amount, the System will open as many contracts as possible by routing to other markets with prices better than the Exchange opening price for their disseminated size, trade available contracts on the Exchange at the opening price and route to other markets at prices equal to the Exchange opening price for their disseminated size. In this situation, the System will price any contracts routed to other markets at the away market price. Any unexecuted contracts from the imbalance not traded or routed will be cancelled back to the entering Member if the price for those contracts crosses the opening price, unless the Member that submitted the original order has instructed the Exchange in writing to re-enter the remaining size, in which case the remaining size will be automatically submitted as a new order. However, in a series where the EQR has been calculated to be zero on the bid side and market order sell interest has a quantity greater than all of the buy interest, the System will treat the market order(s) like a limit order(s) to sell at the lowest Minimum Trading Increment and the Opening Process will be satisfied with an opening price at the lowest Minimum Increment with any remaining balance of the sell order(s) being placed on the Book in time priority and made available for execution following the Opening Process.

[(F)]6. The System will execute orders at the opening that have contingencies and non-routable orders, such as a "Do Not Route" or "DNR" Orders to the extent possible. DNR orders together with other non-routable orders will be handled after the opening in accordance with Rule 515.

[(9)](C) **Permitted Responses to Imbalance Message.** Market Makers may submit Standard quotes, OPG and AOC eQuotes, OPG and AOC Orders and limit orders in response to an imbalance message. All other Exchange Members may submit OPG and AOC Orders and other types of orders (except those order types not valid during the opening process as described in Rule 516) in response to an imbalance message. OPG and AOC eQuotes and OPG and AOC Orders may be entered at any price with a minimum trading increment applicable to the affected series, on either side of the market, at single or multiple price level(s), and may be cancelled and reentered. A single Exchange Member may enter multiple OPG and AOC eQuotes and OPG and AOC Orders, with each eQuote or Order at a different price level. The System will aggregate the size of all quotes and orders (i.e., for each Market Maker) at a particular price level for trade allocation purposes. Unexecuted OPG or AOC eQuotes and OPG or AOC Orders will be cancelled once the affected series is open.

[(10)](viii) The System will give priority to market orders first in type, then in time priority (including limit orders that are treated as market orders except for limit orders in series with a bid of $0.00 and an offer less than $0.05, which will not be treated as market orders), then to resting limit orders at the opening price.

[(11)](ix) Inbound orders and quotes will not be included in the calculation of the opening price for a brief period established by the System while the System is in the process of completing the opening trade. This brief period will not exceed .25 of one second. After such brief period, inbound orders and quotes received during the period will be entered into the System in order of their arrival.

[(12)](x) If at any point during the opening process the ABBO becomes crossed (e.g., the bid is greater than the offer), the opening process will be terminated and the Exchange will not open the affected series. A new opening process for the affected series will commence at the time the ABBO is no longer crossed.

(g) The Help Desk may delay the standard manner of the opening procedure when necessary in the interests of maintaining a fair and orderly market.

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