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**Direct Edge Regulatory Notice #14-06: Notice Regarding Amendment to EDGA Exchange and EDGX Exchange Limitation of Liability**

Please be advised that EDGA Exchange, Inc. ("EDGA") and EDGX Exchange, Inc. ("EDGX", and together with EDGA, the "Exchanges") have amended the liability caps under EDGA Rule 11.12<sup>1</sup> and EDGX Rule 11.14 related to Limitation of Liability. These amendments become effective Thursday, **November 6, 2014**.

On January 31, 2014, the Exchanges' parent company, Direct Edge Holdings LLC, merged with BATS Global Markets, Inc., the parent company of BATS Exchange, Inc. ("BATS") and BATS Y-Exchange, Inc. ("BYX"). As a result of the merger, the Exchanges are working to harmonize certain rules, including the liability caps set forth in EDGA Rule 11.12 and EDGX Rule 11.14, in order to provide consistent member reimbursement requirements. The Rules provide a limited exception to its general limitation of liability that allows for the payment of compensation to Members for losses resulting directly from the malfunction of the Exchanges' physical equipment, devices and/or programming or the negligent acts or omissions of its employees, subject to certain conditions.

Pursuant to the amended Rules, the liability caps per Exchange are:

- To a single Member at the greater of \$100,000 or the amount recovered under any applicable insurance policy on a single trading day;
- To all Members at the greater of \$250,000 or the amount recovered under any applicable insurance policy on a single trading day; and
- To all Members at the greater of \$500,000 or the amount recovered under any applicable insurance policy during a single calendar month.

For further details regarding the EDGA and EDGX amendments, please refer to the following resources:

See [SR-EDGA-2014-24](#) or [Securities Exchange Act Release No. 34-73477](#) (October 30, 2014)

See [SR-EDGX-2014-24](#) or [Securities Exchange Act Release No. 34-73476](#) (October 30, 2014)

Please note that BATS and BYX also separately amended their Rule 11.16 regarding Limitation of Liability to harmonize certain provisions with EDGA Rule 11.12 and EDGX Rule 11.14. These

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<sup>1</sup> EDGA Rule 11.12 shall become EDGA Rule 11.14 upon SEC approval of Securities Exchange Act Release No. 34-73217.

amendments are also effective November 6, 2014 and extend the deadline to submit claims as well as provide for the submission of claims for routed orders.

For further details regarding the BATS and BYX amendments, please refer to the following resources:

See [BZX Regulatory Circular 14-007](#), [SR-BATS-2014-045](#) or [Securities Exchange Act Release No. 34-73356](#) (October 15, 2014)

See [BYX Regulatory Circular 14-006](#), [SR-BYX-2014-027](#) or [Securities Exchange Act Release No. 34-73357](#) (October 15, 2014)

Please contact Membership Services at 913.815.7002 with any inquiries regarding this Regulatory Notice.