

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-66557; File No. SR-EDGA-2012-06)

March 9, 2012

Self-Regulatory Organizations; EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend EDGA Rule 11.9

Pursuant to Section 19(b)(2) [sic] of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 24, 2012, the EDGA Exchange, Inc. (the "Exchange" or the "EDGA") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared by the self-regulatory organization. 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 introduce an additional routing option to Rule 11.9 to provide Users³ with increased access to multiple sources of liquidity and greater flexibility in routing orders. The text of the proposed rule change is attached as Exhibit 5 and is available on the Exchange's website at www.directedge.com, at the Exchange's principal office and at the Public Reference Room of the Commission.

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 received on the proposed rule change. The text of these statements may be examined at the places specified

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ As defined in Rule 1.5(cc)[sic].

in Item IV below. The self-regulatory organization 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange’s current list of routing options are codified in Rule 11.9(b)(3). In this filing, the Exchange proposes to amend Rule 11.9(b)(3) to add an additional routing strategy. In connection with the introduction of the subject routing strategy, the Exchange also proposes to amend Rule 11.5(c)(7) so that the definition of a Mid-Point Peg Order is consistent with the functionality of this new routing strategy.

In particular, the Exchange proposes to add the RMPT routing strategy in Rule 11.9(b)(3)(t) to allow an order to access additional sources of liquidity. RMPT is a routing option under which a Mid-Point Peg Order⁴ checks the System for available shares and any shares that remain unexecuted are then sent sequentially to destinations on the System routing table that support midpoint eligible orders. This allows orders sent through the RMPT strategy to interact with such midpoint eligible orders. If any shares remain unexecuted after routing, they are posted on the EDGA book as a Mid-Point Peg Order, unless otherwise instructed by the User.

Consequently, the Exchange also seeks to amend the definition of a Mid-Point Peg Order to allow for order routing pursuant to the RMPT routing strategy. Rule 11.5(c)(7) currently states that “Mid-Point Peg Orders are not eligible for routing pursuant to Rule 11.9(b)(2) and are not displayed on the Exchange”. The Exchange proposes to carve out an exception to allow Users to elect to route the Mid-Point Peg Order pursuant to the RMPT routing strategy, as

⁴ As defined in Rule 11.5(c)(7).

defined in Rule 11.9(b)(3)(t), to account for this new routing option. This revised definition allows for greater clarity and consistency between the behavior of the Exchange's order types and routing options, resulting in increased transparency for the User.

The Exchange believes that the proposed introduction of the routing option described above will provide Users with increased access to multiple sources of liquidity and greater flexibility in routing orders without having to develop their own complicated routing strategies.

The Exchange will notify its Members in an information circular of the exact implementation date of this rule change, which will be no later than May 31, 2012.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,⁵ which requires the rules of an exchange to promote just and equitable principles of trade, 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. The Exchange believes that the proposed introduction of the routing option described above will provide Users with increased access to multiple sources of liquidity and greater flexibility in routing orders without having to develop their own complicated routing strategies. As such, the User benefits from more options, potentially improved execution prices at midpoint prices, and a more efficient marketplace. In addition, the Exchange believes that the proposed rule change is designed to promote just and equitable principles of trade and protect investors and the public interest in that it promotes transparency to investors through the codification of the addition of the new routing strategy and its amendment to an existing order type, the Mid-Point Peg Order, in the Exchange's rulebook.

⁵ 15 U.S.C. 78f(b)(5).

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

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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)⁶ of the Act and Rule 19b-4(f)(6)⁷ thereunder. The proposed rule change effects a change that (A) does not significantly affect the protection of investors or the public interest; (B) does not impose any significant burden on competition; and (C) 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; provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of 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 provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(6).

five business days prior to the date of filing.⁸

The rule change is designed to provide market participants with a wider variety of options when availing themselves of EDGA's order routing and execution services. By offering additional routing options, EDGA hopes to benefit market participants and their customers by allowing them greater flexibility in their efforts to fill orders and minimize trading costs. EDGA provides these services in a highly competitive market in which participants may avail themselves of a wide variety of routing options offered by self-regulatory organizations, alternative trading systems, other broker-dealers, market participants' own proprietary routing systems, and service bureaus. In such an environment, the changes proposed in this rule filing do not burden competition, because the Exchange can only succeed in attracting order flow if it offers investors higher quality and better value than services offered by others. Encouraging competitors to provide higher quality and better value is the essence of a well-functioning marketplace.

Furthermore, the Exchange believes that this rule filing is non-controversial because it codifies the use of a voluntary routing strategy that is offered to all Members equally. In addition, the potential midpoint executions are widely available through analogous order types on other exchanges⁹ and result in more efficient, improved executions for potential investors.

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

⁸ 17 CFR 240.19b-4(f)(6)(iii).

⁹ See BATS Rule 11.9(c)(9) ("Mid-Point Peg Orders"); see also, NASDAQ Rule 4751(f)(4) ("Midpoint Peg" orders); NYSE Arca Equities Rule 7.31(h)(5) ("Mid-Point Passive Liquidity Orders"); EDGX Rule 11.5(c)(7) ("Mid-Point Match Orders").

action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-EDGA-2012-06 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-EDGA-2012-06. 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 (<http://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, DC 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-EDGA-2012-06 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.¹⁰

Kevin M. O'Neill
Deputy Secretary

¹⁰ 17 CFR 200.30-3(a)(12).