

*Required fields are shown with yellow backgrounds and asterisks.*

Page 1 of \* 12

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

File No.\* SR - 2012 - \* 37

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) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	19b-4(f)(1)	19b-4(f)(2)	19b-4(f)(3)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			19b-4(f)(4)	19b-4(f)(5)	19b-4(f)(6)
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 amend its fees and rebates applicable to Members and non-Members of the Exchange pursuant to EDGA Rule 15.1(a) and (c) regarding logical ports.

**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 \* Jeffrey Last Name \* Rosenstock

Title \* General Counsel

E-mail \* jrosenstock@directedge.com

Telephone \* (201) 942-8295 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 08/22/2012

By Jeffrey S. Rosenstock  
(Name \*)

General Counsel

(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.

jrosenstock@directedge.com,

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)**

Add Remove View

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)**

Add Remove View

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**

Add Remove View

Exhibit Sent As Paper Document

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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

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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**

Add Remove View

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. (“Exchange” or “EDGA”) proposes to amend its fees and rebates applicable to Members<sup>1</sup> and non-Members of the Exchange pursuant to EDGA Rule 15.1(a) and (c). 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 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  
201-418-3471

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

#### (a) Purpose

The Exchange maintains logical ports for order entry (FIX, HP-API), drop copies (DROP), and market data (collectively, “DIRECT Logical Ports”).<sup>2</sup> The Exchange proposes to reduce the quantity of free DIRECT Logical Ports from ten (10) sessions to five (5) sessions. Therefore, the Exchange will assess a monthly fee per logical port for Members and non-Members that maintain six or more DIRECT Logical Ports. Accordingly, the Exchange proposes to amend its fee schedule to reduce the quantity of free DIRECT Logical Ports from ten sessions to five sessions. In addition, the Exchange, pursuant to an information circular dated

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<sup>1</sup> A Member is any registered broker or dealer, or any person associated with a registered broker or dealer that has been admitted to membership in the Exchange.

<sup>2</sup> See Securities and Exchange Act Release No. 64964 (July 26, 2011), 76 FR 45898 (August 1, 2011) (SR-EDGA-2011-22) (discussing the Exchange's proposal to include logical ports that receive market data among the types of logical ports that the Exchange assesses a monthly fee to Members and non-Members).

July 20, 2012, communicated to Members and non-Members that the Exchange would propose these changes in a subsequent filing with the Securities and Exchange Commission.<sup>3</sup>

The Exchange proposes to implement these amendments to its fee schedule on September 1, 2012.

(b) Basis

The Exchange believes that the proposed rule changes are consistent with the objectives of Section 6 of the Securities and Exchange Act of 1934 (the “Act”),<sup>4</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>5</sup> in particular, as the proposed rule changes are designed to provide for the equitable allocation of reasonable dues, fees and other charges among Members and other persons using the Exchange’s facilities.

The Exchange believes its proposal to amend its fee schedule to reduce the quantity of free DIRECT Logical Ports from ten sessions to five sessions represents an equitable allocation of reasonable dues, fees and other charges because the Exchange has implemented several infrastructure enhancements that increased the message throughput (efficiency) per port, thereby requiring fewer ports to communicate the same information. The Exchange also believes that reducing the quantity of free DIRECT Logical Ports to five sessions will promote efficient use of the ports by market participants, helping the Exchange to continue to maintain and improve its infrastructure, while also encouraging Members and non-Members to request and enable only the ports that are necessary for their operations related to the Exchange. In addition, the Exchange will use the revenue generated from its proposal to supplement its administrative and infrastructure costs associated with allowing Members and non-Members to establish logical ports to connect to the Exchange’s systems and continue to maintain and improve its infrastructure, market technology, and services. The Exchange also notes that assessing charges for logical ports is reasonable because it is consistent with the practices of other exchanges, such as the BATS Exchange and the NASDAQ OMX Group, Inc. that charge customers for logical ports.<sup>6</sup> Lastly, the Exchange also believes that the proposed reduction in quantity of free ports is non-discriminatory because it applies uniformly to Members and non-Members.

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<sup>3</sup> See Direct Edge Notice to Members # 12-28, Reduction in Number of Free Logical Ports Effective September 4, 2012, <http://www.directedge.com/About/Announcements/ViewNewsletterDetail.aspx?NewsletterID=751>.

<sup>4</sup> 15 U.S.C. 78f.

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

<sup>6</sup> See BATS BZX fee schedule at <http://batstrading.com/FeeSchedule/> (where BATS BZX charges its customers a monthly fee per logical port). See also NASDAQ Price List-Trading & Connectivity, <http://www.nasdaqtrader.com/Trader.aspx?id=PriceListTrading2> (where NASDAQ charges its customers a monthly fee per logical port).

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 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.

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 Act.

(b) This proposed rule change establishes dues, fees or other charges among its Members and non-Members and, as such, may take effect upon filing with the Commission pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>7</sup> and paragraph (f)(2) of Rule 19b-4 thereunder.<sup>8</sup>

(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.

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<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>8</sup> 17 CFR 240.19b-4(f)(2).

EXHIBIT 1SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-EDGA-2012-37)

[Date]

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

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 August 22, 2012 the EDGA Exchange, Inc. (the "Exchange" or "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 amend its fees and rebates applicable to Members<sup>3</sup> and non-Members of the Exchange pursuant to EDGA Rule 15.1(a) and (c). All of the changes described herein are applicable to EDGA Members and non-Members. The text of the proposed rule change is available on the Exchange's Internet website at

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

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

<sup>3</sup> A Member is any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange.

<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 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

The Exchange maintains logical ports for order entry (FIX, HP-API), drop copies (DROP), and market data (collectively, "DIRECT Logical Ports").<sup>4</sup> The Exchange proposes to reduce the quantity of free DIRECT Logical Ports from ten (10) sessions to five (5) sessions. Therefore, the Exchange will assess a monthly fee per logical port for Members and non-Members that maintain six or more DIRECT Logical Ports. Accordingly, the Exchange proposes to amend its fee schedule to reduce the quantity of free DIRECT Logical Ports from ten sessions to five sessions. In addition, the Exchange, pursuant to an information circular dated July 20, 2012, communicated

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<sup>4</sup> See Securities and Exchange Act Release No. 64964 (July 26, 2011), 76 FR 45898 (August 1, 2011) (SR-EDGA-2011-22) (discussing the Exchange's proposal to include logical ports that receive market data among the types of logical ports that the Exchange assesses a monthly fee to Members and non-Members).

to Members and non-Members that the Exchange would propose these changes in a subsequent filing with the Securities and Exchange Commission.<sup>5</sup>

The Exchange proposes to implement these amendments to its fee schedule on September 1, 2012.

#### Basis

The Exchange believes that the proposed rule changes are consistent with the objectives of Section 6 of the Act,<sup>6</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>7</sup> in particular, as the proposed rule changes are designed to provide for the equitable allocation of reasonable dues, fees and other charges among Members and other persons using the Exchange's facilities.

The Exchange believes its proposal to amend its fee schedule to reduce the quantity of free DIRECT Logical Ports from ten sessions to five sessions represents an equitable allocation of reasonable dues, fees and other charges because the Exchange has implemented several infrastructure enhancements that increased the message throughput (efficiency) per port, thereby requiring fewer ports to communicate the same information. The Exchange also believes that reducing the quantity of free DIRECT Logical Ports to five sessions will promote efficient use of the ports by market participants, helping the Exchange to continue to maintain and improve its infrastructure, while also encouraging Members and non-Members to request and

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<sup>5</sup> See Direct Edge Notice to Members # 12-28, Reduction in Number of Free Logical Ports Effective September 4, 2012, <http://www.directedge.com/About/Announcements/ViewNewsletterDetail.aspx?NewsletterID=751>.

<sup>6</sup> 15 U.S.C. 78f.

<sup>7</sup> 15 U.S.C. 78f(b)(4).



enable only the ports that are necessary for their operations related to the Exchange. In addition, the Exchange will use the revenue generated from its proposal to supplement its administrative and infrastructure costs associated with allowing Members and non-Members to establish logical ports to connect to the Exchange's systems and continue to maintain and improve its infrastructure, market technology, and services. The Exchange also notes that assessing charges for logical ports is reasonable because it is consistent with the practices of other exchanges, such as the BATS Exchange and the NASDAQ OMX Group, Inc. that charge customers for logical ports.<sup>8</sup> Lastly, the Exchange also believes that the proposed reduction in quantity of free ports is non-discriminatory because it applies uniformly to Members and non-Members.

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.

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<sup>8</sup> See BATS BZX fee schedule at <http://batstrading.com/FeeSchedule/> (where BATS BZX charges its customers a monthly fee per logical port). See also NASDAQ Price List-Trading & Connectivity, <http://www.nasdaqtrader.com/Trader.aspx?id=PriceListTrading2> (where NASDAQ charges its customers a monthly fee per logical port).

### 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 Act<sup>9</sup> and Rule 19b-4(f)(2)<sup>10</sup> thereunder. At any time within 60 days of the filing of such 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](mailto:rule-comments@sec.gov). Please include File No. SR-EDGA-2012-37 on the subject line.

#### Paper comments:

- 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-EDGA-2012-37. This file number should be included on the subject line if e-mail is used. To help the

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<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 19b-4(f)(2).

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-2012-37 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>11</sup>

Secretary

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<sup>11</sup> 17 CFR 200.30-3(a)(12).

**EDGA Exchange Fee Schedule – Effective September [August] 1, 2012**

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**Port Fees:**

The following fees are effective September [August] 1, 2012[1]:

	Amount	Billable Unit	Frequency
DIRECT Sessions (FIX, HP-API, Data, DROP) Logical Port Fees*	\$500.00	Session	Monthly

*\*First [~~ten~~five] ([10]5) DIRECT Logical Ports are provided free of charge.*

Ports used to request a re-transmission of market data from the Exchange are provided free of charge.

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