

1. Text of the Proposed Rule Change

(a) EDGX Exchange, Inc. (“Exchange” or “EDGX”) proposes to amend its fees and rebates applicable to Members¹ of the Exchange pursuant to EDGX Rule 15.1(a) and (c) to (i) establish a rebate; (ii) charge for legacy International Securities Exchange (“ISE”) FIX session fees; and (iii) make other technical amendments to the fee schedule. Text of the proposed rule change is attached as Exhibit 5.

(b) Inapplicable.

(c) Inapplicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange on April 27, 2010. Exchange staff will advise the EDGA Exchange Board of Directors of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change. Therefore, the Exchange's internal procedures with respect to the proposed change are complete.

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

Eric W. Hess
General Counsel
EDGA Exchange
201-942-8239

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

(a) Purpose

(i) ISE FIX Session Fees

The Exchange proposes to charge for legacy ISE² Financial Information Exchange (“FIX”) sessions (“Sessions”) used to connect to EDGX and thereby, amend its

¹ A Member is any registered broker or dealer that has been admitted to membership in the Exchange.

² A wholly-owned subsidiary of Direct Edge Holdings, LLC (prior to July 16, 2010) previously operated the ISE Stock Exchange as a facility of ISE. These Session fees are identical to the fees filed previously filed by and billed for by the ISE. See Securities Exchange Act Release No. 56379 (September 10, 2007), 72 FR 52591 (September 14, 2007) (SR-ISE-2007-79).

fee schedule accordingly.³ These are logical ports used to enter orders into the Exchange's trading system and to receive order messages from the Exchange. The Sessions are currently being used to send orders to EDGX by certain legacy Members of the ISE who became Members of EDGX. The amendment to the fee schedule enables the Exchange to continue to bill Members for these Sessions until they are terminated. Members will be charged \$250/month for the first two Sessions and \$50/month for each Session thereafter. The Exchange believes that the fees obtained will enable it to cover certain costs. First, the fees would enable the Exchange to charge for existing infrastructure costs for a legacy system that the Exchange is planning to discontinue using. Secondly, the fees would cover those costs associated with allowing Members to continue to use this legacy infrastructure until they have successfully transitioned to EDGX Sessions (which are currently provided at no charge). Finally, switching over to the EDGX Sessions involves no additional costs nor software changes by Members.

(ii) Other Technical Amendments

The Exchange proposes to make several technical amendments to its fee schedule. The Exchange proposes to move the text in footnote 1 that states that "upon a Member's request, EDGX will aggregate share volume calculations for wholly owned affiliates on a prospective basis" to new footnote "a." Then, the Exchange proposes adding a reference to footnote "a" next to all numbered footnotes (except footnotes 2 and 4 since these say "intentionally omitted.") This amendment clarifies that the ability of Members to request aggregation and the Exchange to aggregate share volume calculations for wholly owned affiliates on a prospective basis applies across all fee and volume threshold calculations and not just to the language found in footnote 1.

The Exchange proposes to delete the reference to footnote 4 found on Flags E and 5 since footnote 4 is "intentionally omitted" and leaving the reference intact leads to confusion by Members.

(iii) Proposed Rebate

Currently, Members can qualify for a rebate of \$0.0032 per share for all liquidity posted on EDGX if they add or route at least 5,000,000 shares of average daily volume prior to 9:30 AM or after 4:00 PM (includes all flags except 6) AND add a minimum of 50,000,000 shares of average daily volume on EDGX in total, including during both market hours and pre and post-trading hours.

The Exchange proposes to add an additional rebate to footnote 1 of its fee schedule which will provide Members a \$0.0031 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly posts 0.75% of the Total

³ As stated in SR-ISE-2007-79, the ISE used the Financial Information Exchange (FIX) protocol, which Members program to in order to develop applications that send trading commands and/or queries to and receive broadcasts and/or transactions from the trading system. The protocol processes quotes, receives orders from Members, tracks activity in the underlying markets, when applicable, executes trades in the matching engine, and broadcasts trade details to participating Members.

Consolidated Volume (“TCV”) in average daily volume. TCV is defined as volume reported by all exchanges and trade reporting facilities to the consolidated transaction reporting plans for Tapes A, B and C securities. The Exchange believes that this pricing is appropriate since this rebate (\$ 0.0031 per share), which is \$0.0001 lower than the \$0.0032 per share rebate mentioned above, is also easier to meet. For example, 0.75% of the average TCV for June 2010 (9.3 billion) was approximately 70 million shares, but this volume need not be posted (like that required for the \$0.0032 rebate per share) only during pre and post-trading hours, a more limited time period. Therefore, this threshold is not as restrictive as the criteria to qualify for the \$0.0032 rebate. In addition, the rebate also results in part from lower administrative costs associated with higher volume.

EDGX Exchange proposes to implement these amendments to the Exchange fee schedule on August 1, 2010.

(b) Basis – The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Exchange Act,⁴ in general, and furthers the objectives of Section 6(b)(4),⁵ in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The proposed rule change reflects a competitive pricing structure designed to incent market participants to direct their order flow to the Exchange. The Exchange believes that the fees obtained from legacy ISE Sessions will enable it to cover its infrastructure costs associated with allowing Members to continue to use this legacy infrastructure until they have successfully transitioned to EDGX Sessions. Finally, the Exchange believes that the proposed rates are equitable in that they apply uniformly to all Members and provide higher rebates for higher volume thresholds, resulting from lower administrative costs. The Exchange believes the fees and credits remain competitive with those charged by other venues and therefore continue to be reasonable and equitably allocated to those members that opt to direct orders to the Exchange rather than competing venues.

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

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

5. 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.

⁴ 15 U.S.C. 78f.

⁵ 15 U.S.C. 78f(b)(4).

6. Extension of Time Period for Commission Action

Not applicable.

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

(a) This proposed rule change is filed pursuant to paragraph (A) of section 19(b)(3) of the Exchange Act.

(b) This proposed rule change establishes dues, fees or other charges among its members and, as such, may take effect upon filing with the Commission pursuant to Exchange Act Section 19(b)(3)(A).

(c) Inapplicable.

(d) Inapplicable.

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

This proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. Exhibits

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

Exhibit 5 – Text of the Proposed Rule Change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-EDGX-2010-10

[Date]

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Amendments to the EDGX Exchange, Inc. Fee Schedule

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 July 30, 2010, the EDGX Exchange, Inc. (the "Exchange" or the "EDGX") 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 amend its fees and rebates applicable to Members³ of the Exchange pursuant to EDGX Rule 15.1(a) and (c) to (i) establish a rebate; (ii) charge for legacy International Securities Exchange ("ISE") FIX session fees; and (iii) make other technical amendments to the fee schedule.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ A Member is any registered broker or dealer that has been admitted to membership in the Exchange.

All of the changes described herein are applicable to EDGX Members. The text of the proposed rule change is available on the Exchange's Internet website at <http://www.directedge.com>.

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 self-regulatory organization 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 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 Statutory Basis for, the Proposed Rule Change

Purpose

(i) ISE FIX Session Fees

The Exchange proposes to charge for legacy ISE⁴ Financial Information Exchange ("FIX") sessions ("Sessions") used to connect to EDGX and thereby, amend its fee schedule accordingly.⁵ These are logical ports used to enter orders into the

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⁵ As stated in SR-ISE-2007-79, the ISE used the Financial Information Exchange (FIX) protocol, which Members program to in order to develop applications that send trading commands and/or queries to and receive broadcasts and/or transactions from the trading system. The protocol processes quotes, receives orders from Members, tracks activity in the underlying markets, when applicable, executes trades in the matching engine, and broadcasts trade details to participating Members.

Exchange's trading system and to receive order messages from the Exchange. The Sessions are currently being used to send orders to EDGX by certain legacy Members of the ISE who became Members of EDGX. The amendment to the fee schedule enables the Exchange to continue to bill Members for these Sessions until they are terminated. Members will be charged \$250/month for the first two Sessions and \$50/month for each Session thereafter. The Exchange believes that the fees obtained will enable it to cover certain costs. First, the fees would enable the Exchange to charge for existing infrastructure costs for a legacy system that the Exchange is planning to discontinue using. Secondly, the fees would cover those costs associated with allowing Members to continue to use this legacy infrastructure until they have successfully transitioned to EDGX Sessions (which are currently provided at no charge). Finally, switching over to the EDGX Sessions involves no additional costs nor software changes by Members.

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The Exchange proposes to delete the reference to footnote 4 found on Flags E and 5 since footnote 4 is “intentionally omitted” and leaving the reference intact leads to confusion by Members.

(iii) Proposed Rebate

Currently, Members can qualify for a rebate of \$0.0032 per share for all liquidity posted on EDGX if they add or route at least 5,000,000 shares of average daily volume prior to 9:30 AM or after 4:00 PM (includes all flags except 6) AND add a minimum of 50,000,000 shares of average daily volume on EDGX in total, including during both market hours and pre and post-trading hours.

The Exchange proposes to add an additional rebate to footnote 1 of its fee schedule which will provide Members a \$0.0031 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly posts 0.75% of the Total Consolidated Volume (“TCV”) in average daily volume. TCV is defined as volume reported by all exchanges and trade reporting facilities to the consolidated transaction reporting plans for Tapes A, B and C securities. The Exchange believes that this pricing is appropriate since this rebate (\$ 0.0031 per share), which is \$0.0001 lower than the \$0.0032 per share rebate mentioned above, is also easier to meet. For example, 0.75% of the average TCV for June 2010 (9.3 billion) was approximately 70 million shares, but this volume need not be posted (like that required for the \$0.0032 rebate per share) only during pre and post-trading hours, a more limited time period. Therefore, this threshold is not as restrictive as the criteria to qualify for the \$0.0032 rebate. In addition, the rebate also results in part from lower administrative costs associated with higher volume.

EDGX Exchange proposes to implement these amendments to the Exchange fee schedule on August 1, 2010.

Basis – The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,⁶ in general, and furthers the objectives of Section 6(b)(4),⁷ in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The proposed rule change reflects a competitive pricing structure designed to incent market participants to direct their order flow to the Exchange. The Exchange believes that the fees obtained from legacy ISE Sessions will enable it to cover its infrastructure costs associated with allowing Members to continue to use this legacy infrastructure until they have successfully transitioned to EDGX Sessions. Finally, the Exchange believes that the proposed rates are equitable in that they apply uniformly to all Members and provide higher rebates for higher volume thresholds, resulting from lower administrative costs. The Exchange believes the fees and credits remain competitive with those charged by other venues and therefore continue to be reasonable and equitably allocated to those members that opt to direct orders to the Exchange rather than competing venues.

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.

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(4).

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) of the Act⁸ and Rule 19b-4(f)(2)⁹ thereunder. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such 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 No. SR-EDGX-2010-10 on the subject line.

Paper comments:

⁸ 15 U.S.C. 78s(b)(3)(A).

⁹ 17 CFR 19b-4(f)(2).

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

All submissions should refer to File Number SR-EDGX-2010-10. 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 Commissions Internet Web site (<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 inspection and copying in the Commission's Public Reference Room. Copies of such 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-EDGX-2010-10 and should be submitted by [insert date 21 days from the date of publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Secretary

¹⁰ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Additions underlined

Deletions [bracketed]

EDGX Exchange Fee Schedule

Effective [July] August 1, 2010

Rebates & Charges for Adding, Removing or Routing Liquidity per Share for Tape A, B, & C Securities^{1.a}:
Rebates indicated by parentheses ()

Category	Adding Liquidity	Removing Liquidity	Routing Liquidity
Securities at or above \$1.00	<u>\$(0.0029)^{1.a}</u>	\$0.0029	\$0.0029
Securities below \$1.00	<u>\$(0.00003)</u>	0.10% of Dollar Value	0.30% of Dollar Value ^{3.a}

Liquidity Flags and Associated Fees:

Unless otherwise noted, the following rebates and fees apply to orders in securities priced \$1 and over.

Flag	Description	Fee/(Rebate)
A	Routed to Nasdaq, adds liquidity	(0.0020)
<u>B^{1.a}</u>	Add liquidity to EDGX book (Tape B)	(0.0029)
<u>C^{3.a}</u>	Routed to Nasdaq BX (Tapes A & C), removes liquidity	(0.0001)
<u>D^{3.a}</u>	Routed or re-routed to NYSE, removes liquidity	0.0021
E ^[4]	Customer internalization	FREE
F	Routed to NYSE, adds liquidity	(0.0013)
G	Routed to ARCA (Tapes A & C), removes liquidity	0.0030

I	Routed to EDGA	0.0029
J^{3.a}	Routed to Nasdaq, removes liquidity	0.0030
K	Routed to BATS using ROBA order type (EDGX + BATS)	0.0025
L^{3, 7.a}	Routed to Nasdaq using INET order type, removes liquidity (Tapes A & C)	0.0030
M^{6.a}	Add liquidity on LavaFlow	(0.0024)
N	Remove liquidity from EDGX book (Tapes B & C)	0.0029
O^{5.a}	NOOP (Nasdaq opening cross)	0.0005
Q	Routed using ROUQ or ROUC order types	0.0020
R	Re-routed by exchange	0.0030
S	Directed ISO order	0.0033
T	Routed using ROUD/ROUE order type	0.0020
U^{6.a}	Remove liquidity from LavaFlow	0.0029
V^{1.a}	Add liquidity to EDGX book (Tape A)	(0.0029)
W	Remove liquidity from EDGX book (Tape A)	0.0029
X	Routed	0.0029
Y^{1.a}	Add liquidity to EDGX book (Tape C)	(0.0029)
Z	Routed using ROUZ order type	0.0010
2^{3,7.a}	Routed to Nasdaq using INET order type, removes liquidity (Tape B)	0.0030
3^{1.a}	Add liquidity – pre & post market (Tapes A & C)	(0.0029)
4^{1.a}	Add liquidity – pre & post market (Tape B)	(0.0029)
5^[4]	Customer Internalization – pre & post market	FREE
6	Remove liquidity – pre & post market (All Tapes)	0.0029
7	Routed – pre & post market	0.0030
AA	Midpoint Match Cross (same MPID)	FREE
MM	Add liquidity to Midpoint Match	0.0010
MT	Remove liquidity from Midpoint Match	0.0010
OO	Direct Edge Opening	0.0010

¹ Members can qualify for a rebate of \$0.0032 per share for all liquidity posted on EDGX if they add or route at least 5,000,000* shares of average daily volume prior to 9:30 AM or after 4:00 PM (includes all flags except 6) AND add a minimum of 50,000,000* shares of average daily volume on EDGX in total, including during both market hours and pre and post-trading hours. * For the

month of July 2010 only, these average daily volume thresholds (5,000,000 and 50,000,000) will be multiplied by a fraction, the numerator of which shall be the sum of the daily consolidated volumes for each Exchange-traded symbol for all days that such symbol is traded on the Exchange during the month of July and the denominator of which shall be the monthly consolidated volume for all Exchange-traded symbols during the month of July.

Members will be provided a \$0.0031 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly posts 0.75% of the Total Consolidated Volume (“TCV”) in average daily volume. TCV is defined as volume reported by all exchanges and trade reporting facilities to the consolidated transaction reporting plans for Tapes A, B and C securities.

[Upon a Member’s request, EDGX will aggregate share volume calculations for wholly owned affiliates on a prospective basis.]

² Intentionally omitted.

³ Stocks priced below \$1.00 on the NYSE are charged \$0.0021 per share when removing liquidity. Stocks priced below \$1.00 are charged 0.10% of the dollar value of the transaction when routed to Nasdaq BX and removing liquidity in Tapes A & C securities. Stocks priced below \$1.00 are charged 0.20% of the dollar value of the transaction when routed to Nasdaq and removing liquidity in securities on all Tapes.

⁴ Intentionally omitted.

⁵ Capped at \$10,000 per month per Member.

⁶ If Member posts an average of 100,000 shares or more per day using strategy ROLF (yielding Flag M), then said Member’s fee when removing liquidity from LavaFlow decreases to \$0.0023 per share (yielding Flag U).

⁷ Members routing an average daily volume (“ADV”): (i) less than 5,000,000 shares will be charged \$0.0030 per share, as described in the schedule; (ii) equal to or greater than 5,000,000 shares but less than 20,000,000 shares will be charged Nasdaq’s best removal tier rate per share; (iii) equal to or greater than 20,000,000 shares but less than 30,000,001 shares will be charged Nasdaq’s best removal tier rate - \$0.0001 per share; and (iv) equal to or greater than 30,000,001 shares will be charged Nasdaq’s best removal tier rate - \$0.0002 per share. The rates, in all cases, are calculated for shares removed from Nasdaq.

^a Upon a Member’s request, EDGX will aggregate share volume calculations for wholly owned affiliates on a prospective basis.

<u>ISE FIX Session Fees</u>	<u>Amount</u>	<u>Billable Unit</u>	<u>Frequency</u>
<u>ISE FIX Session</u>			
<u>First and second session</u>	<u>\$250.00</u>	<u>Session</u>	<u>Monthly</u>
<u>Third and additional sessions</u>	<u>\$50.00</u>	<u>Session</u>	<u>Monthly</u>
	* *	* * *	