

MEMORANDUM

TO: Nasdaq Phlx Trading Floor

FROM: Nasdaq Phlx Floor Surveillance

DATE: September 26, 2024

RE: Nasdaq Phlx “Open-Outcry Solicitation of Quotations”

Nasdaq Phlx (“Phlx”) reminds members and member organizations who transact business in open outcry on Phlx’s Trading Floor of Options 8, Section 24(b), Solicitation of Quotations, in response to a floor broker’s solicitation of a single bid or offer, as well as Options 8, Section 30, Crossing, Facilitation and Solicited Orders, requesting a market when an order is subject to crossing, specifically with respect to order disclosure.

Order Disclosure

Phlx Supplementary Material .02(iv) to Options 8, Section 30 requires a Floor Broker to disclose all the terms (including contingency) of an order to the trading crowd. Specifically, Phlx Supplementary Material .02(iv) to Options 8, Section 30 provides,

[A] Floor Broker must disclose on its order ticket for any order which is subject to crossing, all of the terms of such order, including any contingency involving, and all related transactions in, either options or, in the case of equity or index options, underlying or related securities. The Floor Broker, in the case of equity or index options, must disclose all securities that are components of the Public Customer order which is subject to crossing before requesting bids and offers for the execution of all components of the order.

Further, Supplementary Material .01 to Options 8, Section 30 states that a violation of Options 8, Section 30 may be considered conduct inconsistent with the just and equitable principles of trade.

If you have questions regarding the Phlx rules and/or any of the scenarios, please direct your questions to Michael Blackson, Head of Floor Surveillance at michael.blackson@nasdaq.com or 215.496.5295.