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April 25, 2013

Elizabeth M. Murphy  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

***Re: File No. 10-209: Topaz Exchange, LLC; Notice of Filing of Application for  
Registration as a National Securities Exchange***

Dear Ms. Murphy:

The NASDAQ OMX Group, Inc. (“NASDAQ OMX”) welcomes the opportunity to submit comments in connection with the above-referenced proposal by Topaz Exchange, LLC (“Topaz”) seeking registration as a national securities exchange under Section 6 of the Securities Exchange Act of 1934 (“Exchange Act”). On March 11, the Securities and Exchange Commission (“Commission”) published for comment Topaz’s Form 1 application (“Proposal”) under the Exchange Act.

NASDAQ OMX is the world’s largest exchange company, operating 25 markets, 3 clearinghouses and 5 central securities depositories supporting equities, options, fixed income, derivatives, commodities, futures and structured products as well as providing technology to over 70 marketplaces in 50 developed and emerging countries, powering 1 in 10 of the world’s securities transactions. We regulate the trading and clearing of equities, options, commodities, and derivatives across the globe. NASDAQ OMX’s three U.S. options markets, NASDAQ OMX PHLX (“PHLX”), The NASDAQ Options Market (“NOM”) and NASDAQ OMX BX Options execute approximately 30% of options transactions daily. As such, NASDAQ OMX has a profound interest in the Proposal and, in particular, the specific rules contained in Exhibit B.

NASDAQ OMX supports competition in the options markets. New entrants offer market participants an additional venue for executing orders in standardized options, increased innovation, and heightened competition between and among the options exchanges, resulting in better services, prices and executions for investors. These important benefits are achieved through a legal framework built around the definition of an exchange and the requirements applicable to a national securities exchange. The Form 1 application and the requirements of

Section 19(b) and the rules thereunder are vital to that framework. As explained further below, NASDAQ OMX believes that the approval of vague or incomplete exchange rules, such as a handful contained in the Topaz Form 1, undermines these protections.

First, Proposed Rule 712(b) is ambiguous and could be read to diminish the market-wide protections offered by a uniform clearing system and to encourage other markets to weaken their own protections in response. Specifically, Section 712(b) requires that all transactions made on the Exchange:

shall be submitted for clearance to the Clearing Corporation, and all such transactions shall be subject to the rules of the Clearing Corporation. Every Clearing Member shall be responsible for the clearance of the Exchange transactions of such Clearing Member and of each Member who gives up such Clearing Member's name pursuant to a letter of authorization, letter of guarantee ***or other authorization given by such Clearing Member to such Member, which authorization must be submitted to the Exchange.***

NASDAQ OMX questions the wisdom of including "or other authorization given by such Clearing Member to such Member" into Proposed Rule 712(b). This provision could be interpreted to mean a verbal authorization provided to Topaz staff would be sufficient. We strongly believe that a written, transparent, and auditable authorization is needed to provide proper safeguards and protections for Clearing Members and to ensure Clearing Members are in compliance with aspects of the Market Access Rule 15c3-3 in general, any and all authorizations or guarantees must be submitted in writing to and maintained and enforced by Topaz. Further, NASDAQ OMX, as a future trading partner, seeks the protection that a stronger provision affords, such as Chapter VII, Section 8 of NOM's rules, which provides that no market participant shall make any transactions without a letter of guarantee (that has not been revoked) and that the issuing clearing member accepts financial responsibilities for all transactions made pursuant to such letter.

Second, Proposed Rule 715(l) and Proposed Rule 715 (q) appear to both describe Minimum Quantity Orders. Topaz should clarify the differences between these two types of Minimum Quantity Orders. Additionally, Proposed Rule 804(g) and Proposed Supplementary Material to Rule 804 appear to be identical. Topaz should offer further clarification on why these duplicative sections are necessary.

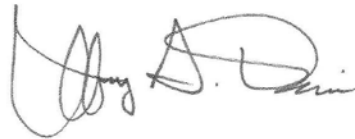
Third, Proposed Rule 716 seems internally inconsistent where it states that a Priority customer bidding higher than the facilitation price will execute at the facilitation price. Proposed Rule 716 further states that the facilitation order will be canceled if at the end of the exposure period an execution would take place inferior to the best bid / offer on Topaz. We believe this rule suggests that a Priority customer bidding higher than the facilitation price will cause the facilitation order to be cancelled. However, Proposed Rule 716 as written maybe interpreted

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to mean certain Block Trades may execute through the national best bid or offer. We ask that Topaz provide clarity on the allowable prices where a facilitation order may execute including restrictions based on the TOPAZ BBO and the NBBO.

In conclusion, NASDAQ OMX believes that the Proposal contains some incomplete and vague rules that Topaz should clarify. In order for the Proposal to comport with the statutory standards applicable to a national securities exchange and ensure the public interest and investors are protected, the proposed rules must be complete and clear, just as the proposed rules of existing national securities exchanges must be complete and clear.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeffrey S. Davis". The signature is fluid and cursive, with the first name "Jeffrey" being more prominent and the last name "Davis" following in a similar style.

Jeffrey S. Davis

cc: John Ramsay, Director of Trading and Markets  
Heather Seidel, Associate Director of Trading and Markets  
Richard Holley, Assistant Director of Trading and Markets