

1. Text of the Proposed Rule Change

(a) MEMX LLC (“MEMX” or the “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (the “Commission”) a proposal to amend Rule 19.5. The Exchange has designated this proposal as non-controversial pursuant to Section 19(b)(3)(A)(iii) of the Act³ and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) thereunder.⁴

A notice of the proposed rule change for publication in the Federal Register is provided as Exhibit 1. The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by Exchange staff pursuant to authority delegated to it by the Board of Directors of the Exchange (the “Board”). Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the proposed rule change.

The persons on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

Anders Franzon
General Counsel
MEMX LLC
(551) 370-1003

Molly Hartley
Counsel
MEMX LLC
(551) 370-1089

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

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

a. Purpose

The purpose of the proposed rule change is to amend Rule 19.5, Interpretation and Policy .05. Specifically, the Exchange proposes to amend Rule 19.5, Interpretation and Policy .05(f) to account for conflicts between different provisions within the Short Term Option Series Rules, extend current \$0.50 strike price intervals in equity options to short term options with strike prices less than \$100, and make other clarifying changes.

In August 2022, the Commission approved the Exchange’s adoption of rules to govern the trading of options on the Exchange by MEMX Options⁵, which will be a facility of the Exchange. The rules adopted were substantially similar to those of other currently operating options exchanges, in particular, Cboe BZX Exchange, Inc. (“BZX Options”). Since that time, BZX Options and other options exchanges, including Cboe EDGX Exchange, Inc. (“EDGX Options”), have modified certain of those rules⁶ and as such, the Exchange wishes to propose the same modifications in order to conform to those rules at the time trading begins on MEMX Options.⁷

Specifically, the Exchange’s current Rule 19.5, Interpretation and Policy .05 limits the intervals between strikes in equity options listed as part of the Short Term Option Series Program, excluding Exchange-Traded Fund Shares and ETNs, that have an expiration date

⁵ See Securities Exchange Act Release No. 95445 (August 9, 2022), 87 FR 49884 (August 12, 2022) (SR-MEMX-2022-010).

⁶ See Securities Exchange Act Release Nos. 95406 (August 1, 2022), 87 FR 48051 (August 5, 2022) (SR-CboeBZX-2022-042); 95407 (August 1, 2022), 87 FR 48055 (August 5, 2022) (SR-CboeEDGX-2022-034).

⁷ Currently, the Exchange plans to launch MEMX Options in September 2023.

more than twenty-one days from the listing date (“Strike Interval Proposal”). The Strike Interval Proposal paragraph (f) includes a table that specifies the applicable strike intervals that would supersede subparagraph (e)⁸ for Short Term Option Series in equity options, excluding options on exchange-traded fund shares and on exchange-traded notes, which have an expiration more than 21 days from the listing date. The Strike Interval Proposal was designed to reduce the density of strike intervals that would be listed in later weeks, within the Short Term Option Series Program, by utilizing limitations for intervals between strikes that have an expiration date more than 21 days from the listing date.

The Exchange proposes to amend Rule 19.5, Interpretation and Policy .05 to clarify the current rule text and amend the application of the table to account for potential conflicts within the Short Term Option Series Rules. Currently, Rule 19.5, Interpretation and Policy .05(f) provides that notwithstanding subparagraph (e),⁹ when Short Term Option Series in equity options (excluding options on ETFs and ETNs) have an expiration more than 21 days from the listing date, the strike interval for each option class will be based on the following table, and also states: *“to the extent there is conflict between applying subparagraph (e) above and the below table, the greater interval would apply.”* The existing table is as follows:

⁸ Rule 19.5, Interpretation and Policy .05(e) states if a class does not trade in \$1 strike price intervals, the strike price interval for Short Term Option Series may be (i) \$0.50 or greater where the strike price is less than \$75; (ii) \$1.00 or greater where the strike price is between \$75 and \$150; or (iii) \$2.50 or greater for strike prices greater than \$150.

⁹ The proposed rule change makes a nonsubstantive change to correct the term “subparagraph” to “paragraph” in the introductory paragraph of Rule 19.5, Interpretation and Policy .05(f) as well as subparagraph (f)(3).

Tier	Average Daily Volume	Share Price ¹				
		Less than \$25	\$25 to less than \$75	\$75 to less than \$150	\$150 to less than \$500	\$500 or greater
1	Greater than 5,000	\$0.50	\$1.00	\$1.00	\$5.00	\$5.00
2	Greater than 1,000 to 5,000	\$1.00	\$1.00	\$1.00	\$5.00	\$10.00
3	0 to 1,000	\$2.50	\$5.00	\$5.00	\$5.00	\$10.00
<p>¹ The Share Price is the closing price on the primary market on the last day of the calendar quarter. In the event of a corporate action, the Share Price of the surviving company is utilized. The Average Daily Volume is the total number of option contracts traded in a given security for the applicable calendar quarter divided by the number of trading days in the applicable calendar quarter. Beginning on the second trading day in the first month of each calendar quarter, the Average Daily Volume is calculated by utilizing data from the prior calendar quarter based on Customer-cleared volume at OCC. For options listed on the first trading day of a given calendar quarter, the Average Daily Volume is calculated using the quarter prior to the last trading calendar quarter. See Rule 19.5, Interpretation and Policy .05(f)(1) and (2).</p>						

First, the Exchange proposes to add the phrase “which specifies the applicable interval for listing” to the end of the first sentence of paragraph (f). The table within that paragraph provides for the listing of intervals based on certain parameters (average daily volume and share price). The Exchange proposes to add the phrase “which specifies the applicable interval for listing” to clarify that the only permitted intervals are as specified in the table within paragraph (f), as proposed to be amended.

Second, the Exchange proposes to delete the final sentence of paragraph (f) which indicates that in the event of a conflict between applying subparagraph (e) and the below table, the greater interval would apply, and amend the table in paragraph (f) to address situations in which there is a conflict between applying the intervals in paragraph (e) and the table in paragraph (f). Today, there are instances where a conflict is presented as between the application of the table within paragraph (f) and the rule text within paragraph (e) with respect to the correct interval. To address these potential conflicts, the Exchange included the final sentence in paragraph (f) that indicates to the extent there is a conflict between applying the current table within paragraph (f) and the rule text within paragraph (e), the greater interval would apply. However, in order to more clearly reflect this within the Rules and maintain consistency with other exchanges¹⁰, the Exchange proposes to amend the table in paragraph (f) to specify what the greater interval would be, and thus the interval the Exchange would apply, in the event of any possible conflict between the two rule provisions. While the substance of the rule does not change by this proposed modification, the Exchange believes that the amended table provides a simpler reference for Options Members. Specifically, the proposed rule change amends the table as follows:

Tier	Average Daily Volume	Share Price				
		Less than \$25	\$25 to less than \$75	\$75 to less than \$150	\$150 to less than \$500	\$500 or greater
1	Greater than 5,000	\$0.50 for strikes less than \$100 in Short Term Option Series Program classes and classes that trade in \$1 increments in non-	\$1.00 for strikes less than \$150	\$1.00 for strikes less than \$150	\$5.00	\$5.00

¹⁰ See supra note 6.

		Short Term Option Series \$1.00 for strikes between \$100 and \$150 for classes that do not otherwise trade in \$1.00 increments in non-Short Term Option Series \$2.50 for strikes greater than \$150	\$2.50 for strikes greater than \$150	\$2.50 for strikes greater than \$150		
2	Greater than 1,000 to 5,000	\$1.00 for strikes less than \$150 \$2.50 for strikes greater than \$150	\$1.00 for strikes less than \$150 \$2.50 for strikes greater than \$150	\$1.00 for strikes less than \$150 \$2.50 for strikes greater than \$150	\$5.00	\$10.00
3	0 to 1,000	\$2.50	\$5.00	\$5.00	\$5.00	\$10.00

Below are some examples to demonstrate the application of the proposed table:

Example 1: Assume a Tier 1 stock that closed on the last day of Q1 with a quarterly share price higher than \$75 but less than \$150. Therefore, utilizing the current table within paragraph (f), the interval would be \$1.00 for strikes added during Q2 even for strikes above \$150. However, paragraph (e) provides that the Exchange may list a Short Term Option Series at \$2.50 intervals where the strike price is above \$150. In other words, there is a potential conflict between the permitted strike intervals above \$150 during Q2. In this example, current paragraph (f) would specify a \$1.00 interval whereas current paragraph (e) would specify a \$2.50 interval. Consistent with selecting the greater interval (from current paragraph (e)), the permissible strike interval in this scenario would be \$2.50 as set forth in the proposed table. Therefore, during Q2, the following strikes would be eligible to list:

\$152.50 and \$157.50. For strikes less than \$150, the following strikes would be eligible to list during Q2: \$149 and \$148 because Short Term Option Series with expiration dates more than 21 days from the listing date as well as Short Term Option Series with expiration dates less than 21 days from the listing date would both be eligible to list \$1 intervals pursuant to both paragraphs (e) and (f).

Example 2: Assume a Tier 2 stock that closed on the last day of Q1 with a quarterly share price less than \$25. Therefore, utilizing the current table within paragraph (f), the interval would be \$1.00 for strikes added during Q2 even for strikes above \$25. However, paragraph (e), as proposed to be amended, provides that the Exchange may list a Short Term Option Series at \$0.50 intervals where the strike is less than \$100, at \$1.00 intervals where the strike price is between \$100 and \$150, and at \$2.50 intervals where the strike price is above \$150. In other words, there is a potential conflict between the permitted strike intervals below \$100 and above \$150 during Q2. In this example, current paragraph (f) would specify a \$1.00 interval for strikes below \$100 whereas amended paragraph (e) would specify a \$0.50 interval. Consistent with selecting the greater interval (from current paragraph (f)), the permissible strike interval in this scenario for strikes below \$100 would be \$1.00 as set forth in the proposed table. For strikes between \$100 and \$150, there is no conflict, as both provisions would provide \$1.00 intervals for those strikes. For strikes above \$150, current paragraph (f) would specify a \$1.00 interval for strikes above \$150 whereas current paragraph (e) would specify a \$2.50 interval. Consistent with selecting the greater interval (from current paragraph (e)), the permissible strike interval in this scenario for strikes above \$150 would be \$2.50 as set forth in the proposed table.

Example 3: Assume a Tier 3 stock that closed on the last day of Q1 with a quarterly share price less than \$25. Therefore, utilizing the current table within paragraph (f), the interval would be \$2.50 for all strikes added during Q2. However, paragraph (e), as proposed to be amended, provides that the Exchange may list a Short Term Option Series at \$0.50 intervals where the strike price is less than \$100, \$1.00 intervals where the strike price is between \$100 and \$150, and \$2.50 intervals where the strike price is above \$150. In other words, there is a potential conflict between the permitted strike intervals below \$150 during Q2 (there is no conflict for strikes above \$150, as both provisions provide for a \$2.50 strike interval). Consistent with selecting the greater interval (from current paragraph (f)), the permissible strike interval in this scenario for strikes below \$150 would be \$2.50 as set forth in the proposed table.¹¹

Finally, the Exchange proposes to amend Rule 19.5, Interpretation and Policy .05(e) to extend \$0.50 strike price intervals in equity options to short-term options with strike prices less than \$100 instead of the current \$75. This proposed change is intended to conform this provision of the Short Term Option Series Program to that of other options exchanges.¹² With this proposed change, for short term options in equity option classes that do not trade in \$1 strike price intervals, the strike price interval for Short Term Option Series may be (i) \$0.50 or greater where the strike price is less than \$100; (ii) \$1.00 or greater where the strike price is between \$100 and \$150; or (iii) \$2.50 or greater for strike prices greater than \$150.

¹¹ The Exchange made similar corresponding changes to the table for tier 1 and tier 2 stocks with prices \$25 to less than \$75 and \$75 to less than \$150, with all potential conflicts between current paragraphs (e) and (f) resolved to apply the greater interval.

¹² See, e.g., EDGX Rule 19.6, Interpretation and Policy .05(e).

b. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹³ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁴ requirements that the rules of an exchange be 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 regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁵ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange believes the Strike Proposal continues to limit the intervals between strikes listed in the Short Term Option Series Program that have an expiration date more than twenty-one days.

In particular, the Exchange’s proposed addition to the first sentence of Rule 19.5, Interpretation and Policy .05(f) is consistent with the Act because it clarifies that the only permitted intervals are as specified in the table within that subparagraph, as amended.

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(5).

¹⁵ Id.

The Exchange believes this proposed rule change will bring greater transparency to the rule. The proposed rule change to delete the final sentence of the introductory paragraph and amend the table within Rule 19.5, Interpretation and Policy .05(f) to address potential conflicts between that paragraph and paragraph (e) with respect to the correct strike interval is consistent with the Act because it protects investors and the public interest by adding transparency to the manner in which the Exchange implements its listing rules and removes potential uncertainty. The proposed rule text specifies the applicable intervals when there is a conflict between the rule text within paragraphs (e) and (f), thereby providing certainty as to the outcome.

The Strike Interval Proposal was designed to reduce the density of strike intervals that would be listed in later weeks, within the Short Term Option Series Program, by utilizing limitations for intervals between strikes which have an expiration date more than twenty-one days from the listing date. The Exchange's proposal intends to continue to remove certain strike intervals where there exist clusters of strikes whose characteristics closely resemble one another and, therefore, do not serve different trading needs,¹⁶ rendering these strikes less useful. Also, the Strike Interval Proposal continues to reduce the number of strikes listed on the Exchange, allowing Market-Makers to expend their capital in the options market in a more efficient manner, thereby improving overall market quality on the Exchange.

Additionally, by providing more clarity as to which interval would apply between the current rule text within Rule 19.5, Interpretation and Policy .05(e) and (f), the

¹⁶ For example, two strikes that are densely clustered may have the same risk properties and may also be the same percentage out-of-the-money.

Exchange is reducing the number of strikes listed in a manner consistent with the intent of the Strike Interval Proposal, which was to reduce strikes which were farther out in time. The result of this clarification is to select wider strike intervals for Short Term Option Series in equity options which have an expiration date more than twenty-one days from the listing date. This rule change would harmonize strike intervals as between inner weeklies (those having less than twenty-one days from the listing date) and outer weeklies (those having more than twenty-one days from the listing date) so that strike intervals are not widening as the listing date approaches.

The proposed rule change to extend current \$0.50 strike price intervals in equity options to short term options with strike prices less than \$100 will remove impediments to and perfect the mechanism of a free and open market and a national market system, because it will conform this portion of the Short Term Option Series Program to that of other options exchanges.¹⁷

4. Self-Regulatory Organization's Statement on Burden on Competition

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. The Strike Interval Proposal continues to limit the number of Short Term Option Series Program strike intervals available for quoting and trading on the Exchange for all Options Members.

The Exchange believes adding clarifying language to the first sentence of Rule 19.5, Interpretation and Policy .05(f) regarding which parameter the table within that provision amends within the Short Term Option Series Program will bring greater

¹⁷ See, e.g., EDGX Rule 19.6, Interpretation and Policy .05(e).

transparency to the rules. Amending the table within paragraph (f) to address potential conflicts as between the rule text of Rule 19.5, Interpretation and Policy .05(e) and (f) will bring greater transparency to and reduce potential confusion regarding the manner in which the Exchange implements its listing rules. Deleting the last sentence of the first paragraph of the introductory paragraph of Rule 19.5, Interpretation and Policy .05(f) does not impose an undue burden on competition and will avoid potential confusion because the table within paragraph (f) clarifies which strike intervals will apply in all scenarios. Extending current \$0.50 strike price intervals in equity options to short term options with strike prices less than \$100 will not impose an undue burden on competition, because it is consistent with the rules of other options exchanges.¹⁸

While this proposal continues to limit the intervals of strikes listed on the Exchange, the Exchange continues to balance the needs of market participants by continuing to offer a number of strikes to meet a market participant's investment objective. The Exchange's Strike Interval Proposal does not impose an undue burden on intermarket competition as this Strike Interval Proposal does not impact the listings available at another self-regulatory organization.

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

The Exchange neither solicited nor received comments on the proposed rule change.

6. Extension of Time Period for Commission Action

Not applicable.

¹⁸ Id.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹⁹ and Rule 19b-4(f)(6) thereunder²⁰ in that it 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.

Furthermore, Rule 19b-4(f)(6)(iii)²¹ 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.

The Exchange believes that the proposed rule change does not significantly affect the protection of investors or the public interest, but rather promotes the protection of investors and the public interest as it improves market quality by removing unnecessary strikes, as well as adds transparency. Clear, transparent, and concise rules benefit investors and the public interest by reducing potential confusion. The Exchange believes the proposed additional language in the first sentence of Rule 19.5, Interpretation and Policy .05(f) that clarifies the only permitted intervals are as specified in that provision, as proposed to be amended, protects investors by adding transparency to the Exchanges'

¹⁹ 15 U.S.C. 78s(b)(3)(A)(iii).

²⁰ 17 CFR 240.19b-4(f)(6).

²¹ 17 CFR 240.19b-4(f)(6)(iii).

Rules. Additionally, the Exchange believes the proposed change to amend the table within Rule 19.5, Interpretation and Policy .05(f) to address a potential conflict between the application of that table and the rule text within Rule 19.5, Interpretation and Policy .05(e) with respect to the correct interval does not significantly affect the protection of investors or the public interest because it clarifies the applicable strike price interval when a conflict between Rule 19.5, Interpretation and Policy .05(e) and (f) arises, thereby providing certainty as to the outcome. The proposed table benefits investors and the public interest by removing any uncertainty regarding the application of the Exchange's rules. Further, the Exchange believes deletion of the last sentence of the introductory paragraph of Rule 19.5, Interpretation and Policy .05(f) does not significantly affect the protection of investors or the public interest because it reduces potential confusion and provides clarity within the Exchange's Rules. The Exchange believes the proposed rule change does not impose any significant burden on competition because the proposed rule change adds transparency and certainty to and reduces potential confusion within the Exchange's rules.

The proposed rule change to extend current \$0.50 strike price intervals in equity options to short term options with strike prices less than \$100 will not significantly affect the protection of investors or impose any significant burden on competition because it will conform this portion of the Short Term Option Series Program to that of other options exchanges.²²

²² See, e.g., EDGX Rule 19.6, Interpretation and Policy .05(e).

For the foregoing reasons, this rule qualifies as “non-controversial” under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(ii),²³ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange respectfully requests the Commission to waive the 30-day operative delay so that the proposal may become operative immediately. The Exchange intends to launch MEMX Options on September 13, 2023. Waiver of the 30-day operative delay would allow the Exchange to implement the proposed change to amend its rules as set forth above prior to launch, thus ensuring consistency of strike rules between the Exchange and other options exchanges. Waiver of the operative delay is, therefore, consistent with the protection of investors and the public interest. As noted above, the Exchange does not believe that the proposal raises any new or novel issues that have not been previously considered by the Commission, and thus, the Exchange believes waiver of the operative delay is appropriate in this instance.

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall

²³ 17 CFR 240.19b-4(f)(6)(ii).

institute proceedings to determine whether the proposed rule should be approved or disapproved.

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

The proposal is not novel and does not raise any unique issues, as it is substantively identical to BZX Options and EDGX Options' proposals approved by the Commission. The proposed rule change to extend current \$0.50 strike price intervals in equity options to short term options with strike prices less than \$100 is also not novel and does not raise any unique issues, as it is based on the rules of other options exchanges.

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

Exhibit 1. Form of Notice of the Proposed Rule Change for Publication in the Federal Register.

Exhibit 5. Text of Proposed Fee Schedule.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-MEMX-2023-18]

[Insert date]

Self-Regulatory Organizations; MEMX LLC; Notice of Filing of a Proposed Rule Change to Amend Rule 19.5

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on [insert date], MEMX LLC (“MEMX” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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 proposes to amend MEMX Rule 19.5. The text of the proposed rule change is provided in Exhibit 5.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

received on the proposed rule change. The text of these statements may be examined at the places specified 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 purpose of the proposed rule change is to amend Rule 19.5, Interpretation and Policy .05. Specifically, the Exchange proposes to amend Rule 19.5, Interpretation and Policy .05(f) to account for conflicts between different provisions within the Short Term Option Series Rules, extend current \$0.50 strike price intervals in equity options to short term options with strike prices less than \$100, and make other clarifying changes.

In August 2022, the Commission approved the Exchange's adoption of rules to govern the trading of options on the Exchange by MEMX Options⁵, which will be a facility of the Exchange. The rules adopted were substantially similar to those of other currently operating options exchanges, in particular, Cboe BZX Exchange, Inc. ("BZX Options"). Since that time, BZX Options and other options exchanges, including Cboe EDGX Exchange, Inc. ("EDGX Options"), have modified certain of those rules⁶ and as such, the Exchange wishes to propose the same modifications in order to conform to those rules at the time trading begins on MEMX Options.⁷

Specifically, the Exchange's current Rule 19.5, Interpretation and Policy .05 limits

⁵ See Securities Exchange Act Release No. 95445 (August 9, 2022), 87 FR 49884 (August 12, 2022) (SR-MEMX-2022-010).

⁶ See Securities Exchange Act Release Nos. 95406 (August 1, 2022), 87 FR 48051 (August 5, 2022) (SR-CboeBZX-2022-042); 95407 (August 1, 2022), 87 FR 48055 (August 5, 2022) (SR-CboeEDGX-2022-034).

⁷ Currently, the Exchange plans to launch MEMX Options in September 2023.

the intervals between strikes in equity options listed as part of the Short Term Option Series Program, excluding Exchange-Traded Fund Shares and ETNs, that have an expiration date more than twenty-one days from the listing date (“Strike Interval Proposal”). The Strike Interval Proposal paragraph (f) includes a table that specifies the applicable strike intervals that would supersede subparagraph (e)⁸ for Short Term Option Series in equity options, excluding options on exchange-traded fund shares and on exchange-traded notes, which have an expiration more than 21 days from the listing date. The Strike Interval Proposal was designed to reduce the density of strike intervals that would be listed in later weeks, within the Short Term Option Series Program, by utilizing limitations for intervals between strikes that have an expiration date more than 21 days from the listing date.

The Exchange proposes to amend Rule 19.5, Interpretation and Policy .05 to clarify the current rule text and amend the application of the table to account for potential conflicts within the Short Term Option Series Rules. Currently, Rule 19.5, Interpretation and Policy .05(f) provides that notwithstanding subparagraph (e),⁹ when Short Term Option Series in equity options (excluding options on ETFs and ETNs) have an expiration more than 21 days from the listing date, the strike interval for each option class will be based on the following table, and also states: *“to the extent there is conflict between applying subparagraph (e) above and the below table, the greater interval would apply.”* The existing table is as follows:

⁸ Rule 19.5, Interpretation and Policy .05(e) states if a class does not trade in \$1 strike price intervals, the strike price interval for Short Term Option Series may be (i) \$0.50 or greater where the strike price is less than \$75; (ii) \$1.00 or greater where the strike price is between \$75 and \$150; or (iii) \$2.50 or greater for strike prices greater than \$150.

⁹ The proposed rule change makes a nonsubstantive change to correct the term “subparagraph” to “paragraph” in the introductory paragraph of Rule 19.5, Interpretation and Policy .05(f) as well as subparagraph (f)(3).

Tier	Average Daily Volume	Share Price				
		Less than \$25	\$25 to less than \$75	\$75 to less than \$150	\$150 to less than \$500	\$500 or greater
1	Greater than 5,000	\$0.50	\$1.00	\$1.00	\$5.00	\$5.00
2	Greater than 1,000 to 5,000	\$1.00	\$1.00	\$1.00	\$5.00	\$10.00
3	0 to 1,000	\$2.50	\$5.00	\$5.00	\$5.00	\$10.00
<p>¹ The Share Price is the closing price on the primary market on the last day of the calendar quarter. In the event of a corporate action, the Share Price of the surviving company is utilized. The Average Daily Volume is the total number of option contracts traded in a given security for the applicable calendar quarter divided by the number of trading days in the applicable calendar quarter. Beginning on the second trading day in the first month of each calendar quarter, the Average Daily Volume is calculated by utilizing data from the prior calendar quarter based on Customer-cleared volume at OCC. For options listed on the first trading day of a given calendar quarter, the Average Daily Volume is calculated using the quarter prior to the last trading calendar quarter. See Rule 19.5, Interpretation and Policy .05(f)(1) and (2).</p>						

First, the Exchange proposes to add the phrase “which specifies the applicable interval for listing” to the end of the first sentence of paragraph (f). The table within that paragraph provides for the listing of intervals based on certain parameters (average daily volume and share price). The Exchange proposes to add the phrase “which specifies the applicable interval for listing” to clarify that the only permitted intervals are as specified in the table within paragraph (f), as proposed to be amended.

Second, the Exchange proposes to delete the final sentence of paragraph (f) which

indicates that in the event of a conflict between applying subparagraph (e) and the below table, the greater interval would apply, and amend the table in paragraph (f) to address situations in which there is a conflict between applying the intervals in paragraph (e) and the table in paragraph (f). Today, there are instances where a conflict is presented as between the application of the table within paragraph (f) and the rule text within paragraph (e) with respect to the correct interval. To address these potential conflicts, the Exchange included the final sentence in paragraph (f) that indicates to the extent there is a conflict between applying the current table within paragraph (f) and the rule text within paragraph (e), the greater interval would apply. However, in order to more clearly reflect this within the Rules and maintain consistency with other exchanges¹⁰, the Exchange proposes to amend the table in paragraph (f) to specify what the greater interval would be, and thus the interval the Exchange would apply, in the event of any possible conflict between the two rule provisions. While the substance of the rule does not change by this proposed modification, the Exchange believes that the amended table provides a simpler reference for Options Members. Specifically, the proposed rule change amends the table as follows:

Tier	Average Daily Volume	Share Price				
		Less than \$25	\$25 to less than \$75	\$75 to less than \$150	\$150 to less than \$500	\$500 or greater
1	Greater than 5,000	\$0.50 for strikes less than \$100 in Short Term Option Series Program classes and classes that trade in \$1 increments in non-Short Term Option Series \$1.00 for strikes between \$100 and \$150 for	\$1.00 for strikes less than \$150 \$2.50 for strikes greater than \$150	\$1.00 for strikes less than \$150 \$2.50 for strikes greater than \$150	\$5.00	\$5.00

¹⁰ See supra note 6.

		classes that do not otherwise trade in \$1.00 increments in non-Short Term Option Series \$2.50 for strikes greater than \$150				
2	Greater than 1,000 to 5,000	\$1.00 for strikes less than \$150 \$2.50 for strikes greater than \$150	\$1.00 for strikes less than \$150 \$2.50 for strikes greater than \$150	\$1.00 for strikes less than \$150 \$2.50 for strikes greater than \$150	\$5.00	\$10.00
3	0 to 1,000	\$2.50	\$5.00	\$5.00	\$5.00	\$10.00

Below are some examples to demonstrate the application of the proposed table:

Example 1: Assume a Tier 1 stock that closed on the last day of Q1 with a quarterly share price higher than \$75 but less than \$150. Therefore, utilizing the current table within paragraph (f), the interval would be \$1.00 for strikes added during Q2 even for strikes above \$150. However, paragraph (e) provides that the Exchange may list a Short Term Option Series at \$2.50 intervals where the strike price is above \$150. In other words, there is a potential conflict between the permitted strike intervals above \$150 during Q2. In this example, current paragraph (f) would specify a \$1.00 interval whereas current paragraph (e) would specify a \$2.50 interval. Consistent with selecting the greater interval (from current paragraph (e)), the permissible strike interval in this scenario would be \$2.50 as set forth in the proposed table. Therefore, during Q2, the following strikes would be eligible to list: \$152.50 and \$157.50. For strikes less than \$150, the following strikes would be eligible to list during Q2: \$149 and \$148 because Short Term Option Series with expiration dates more than 21 days from the listing date as well as Short Term Option Series with expiration dates less than 21 days from the listing date would both be eligible to list \$1 intervals pursuant to both paragraphs (e) and (f).

Example 2: Assume a Tier 2 stock that closed on the last day of Q1 with a quarterly share price less than \$25. Therefore, utilizing the current table within paragraph (f), the interval would be \$1.00 for strikes added during Q2 even for strikes above \$25. However, paragraph (e), as proposed to be amended, provides that the Exchange may list a Short Term Option Series at \$0.50 intervals where the strike is less than \$100, at \$1.00 intervals where the strike price is between \$100 and \$150, and at \$2.50 intervals where the strike price is above \$150. In other words, there is a potential conflict between the permitted strike intervals below \$100 and above \$150 during Q2. In this example, current paragraph (f) would specify a \$1.00 interval for strikes below \$100 whereas amended paragraph (e) would specify a \$0.50 interval. Consistent with selecting the greater interval (from current paragraph (f)), the permissible strike interval in this scenario for strikes below \$100 would be \$1.00 as set forth in the proposed table. For strikes between \$100 and \$150, there is no conflict, as both provisions would provide \$1.00 intervals for those strikes. For strikes above \$150, current paragraph (f) would specify a \$1.00 interval for strikes above \$150 whereas current paragraph (e) would specify a \$2.50 interval. Consistent with selecting the greater interval (from current paragraph (e)), the permissible strike interval in this scenario for strikes above \$150 would be \$2.50 as set forth in the proposed table.

Example 3: Assume a Tier 3 stock that closed on the last day of Q1 with a quarterly share price less than \$25. Therefore, utilizing the current table within paragraph (f), the interval would be \$2.50 for all strikes added during Q2. However, paragraph (e), as proposed to be amended, provides that the Exchange may list a Short Term Option Series at \$0.50 intervals where the strike price is less than \$100, \$1.00 intervals where the strike price is between \$100 and \$150, and \$2.50 intervals where the strike price is above \$150. In

other words, there is a potential conflict between the permitted strike intervals below \$150 during Q2 (there is no conflict for strikes above \$150, as both provisions provide for a \$2.50 strike interval). Consistent with selecting the greater interval (from current paragraph (f)), the permissible strike interval in this scenario for strikes below \$150 would be \$2.50 as set forth in the proposed table.¹¹

Finally, the Exchange proposes to amend Rule 19.5, Interpretation and Policy .05(e) to extend \$0.50 strike price intervals in equity options to short-term options with strike prices less than \$100 instead of the current \$75. This proposed change is intended to conform this provision of the Short Term Option Series Program to that of other options exchanges.¹² With this proposed change, for short term options in equity option classes that do not trade in \$1 strike price intervals, the strike price interval for Short Term Option Series may be (i) \$0.50 or greater where the strike price is less than \$100; (ii) \$1.00 or greater where the strike price is between \$100 and \$150; or (iii) \$2.50 or greater for strike prices greater than \$150.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹³ Specifically, the Exchange believes the proposed rule change is consistent with

¹¹ The Exchange made similar corresponding changes to the table for tier 1 and tier 2 stocks with prices \$25 to less than \$75 and \$75 to less than \$150, with all potential conflicts between current paragraphs (e) and (f) resolved to apply the greater interval.

¹² See, e.g., EDGX Rule 19.6, Interpretation and Policy .05(e).

¹³ 15 U.S.C. 78f(b).

the Section 6(b)(5)¹⁴ requirements that the rules of an exchange be 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 regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁵ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange believes the Strike Proposal continues to limit the intervals between strikes listed in the Short Term Option Series Program that have an expiration date more than twenty-one days.

In particular, the Exchange's proposed addition to the first sentence of Rule 19.5, Interpretation and Policy .05(f) is consistent with the Act because it clarifies that the only permitted intervals are as specified in the table within that subparagraph, as amended. The Exchange believes this proposed rule change will bring greater transparency to the rule. The proposed rule change to delete the final sentence of the introductory paragraph and amend the table within Rule 19.5, Interpretation and Policy .05(f) to address potential conflicts between that paragraph and paragraph (e) with respect to the correct strike interval is consistent with the Act because it protects investors and the public interest by adding transparency to the manner in which the Exchange implements its listing rules and

¹⁴ 15 U.S.C. 78f(b)(5).

¹⁵ Id.

removes potential uncertainty. The proposed rule text specifies the applicable intervals when there is a conflict between the rule text within paragraphs (e) and (f), thereby providing certainty as to the outcome.

The Strike Interval Proposal was designed to reduce the density of strike intervals that would be listed in later weeks, within the Short Term Option Series Program, by utilizing limitations for intervals between strikes which have an expiration date more than twenty-one days from the listing date. The Exchange's proposal intends to continue to remove certain strike intervals where there exist clusters of strikes whose characteristics closely resemble one another and, therefore, do not serve different trading needs,¹⁶ rendering these strikes less useful. Also, the Strike Interval Proposal continues to reduce the number of strikes listed on the Exchange, allowing Market-Makers to expend their capital in the options market in a more efficient manner, thereby improving overall market quality on the Exchange.

Additionally, by providing more clarity as to which interval would apply between the current rule text within Rule 19.5, Interpretation and Policy .05(e) and (f), the Exchange is reducing the number of strikes listed in a manner consistent with the intent of the Strike Interval Proposal, which was to reduce strikes which were farther out in time. The result of this clarification is to select wider strike intervals for Short Term Option Series in equity options which have an expiration date more than twenty-one days from the listing date. This rule change would harmonize strike intervals as between inner weeklies (those having less than twenty-one days from the listing date) and outer

¹⁶ For example, two strikes that are densely clustered may have the same risk properties and may also be the same percentage out-of-the-money.

weeklies (those having more than twenty-one days from the listing date) so that strike intervals are not widening as the listing date approaches.

The proposed rule change to extend current \$0.50 strike price intervals in equity options to short term options with strike prices less than \$100 will remove impediments to and perfect the mechanism of a free and open market and a national market system, because it will conform this portion of the Short Term Option Series Program to that of other options exchanges.¹⁷

B. Self-Regulatory Organization's Statement on Burden on Competition

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. The Strike Interval Proposal continues to limit the number of Short Term Option Series Program strike intervals available for quoting and trading on the Exchange for all Options Members.

The Exchange believes adding clarifying language to the first sentence of Rule 19.5, Interpretation and Policy .05(f) regarding which parameter the table within that provision amends within the Short Term Option Series Program will bring greater transparency to the rules. Amending the table within paragraph (f) to address potential conflicts as between the rule text of Rule 19.5, Interpretation and Policy .05(e) and (f) will bring greater transparency to and reduce potential confusion regarding the manner in which the Exchange implements its listing rules. Deleting the last sentence of the first paragraph of the introductory paragraph of Rule 19.5, Interpretation and Policy .05(f) does not impose an undue burden on competition and will avoid potential confusion

¹⁷ See, e.g., EDGX Rule 19.6, Interpretation and Policy .05(e).

because the table within paragraph (f) clarifies which strike intervals will apply in all scenarios. Extending current \$0.50 strike price intervals in equity options to short term options with strike prices less than \$100 will not impose an undue burden on competition, because it is consistent with the rules of other options exchanges.¹⁸

While this proposal continues to limit the intervals of strikes listed on the Exchange, the Exchange continues to balance the needs of market participants by continuing to offer a number of strikes to meet a market participant's investment objective. The Exchange's Strike Interval Proposal does not impose an undue burden on intermarket competition as this Strike Interval Proposal does not impact the listings available at another self-regulatory organization.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹⁹ and Rule 19b-4(f)(6) thereunder²⁰ in that it 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

¹⁸ Id.

¹⁹ 15 U.S.C. 78s(b)(3)(A)(iii).

²⁰ 17 CFR 240.19b-4(f)(6).

interest.

Furthermore, Rule 19b-4(f)(6)(iii)²¹ 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.

The Exchange believes that the proposed rule change does not significantly affect the protection of investors or the public interest, but rather promotes the protection of investors and the public interest as it improves market quality by removing unnecessary strikes, as well as adds transparency. Clear, transparent, and concise rules benefit investors and the public interest by reducing potential confusion. The Exchange believes the proposed additional language in the first sentence of Rule 19.5, Interpretation and Policy .05(f) that clarifies the only permitted intervals are as specified in that provision, as proposed to be amended, protects investors by adding transparency to the Exchange's Rules. Additionally, the Exchange believes the proposed change to amend the table within Rule 19.5, Interpretation and Policy .05(f) to address a potential conflict between the application of that table and the rule text within Rule 19.5, Interpretation and Policy .05(e) with respect to the correct interval does not significantly affect the protection of investors or the public interest because it clarifies the applicable strike price interval when a conflict between Rule 19.5, Interpretation and Policy .05(e) and (f) arises, thereby providing certainty as to the outcome. The proposed table benefits investors and the public interest by removing any uncertainty regarding the application of the Exchange's rules. Further, the Exchange believes deletion of the last sentence of the introductory

²¹ 17 CFR 240.19b-4(f)(6)(iii).

paragraph of Rule 19.5, Interpretation and Policy .05(f) does not significantly affect the protection of investors or the public interest because it reduces potential confusion and provides clarity within the Exchange's Rules. The Exchange believes the proposed rule change does not impose any significant burden on competition because the proposed rule change adds transparency and certainty to and reduces potential confusion within the Exchange's rules.

The proposed rule change to extend current \$0.50 strike price intervals in equity options to short term options with strike prices less than \$100 will not significantly affect the protection of investors or impose any significant burden on competition because it will conform this portion of the Short Term Option Series Program to that of other options exchanges.²²

For the foregoing reasons, this rule qualifies as "non-controversial" under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(ii),²³ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange respectfully requests the Commission to waive the 30-day operative delay so that the proposal may become operative immediately. The Exchange intends to launch MEMX Options on September 13, 2023. Waiver of the 30-day operative delay would allow the Exchange to

²² See, e.g., EDGX Rule 19.6, Interpretation and Policy .05(e).

²³ 17 CFR 240.19b-4(f)(6)(ii).

implement the proposed change to amend its rules as set forth above prior to launch, thus ensuring consistency of strike rules between the Exchange and other options exchanges. Waiver of the operative delay is, therefore, consistent with the protection of investors and the public interest. As noted above, the Exchange does not believe that the proposal raises any new or novel issues that have not been previously considered by the Commission, and thus, the Exchange believes waiver of the operative delay is appropriate in this instance.

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-MEMX-2023-18 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-MEMX-2023-18. 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 website (<https://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, D.C. 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-MEMX-18 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.²⁴

²⁴ 17 CFR 200.30-3(a)(12).

Sherry R. Haywood,
Assistant Secretary.

Exhibit 5

Proposed new language is underlined; Proposed deletions are in [brackets].

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CHAPTER 19. SECURITIES TRADED ON MEMX OPTIONS

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Rule 19.5. Series of Options Contracts Open for Trading

(a) – (g) No change.

Interpretations and Policies

.01 – .04 No change.

.05 After an option class has been approved for listing and trading on MEMX Options, 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 on each of the next five (5) Fridays that are business days and are not Fridays in which monthly options series or Quarterly Options Series expire (“Short Term Option Expiration Dates”). The Exchange may have no more than a total of five Short Term Option Expiration Dates, not including any Monday or Wednesday SPY, IWM and QQQ Expirations as provided in paragraph (h) below. If MEMX Options 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 MEMX Options is not open for business on the Friday that the options are set to expire, the Short Term Option Expiration Date will be the first business day immediately prior to that Friday. Regarding Short Term Option Series:

(a) – (d) No change.

(e) **Strike Interval.** The interval between strike prices on Short Term Option Series shall be the same as the strike prices for series in that same option class that expire in accordance with the normal monthly expiration cycle. During the expiration week of an option class that is selected for the Short Term Option Series Program pursuant to this rule (“Short Term Option”), the strike price intervals for the related non-Short Term Option (“Related non-Short Term Option”) shall be the same as the strike price intervals for the Short Term Option. If the class does not trade in \$1 strike price intervals, the strike price interval for Short Term Option Series may be (i) \$0.50 or greater where the strike price is less than \$[75]100; (ii) \$1.00 or greater where the strike price is between \$[75]100 and \$150; or (iii) \$2.50 or greater for strike prices greater than \$150. During the week before the expiration week of a Short Term Option, the Exchange shall open the related non-Short Term Option for trading in Short Term Option intervals in the same manner permitted by this Interpretation and Policy .05.

(f) **Strike Interval Limitations.** Notwithstanding [sub]paragraph (e) above, when Short Term Option Series in equity options (excluding options on ETFs and ETNs) have an expiration more than 21 days from the listing date, the strike interval for each option class will be based on the table below, which specifies the applicable interval for listing. [To the extent there is a conflict between applying subparagraph (e) above and the below table, the greater interval would apply.]

Tier	Average Daily Volume	Share Price				
		Less than \$25	\$25 to less than \$75	\$75 to less than \$150	\$150 to less than \$500	\$500 or greater
1	Greater than 5,000	<u>\$0.50 for strikes less than \$100 in Short Term Option Series Program classes and classes that trade in \$1 increments in non-Short Term Option Series</u> <u>\$1.00 for strikes between \$100 and \$150 for classes that do not otherwise trade in \$1.00 increments in non-Short Term Option Series</u> <u>\$2.50 for strikes greater than \$150</u>	<u>\$1.00 for strikes less than \$150</u> <u>\$2.50 for strikes greater than \$150</u>	<u>\$1.00 for strikes less than \$150</u> <u>\$2.50 for strikes greater than \$150</u>	\$5.00	\$5.00
2	Greater than 1,000 to 5,000	<u>\$1.00 for strikes less than \$150</u> <u>\$2.50 for strikes greater than \$150</u>	<u>\$1.00 for strikes less than \$150</u> <u>\$2.50 for strikes greater than \$150</u>	<u>\$1.00 for strikes less than \$150</u> <u>\$2.50 for strikes greater than \$150</u>	\$5.00	\$10.00
3	0 to 1,000	\$2.50	\$5.00	\$5.00	\$5.00	\$10.00

(1) – (2) No change.

(3) Options that are newly eligible for listing pursuant to Rule 19.3 and designated to participate in the Short Term Option Program will not be subject to this [sub]paragraph (f) until after the end of the first full calendar quarter following the date the option class was first listed for trading on any options market.

* * * * *