

DATE: November 14, 2014

TO: MIAX Members

FROM: MIAX Regulatory Department

RE: Initiating Price of PRIME Auctions of 50 contracts or less, At or Better than the NBBO – Effective December 1, 2014

The Exchange filed for immediate effectiveness to amend MIAX Rule 515A regarding PRIME to allow orders of any size to initiate a PRIME Auction on MIAX at a price which is at or better than the national best bid or offer (“NBBO”).

In SR-MIAX-2014-56, the Exchange removed the requirement that Agency Orders for less than 50 contracts or 500 mini-option contracts to be \$0.01 increment or better than the NBBO in current Rule 515A(a)(2)(i)(A). As a result, all Agency Orders regardless of their size will be treated the same as Agency Orders that are 50 standard option contracts or 500 mini-option contracts or more in current Rule 515A(a)(1)(ii). Similarly, for auto-match submissions, the Exchange will discontinue the requirement that Agency Orders for less than 50 contracts or 500 mini-option contracts to be \$0.01 increment or better than the NBBO in current Rule 515A(a)(2)(i)(A). As a result, for auto-match submissions, all Agency Orders regardless of their size will be stopped at the better of the NBBO or the Agency Order’s limit price. The Exchange notes that the requirement will remain unchanged for both single price submissions and auto-match if the MBBO on the same side of the market as the Agency Order represents a limit order on the MIAX Book the stop price must be at least \$0.01 increment better than the booked order’s limit price.

The changes take effect on December 1, 2014.

Please direct any questions to Shelly Brown at sbrown@miaxoptions.com or at (609) 897-7317.

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