

Merrill Lynch Professional Clearing Corp.

December 7, 2018

Brent J. Fields

Secretary

Securities and Exchange Commission

100 F Street, NE

Washington, DC 20549-1090

**Re: Nasdaq PHLX, LLC. Notice of Filing of Proposed Rule Change to Establish Rules
Governing the Give Up of a Clearing Member by a Member Organization on Exchange
Transactions**

Release No. 34-84624, File No. SR-PHLX-2018-72

Dear Mr. Fields:

Merrill Lynch Professional Clearing Corp. ("MLPRO") submits this letter in support of the above referenced PHLX Exchange ("PHLX") proposed Rule Filing SR-PHLX-2018-72 ("Rule Filing"). MLPRO is a PHLX exchange member and the largest clearer of U.S. listed options for broker dealers and market makers. We request that the Securities and Exchange Commission ("Commission") approve the Rule Filing in 2018.

The PHLX approach is the fourth rule change filing attempting to allow clearing firms to properly control risks. In our assessment of all proposals, we feel that this rule strikes the right balance across all participants through the "opt in" provision. Also in comparison to other exchanges' procedures, related PHLX rule 1054 Verification of Trades and Reconciliation of Uncompared Trades, needs to provide more express guidance on relevant procedures. This process was included in CBOE's amendment filing (Release No. 34-83872; File No. SR-CBOE-2018-55) and is necessary for participants to understand.

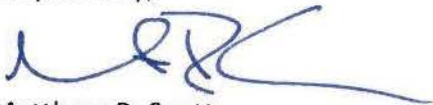
MLPRO outlined gaps that the give up model facilitates in our CBOE support letter and how clearing brokers cannot adequately protect themselves against the risks associated with these blind executions. The approval of PHLX's rule 1037 filing is a critical first step in fixing the framework that puts unnecessary risk to clearing firms and the overall U.S. listed options

market. Furthermore we do not want the other exchange operators to try compete on any form of operational arbitrage and would like to see full harmonization through (b)(3)(A) filings pending the Commission's approval.

MLPRO recommends that the Commission approve the Rule Filing and we thank the Commission for its time and consideration in this important matter.

Please feel free to contact me with any questions in connection to our comments.

Respectfully,

A handwritten signature in blue ink, appearing to read 'MRS', with a long horizontal flourish extending to the right.

Matthew R. Scott

President

Merrill Lynch Professional Clearing Corp.