



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. (“Exchange” or “EDGX”) proposes to make available without charge the EDGX book feed (“EDGX Book Feed”), an EDGX data feed that displays depth of book information. The Exchange also proposes to add a description of the EDGX Book Feed to new Rule 13.8.

(b) Inapplicable.

(c) Inapplicable.

2. Procedures of the Self-Regulatory Organization

The Exchange’s Board of Directors approved the proposed rule change on July 12, 2010. This action constitutes the requisite approval under the Exchange’s Bylaws. 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 the Statutory Basis for, the Proposed Rule Change

(a) Purpose

The purpose of the proposed rule change is to describe the availability of the EDGX Book Feed, a data feed that contains all orders for securities trading on the Exchange. The EDGX Book Feed is available to all EDGX members equally at no charge, and offers all firms real-time data concerning EDGX’s depth of book. EDGX makes the EDGX Book Feed available to all market participants via subscription through an established connection to EDGX through extranets, direct connection, and service bureaus. The EDGX Book Feed is available in multicast and unicast formats.

The EDGX Book Feed contains the following data elements: all displayed orders for listed securities trading on EDGX, order executions, order cancellations, order modifications, order identification numbers, and administrative messages.

By making the EDGX Book Feed data available, EDGX enhances market transparency and fosters competition among orders and markets. Member firms may use the EDGX Book Feed to more accurately price their orders based on EDGX’s view of the

depth of book information, such as all displayed limit orders at any point in time. Additionally, Members can track their own orders from order entry to execution.

The Exchange proposes to add the definition of EDGX Book Feed to new Rule 13.8(a). In addition, the Exchange proposes to add to Rule 13.8(b) the process by which a Member can obfuscate their unique order identification number on the EDGX Book Feed for subsequent replenishments of reserve orders per Market Participant Identifier (“MPID”) for all logical ports or specific logical ports, as designated by the Member. In order to do so, and have a randomly generated order identification number applied to the replenishment of Member’s reserve orders, the Member would contact Member Services via email or phone. Such feature would be enabled the next trading day by the Exchange for the Member-selected MPID for all logical ports or specific logical ports until further instructions are received by Member Services from the Member. The Exchange believes that the random order identification number would help deter other market participants from being able to trace the life of a specific order, including short-term price movements and trading patterns.

At this time, EDGX does not have plans to charge an additional fee associated with the receipt of the EDGX Book Feed. Should EDGX determine to charge fees associated with the EDGX Book Feed, EDGX will submit a proposed rule change to the Commission in order to implement those fees.

(b) Basis – The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Exchange Act (the “Act”),<sup>1</sup> in general, and furthers the objectives of Section 6(b)(5),<sup>2</sup> in particular, as it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. EDGX believes that this proposal is in keeping with those principles by promoting increased transparency through the dissemination of the EDGX Book Feed and by codifying its availability.

In addition, EDGX is making a voluntary decision to make this data available. EDGX is not required by the Act in the first instance to make the data available, unlike the best bid and offer which must be made available under the Act. EDGX chooses to make the data available as proposed in order to improve market quality, to attract order flow, and to increase transparency. Once this filing becomes effective, EDGX will be required to continue making the data available until such time as EDGX changes its rule.

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

The Exchange does not believe that the proposed rule change will result in any

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<sup>1</sup> 15 U.S.C. 78f.

<sup>2</sup> 15 U.S.C. 78f(b)(5).

burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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.

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>3</sup> of the Act and Rule 19b-4(f)(6)<sup>4</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>5</sup>

EDGX believes that the instant filing is non-controversial because it codifies the use of a free data product that is offered to all members equally and the receipt and use of the EDGX Book Feed is strictly voluntary. The EDGX Book Feed provides members useful information concerning EDGX's depth of book information.

EDGX further respectfully requests that the Commission waive the 30-day delayed operative date so that this proposed rule change may become effective and

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

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

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

operative upon filing with the Commission pursuant to Section 19(b)(3)(A)<sup>6</sup> of the Act and Rule 19b-4(f)(6)<sup>7</sup> thereunder. EDGX believes that such waiver is consistent with the protection of investors and the public interest because it would permit EDGX to immediately provide the information regarding the EDGX Book Feed access requirements to market participants. Specifically, the Exchange believes that, because the the EDGX Book Feeds are already available, strictly voluntary, and free to receive, waiver of the 30-day pre-operative delay is consistent with Rule 19b-4(f)(6).<sup>8</sup>

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.

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<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

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

<sup>8</sup> 17 CFR 240.19b-4(f)(6).

EXHIBIT 1

## SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-EDGX-2011-18)

[Date]

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of New EDGX Rule 13.8.

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 June 29, 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 make available without charge the EDGX book feed ("EDGX Book Feed"), an EDGX data feed that displays depth of book information. The Exchange also proposes to add a description of the EDGX Book Feed to new Rule 13.8. 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

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

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

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

The purpose of the proposed rule change is to describe the availability of the EDGX Book Feed, a data feed that contains all orders for securities trading on the Exchange. The EDGX Book Feed is available to all EDGX members equally at no charge, and offers all firms real-time data concerning EDGX's depth of book. EDGX makes the EDGX Book Feed available to all market participants via subscription through an established connection to EDGX through extranets, direct connection, and service bureaus. The EDGX Book Feed is available in multicast and unicast formats.

The EDGX Book Feed contains the following data elements: all displayed orders for listed securities trading on EDGX, order executions, order cancellations, order modifications, order identification numbers, and administrative messages.

By making the EDGX Book Feed data available, EDGX enhances market transparency and fosters competition among orders and markets. Member firms may use the EDGX Book Feed to more accurately price their orders based on EDGX's view of the depth of book information, such as all displayed limit orders at any point in time. Additionally, Members can track their own orders from order entry to execution.



The Exchange proposes to add the definition of EDGX Book Feed to new Rule 13.8(a). In addition, the Exchange proposes to add to Rule 13.8(b) the process by which a Member can obfuscate their unique order identification number on the EDGX Book Feed for subsequent replenishments of reserve orders per Market Participant Identifier (“MPID”) for all logical ports or specific logical ports, as designated by the Member. In order to do so, and have a randomly generated order identification number applied to the replenishment of Member’s reserve orders, the Member would contact Member Services via email or phone. Such feature would be enabled the next trading day by the Exchange for the Member-selected MPID for all logical ports or specific logical ports until further instructions are received by Member Services from the Member. The Exchange believes that the random order identification number would help deter other market participants from being able to trace the life of a specific order, including short-term price movements and trading patterns.

At this time, EDGX does not have plans to charge an additional fee associated with the receipt of the EDGX Book Feed. Should EDGX determine to charge fees associated with the EDGX Book Feed, EDGX will submit a proposed rule change to the Commission in order to implement those fees.

#### Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,<sup>3</sup> in general, and furthers the objectives of Section 6(b)(5),<sup>4</sup> in particular, as it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and

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<sup>3</sup> 15 U.S.C. 78f.

<sup>4</sup> 15 U.S.C. 78f(b)(5).

coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. EDGX believes that this proposal is in keeping with those principles by promoting increased transparency through the dissemination of the EDGX Book Feed and by codifying its availability.

In addition, EDGX is making a voluntary decision to make this data available. EDGX is not required by the Act in the first instance to make the data available, unlike the best bid and offer which must be made available under the Act. EDGX chooses to make the data available as proposed in order to improve market quality, to attract order flow, and to increase transparency. Once this filing becomes effective, EDGX will be required to continue making the data available until such time as EDGX changes its rule.

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

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>5</sup> and Rule 19b-4(f)(6)(iii) thereunder.<sup>6</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>7</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>8</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 effective and operative upon filing with the Commission. EDGX believes that such waiver is consistent with the protection of investors and the public interest because it would permit EDGX to immediately provide the information regarding the EDGX Book Feed access requirements to market participants. Specifically, the Exchange believes that, because the EDGX Book Feeds are already available, strictly voluntary, and free to receive, waiver of the 30-day pre-operative delay is consistent with Rule 19b-4(f)(6).<sup>9</sup>

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

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

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

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

<sup>8</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>9</sup> 17 CFR 240.19b-4(f)(6).

#### 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-2011-18 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-2011-18. 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-2011-18 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>10</sup>

Secretary

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<sup>10</sup> 17 CFR 200.30-3(a)(12).

## Exhibit 5

Additions underlined

Deletions [bracketed]

## CHAPTER XIII. MISCELLANEOUS PROVISIONS

Rules 13.1- 13.7 (No change)

Rule 13.8 EDGX Book Feed

(a) The EDGX Book Feed is a data feed that contains all displayed orders for listed securities trading on EDGX, order executions, order cancellations, order modifications, order identification numbers, and administrative messages.

(b) Members may obfuscate their unique order identifications number on the EDGX Book Feed per Market Participant Identifier for all logical ports or specific logical ports for subsequent replenishments of reserve orders, as designated by the Member. In order to do so, the Member must contact the Exchange's Member Services ("Member Services") department. In such case, a randomly generated order identification number would be applied the next trading day by the Exchange for all subsequent replenishments of reserve orders until further instructions are received by Member Services from the Member.

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