



SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

**Form 19b-4 Information (required)**

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change (required)**

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

- (a) EDGX Exchange, Inc. (“EDGX” or the “Exchange”), proposes to amend Rule 11.9 to introduce additional routing options to the rule. The text of the proposed rule change is attached as Exhibit 5 and is available on the Exchange’s website at [www.directedge.com](http://www.directedge.com), at the Exchange’s principal office, and at the Public Reference Room of the Commission.
- (b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.
- (c) Not applicable.

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 EDGX 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  
EDGX Exchange  
201-942-8239

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

(a) 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 two new additional strategies.

In Rule 11.9(b)(3), the Exchange describes that its system (“System”) provides a variety of routing options. Routing options may be combined with all available order types and times-in-force, with the exception of order types and times-in-force whose terms are inconsistent with the terms of a particular routing option. The System will consider the quotations only of accessible markets. The term “System routing table” refers to the proprietary process for determining the

specific trading venues to which the System routes orders and the order in which it routes them. The Exchange reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The new System routing options are described in more detail below.

The Exchange proposes to describe the ROUQ routing strategy and add it to Rule 11.9(b)(3)(c)(iv). ROUQ is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table.

The Exchange proposes to describe the ROUZ routing strategy and add it to Rule 11.9(b)(3)(c)(v). ROUZ is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table.

The differences between the latter two strategies lies in the differences in the System routing tables for the ROUQ/ROUZ strategies. The ROUQ routing strategy goes to fewer low cost destinations than does the ROUZ routing strategy.

The Exchange also proposes to move the existing descriptions of ROUE, ROUT, and ROUX into Rule 11.9(b)(3)(c)(i)-(iii), respectively. Formerly, the descriptions were in Rules 11.9(b)(3)(c) for ROUE, 11.9(b)(3)(h) for ROUT, and 11.9(b)(3)(i) for ROUX.

The Exchange proposes to make conforming changes to the rest of the rule to re-letter the sections accordingly.

The Exchange believes that the proposed introduction of these routing options, described above, will provide market participants with greater flexibility in routing orders, without having to develop their own complicated routing strategies.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)(5) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> 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 proposed change to introduce the routing options described above will provide market participants with greater flexibility in routing orders without developing complicated order routing strategies on their own.

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<sup>1</sup> 15 U.S.C. 78f(b)(5).

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

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

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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)

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)<sup>2</sup> of the Act and Rule 19b-4(f)(6)<sup>3</sup> 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 five business days prior to the date of filing.<sup>4</sup>

The rule change is designed to provide market participants with a wider variety of options when availing themselves of EDGX's order routing and execution services. By offering additional routing options, EDGX hopes to benefit market

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<sup>2</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>3</sup> 17 CFR 240.19b-4(f)(6).

<sup>4</sup> 17 CFR 240.19b-4(f)(6)(iii).

participants and their customers by allowing them greater flexibility in their efforts to fill orders and minimize trading costs. EDGX 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 does not burden competition, because it can succeed in attracting order flow to EDGX only if it offer 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.

In addition, the Exchange notes that the proposal does not propose any new policies or provisions that are unique or unproven.

The Exchange intends to implement the rule change upon filing with the Commission. The Exchange believes that the benefits to Exchange Users expected from the proposed rule change should not be delayed. In addition to the foregoing, a delay to the implementation date would put the Exchange at a competitive disadvantage to other markets that already offer similar functionalities.

Based on the foregoing, the Exchange believes that its proposal should become immediately effective and requests that the Commission waive the 30-day pre-operative waiting period contained in Rule 19b-4(f)(6)(iii) under the Act.<sup>5</sup> Waiver of this requirement will allow the Exchange to immediately offer Exchange Users new routing strategies.

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

Not applicable.

9. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Federal Register

Exhibit 5 – Text of the Proposed Rule Change.

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<sup>5</sup> 17 CFR 240.19b-4(f)(6)(iii).

EXHIBIT 1

## SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-EDGX-2011-08)

[Date]

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule to Amend EDGX Rule 11.9 to introduce additional routing options to the rule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 1, 2011, EDGX Exchange, Inc. (the "Exchange" or "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 Exchange. 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 Rule 11.9 to introduce additional routing options to the rule. The text of the proposed rule change is attached as Exhibit 5 and is available on the Exchange's website at [www.directedge.com](http://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

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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

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 two new additional strategies.

In Rule 11.9(b)(3), the Exchange describes that its system ("System") provides a variety of routing options. Routing options may be combined with all available order types and times-in-force, with the exception of order types and times-in-force whose terms are inconsistent with the terms of a particular routing option. The System will consider the quotations only of accessible markets. The term "System routing table" refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. The Exchange reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The new System routing options are described in more detail below.

The Exchange proposes to describe the ROUQ routing strategy and add it to Rule 11.9(b)(3)(c)(iv). ROUQ is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table.

The Exchange proposes to describe the ROUZ routing strategy and add it to Rule 11.9(b)(3)(c)(v). ROUZ is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table.

The differences between the latter two strategies lies in the differences in the System routing tables for the ROUQ/ROUZ strategies. The ROUQ routing strategy goes to fewer low cost destinations than does the ROUZ routing strategy.

The Exchange also proposes to move the existing descriptions of ROUE, ROUT, and ROUX into Rule 11.9(b)(3)(c)(i)-(iii), respectively. Formerly, the descriptions were in Rules 11.9(b)(3)(c) for ROUE, 11.9(b)(3)(h) for ROUT, and 11.9(b)(3)(i) for ROUX.

The Exchange proposes to make conforming changes to the rest of the rule to re-letter the sections accordingly.

The Exchange believes that the proposed introduction of these routing options, described above, will provide market participants with greater flexibility in routing orders, without having to develop their own complicated routing strategies.

#### Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>3</sup> 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 proposed change to introduce the routing options described above will provide market participants with greater flexibility in routing orders without developing complicated order routing strategies on their own.

#### 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.

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<sup>3</sup> 15 U.S.C. 78f(b)(5).

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>4</sup> and Rule 19b-4(f)(6)(iii) thereunder.<sup>5</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>6</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>7</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. Waiver of this requirement will allow the Exchange to immediately offer Exchange Users new routing strategies.

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

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<sup>4</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>5</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>6</sup> 17 CFR 240.19b-4(f)(6).

<sup>7</sup> 17 CFR 240.19b-4(f)(6)(iii).

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](mailto:rule-comments@sec.gov). Please include File No. SR-EDGX-2011-08 on the subject line.

##### Paper comments:

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

All submissions should refer to File Number SR-EDGX-2011-08. 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 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-2011-08 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 Trading and Markets, pursuant to delegated authority.<sup>8</sup>

Secretary

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<sup>8</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

**Additions underlined**

**Deletions [bracketed]**

Rule 11.9 Order Execution

(a) No change.

(b) (1) No change

(2) No change

(A)- (B) No change.

(3) No change.

(a) ROUC. ROUC is a routing option under which an order checks the System for available shares and then is sent sequentially to destinations on the System routing table, Nasdaq OMX BX, and NYSE. If shares remain unexecuted after routing, they are posted on the Exchange's book.

(b) ROUD. ROUD is a routing option under which an order checks the System for available shares and then is sent sequentially to destinations on the System routing table.

(c) The following routing strategies [ROUE. ROUE is a routing option under which an order] check[s] the System for available shares and then [is] are sent to destinations on the System routing table[.];

(i) ROUE

(ii) ROUT

(iii) ROUX

(iv) ROUQ

(v) ROUZ

(d) INET. INET is a routing option under which an order checks the System for available shares and then is sent to Nasdaq. If shares remain unexecuted after routing, they are posted on the Nasdaq book.

(e) ROBA. ROBA is a routing option under which an order checks the System for available shares and then is sent to BATS BZX Exchange as an immediate or cancel (IOC) order. If shares remain unexecuted after routing, they are cancelled.

(f) ROBX. ROBX is a routing option under which an order checks the System for available shares and then is sent to Nasdaq BX Exchange as an immediate or cancel (IOC) order. If shares remain unexecuted after routing, they are cancelled.

(g) ROBY. ROBY is a routing option under which an order checks the System for available shares and then is sent to BATS BYX Exchange as an immediate or cancel (IOC) order. If shares remain unexecuted after routing, they are cancelled.

[(h) ROUT. ROUT is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table.]

[(i) ROUX. ROUX is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table. ]

[(j)] (h) RDOT. RDOT is a order routing option under which an order checks the System for available shares and then is sent sequentially to destinations on the System routing table. If shares remain unexecuted after routing, they are sent to the NYSE.

[(k)](i) RDOX. RDOX is a routing option under which an order checks the System for available shares and then is sent to the NYSE.

[(l)](j) ROLF. ROLF is a routing option under which an order checks the System for available shares and then is sent to LavaFlow ECN.

[(m)] (k) ROPA. ROPA is a routing option under which an order checks the System for available shares and then is sent to NYSE Arca as an immediate or cancel order (IOC). If shares remain unexecuted after routing, they are cancelled.

[(n)] (l) IOCX. IOCX is a routing option under which an order checks the System for available shares and then is sent to EDGA.

[(o)] (m) IOCT. IOCT is a routing option under which an order checks the System for available shares and then is sent sequentially to destinations on the System routing table. If shares remain unexecuted after routing, they are sent to EDGA.

[(p)] (n) ROOC. ROOC is a routing option for orders that the entering firm wishes to designate for participation in the opening or closing process of a primary listing market (NYSE, Nasdaq, NYSE Amex, or NYSE Arca) if received before the opening/closing time of such market. If shares remain unexecuted after attempting to execute in the opening or closing process, they are either posted to the book, executed, or routed like a ROUT routing option, as described in paragraph (h), above.

[(q)] (o) SWPA. SWPA is a routing option under which an order checks the System for available shares and then is sent to only Protected Quotations and only for displayed size. To the extent that any portion of the routed order is unexecuted, the remainder is cancelled back to the User. The entire SWPA order will not be cancelled back to the User immediately if at the time of entry there is an insufficient share quantity in the SWPA order to fulfill the displayed size of all Protected Quotations.

[(r)] (p) SWPB. SWPB is a routing option under which an order checks the System for available shares and then is sent to only Protected Quotations and only for displayed size. To the extent that any portion of the routed order is unexecuted, the remainder is cancelled back to the User. The entire SWPB order will be cancelled back to the User immediately if at the time of entry there is an insufficient share quantity in the SWPB order to fulfill the displayed size of all Protected Quotations.

(c) – (f) No change.