

Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2012 - * 06

Amendment No. (req. for Amendments *)

Proposed Rule Change by EDGA Exchange, Inc.

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *
☒Amendment *
☐Withdrawal
☐Section 19(b)(2) *
☐Section 19(b)(3)(A) *
☒Section 19(b)(3)(B) *
☐


Rule

- ☐ 19b-4(f)(1) ☐ 19b-4(f)(4)
☐ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☒ 19b-4(f)(6)

Pilot ☐

Extension of Time Period
for Commission Action *


Date Expires *

Exhibit 2 Sent As Paper Document
Exhibit 3 Sent As Paper Document
**Description**

Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *).

EDGA Exchange Inc. proposes to introduce an additional routing option to Rule 11.9 to provide Users with increased access to multiple sources of liquidity and greater flexibility in routing orders.

Contact Information

Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name * Thomas Last Name * McManus

Title * Chief Regulatory Officer

E-mail * tmcmanus@directedge.com

Telephone * (201) 418-3471 Fax **Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date 02/24/2012

By Thomas N. McManus
(Name *)

Chief Regulatory Officer

(Title *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

tmcmanus@directedge.com,

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EDFS 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) EDGA Exchange, Inc. (“EDGA” or the “Exchange”) proposes to introduce an additional routing option to Rule 11.9 to provide Users¹ 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.
- (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 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 person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

Thomas N. McManus
Chief Regulatory Officer
EDGA Exchange, Inc.
201-418-3471

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 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.

¹ As defined in Rule 1.5(cc).

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 Order²³ 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 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.

(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”),⁴ 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

² As defined in Rule 11.5(c)(7).

³ As defined in Rule 11.5(c)(7).

⁴ 15 U.S.C. 78f(b)(5).

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.

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)⁵ of the Act and Rule 19b-4(f)(6)⁶ 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.

⁵ 15 U.S.C. 78s(b)(3)(A).

⁶ 17 CFR 240.19b-4(f)(6).

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.⁷

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 exchanges⁸ and result in more efficient, improved executions for potential investors.

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.

⁷ 17 CFR 240.19b-4(f)(6)(iii).

⁸ 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").

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-EDGA-2012-06)

[Date]

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

Pursuant to Section 19(b)(2) 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ As defined in Rule 1.5(cc).

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 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 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 Order⁴⁵ 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

⁴ As defined in Rule 11.5(c)(7).

⁵ As defined in Rule 11.5(c)(7).

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 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.

Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,⁶ 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

⁶ 15 U.S.C. 78f(b)(5).

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.

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)⁷ of the Act and Rule 19b-4(f)(6)⁸ 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

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f)(6).

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.⁹

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.

⁹ 17 CFR 240.19b-4(f)(6)(iii).

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 exchanges¹⁰ 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 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-EDGA-2012-06 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.

¹⁰ 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").

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 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-EDGA-2012-06 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.¹¹

Secretary

¹¹ 17 CFR 200.30-3(a)(12).

Exhibit 5Additions underlined

Deletions [bracketed]

Rule 11.5 Orders and Modifiers

(a) No change.

(b) No change.

(c) (1)-(6) No change.

(7) *Mid-Point Peg Order*. A limit order whose price is automatically adjusted by the System in response to changes in the NBBO to be pegged to the midpoint of the NBBO. A new timestamp is created for the order each time it is automatically adjusted. Mid-Point Peg Orders are not eligible for routing pursuant to Rule 11.9(b)(2) and are not displayed on the Exchange, unless the User elects to route the order pursuant to the RMPT Routing Option defined in Rule 11.9(b)(3)(t).

(8)-(13) No change.

(d) No change.

(e) No change.

Rule 11.6 – Rule 11.8 No change.**Rule 11.9 Order Execution**

(a) No change.

(b) (1) No change.

(2) No change.

(3) *Routing Options*. The 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. Users may elect that any remainder of an order be posted to the

EDGX Exchange, Inc. (“EDGX”) for any of the routing options noted below, except those in paragraphs (a), [and] (n)-(q) and (t). The System routing options are:

(a) – (s) No change.

(t) RMPT. RMPT is a routing option under which a Mid-Point Peg Order checks the System for available shares and any remaining shares are then sent sequentially to destinations on the System routing table that support 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.