

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="17"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2012"/> - * <input type="text" value="14"/>	Amendment No. (req. for Amendments *) <input type="text"/>
---	--	--	--

Proposed Rule Change by EDGX Exchange, Inc.  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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

Exhibit 2 Sent As Paper Document <input checked="" type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
--	---

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

**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 * <input type="text" value="Jeffrey"/>	Last Name * <input type="text" value="Rosenstock"/>
Title * <input type="text" value="General Counsel"/>	
E-mail * <input type="text" value="jrosenstock@directedge.com"/>	
Telephone * <input type="text" value="(201) 942-8295"/>	Fax <input type="text"/>

**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 <input type="text" value="04/19/2012"/>		
By <input type="text" value="Jeffrey S. Rosenstock"/>	<input type="text" value="General Counsel"/>	
(Name *)	(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.

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

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**

Add Remove View

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**

Add Remove View

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**

Add Remove View

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”) is filing a proposed rule change to amend its fee schedule applicable to Members<sup>1</sup> and non-Members of the Exchange to assess market data fees for internal and external distribution of the EDGX book feed (“EDGX Book Feed”). The 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 the Board of Directors of the Exchange on July 12, 2010. 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 individual on the Exchange staff prepared to respond to questions about and comments regarding the proposed rule change is:

Thomas N. McManus  
Chief Regulatory Officer  
EDGX Exchange, Inc.  
(201) 418-3471

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

### (a) Purpose

In SR-EDGX-2011-18,<sup>2</sup> the Exchange made available the EDGX Book Feed, a data feed that contains all orders for securities trading on the Exchange, including all displayed orders for listed securities trading on EDGX, order executions, order cancellations, order modifications, order identification numbers and administrative messages. The EDGX Book Feed offers real-time data, thereby allowing Member firms to more accurately price their orders based on EDGX’s view of the depth of book information. It also provides Members an ability to track their own orders from order entry to execution. It is available in both unicast and multicast format. Upon the Exchange’s initial offering of the EDGX Book Feed, such service was provided at no

---

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

<sup>2</sup> Securities Exchange Act Release No. 64791 (July 1, 2011), 76 FR 39944 (July 7, 2011) (SR-EDGX-2011-18).

cost. In SR-EDGX-2011-18, the Exchange stated that “[s]hould 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.”<sup>3</sup> This proposal is designed to implement fees for the receipt of the EDGX Book Feed.

The proposed rule change to the EDGX fee schedule codifies such a fee associated with the receipt of the EDGX Book Feed. The Exchange, like other market centers and other data providers, intends to assess fees for entities that receive real-time market data directly or indirectly and act as either internal or external distributors, as discussed below. A “Distributor” of Exchange data is any entity that receives an EDGX Book Feed directly from the Exchange or indirectly through another entity and then distributes such data either internally (within that entity) (“Internal Distributor”) or externally (outside that entity) (“External Distributor”). All Distributors shall execute a Market Data Vendor Agreement with Direct Edge, Inc., acting on behalf of the EDGX Exchange. The amount of the monthly fees would depend on whether the distributor is an “Internal Distributor” or “External Distributor.” Internal Distributors are proposed to be charged \$500 per month and External Distributors are proposed to be charged \$2,500 per month. The fee paid by an External Distributor includes the Internal Distributor Fee and thus allows an External Distributor to provide data both internally (i.e., to users within their own organization) and externally (to users outside their own organization).

Additionally, Distributors will only pay one distributor fee, regardless of the number of locations or users to which the feed is received or distributed. In addition, neither Distributors nor their end-users will be charged per-user device fees when used to receive the EDGX Book Feed nor will they be charged per-user display fees when used to present the EDGX Book Feed.

The Exchange intends to implement the proposed rule change on May 1, 2012.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Securities 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 it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange makes all services and products subject to these fees available on a non-discriminatory basis to similarly situated recipients because the service is optional and fees charged for the EDGX Book Feed will be the same for both Members and non-Members. The fees are not unreasonably discriminatory and are equitably allocated. The fees for Members and non-Members are uniform except with respect to reasonable distinctions with respect to internal and

---

<sup>3</sup> Id.

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

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

external distribution.<sup>6</sup> The Exchange proposes charging External Distributors more than Internal Distributors because of higher administrative costs associated with monitoring External Distributors ongoing reporting, as provided in the Direct Edge Data Vendor Agreement and market data requirements referenced therein. The Exchange believes that the fees established for the EDGX Book Feed are reasonable and fair in light of alternatives offered by other market centers.<sup>7</sup> For example, PSX charges its data recipients of its book feed, PSX TotalView, a \$1,000 monthly fee to receive its data feed directly from the Exchange. If the data recipient then distributes the data, it pays an “internal” or “external” distributor fee depending on the method of distribution. These fees are on top of the \$1,000 monthly fee and amount to an additional \$500/month for internal distributors and \$1250/month for external distributors. This would amount to total costs of \$1,500 monthly for internal distributors and \$2,250 monthly for external distributors that receive their feed directly from PSX. BX charges its data recipients and internal/external distributors the same fees for its book feed, BX TotalView. Finally, NASDAQ charges \$1,000/month for internal distributors of NASDAQ listed-security depth entitlements and \$500/month for internal distributors of non NASDAQ-listed security depth entitlements; for external distributors, NASDAQ charges \$2,500/month for NASDAQ-listed security depth entitlements and \$1,250/month for external distributors of non NASDAQ-listed security depth entitlements. These are on top of NASDAQ’s direct access fees of \$2,000/month for NASDAQ listed-security depth entitlements and \$1,000/month for non NASDAQ-listed security depth entitlements.<sup>8</sup>

Revenue generated from such fees will help offset the costs that the Exchange incurs in operating and regulating a highly efficient and reliable platform for the trading of U.S. equities. This increased revenue stream will allow the Exchange to offer an innovative service at a reasonable rate, structured in a manner comparable to and consistent with other market centers who provide similar market data products.<sup>9</sup>

The Exchange also believes that the proposed fees are consistent with Section 6(b)(5) of the Act,<sup>10</sup> as it is designed to prevent fraudulent and manipulative acts and

---

<sup>6</sup> The Exchange notes that distinctions based on external versus internal distribution have been previously filed with the Commission by NASDAQ Exchange (“NASDAQ”), NASDAQ OMX BX (“BX”), and NASDAQ OMX PSX (“PSX”). See Nasdaq Rule 7019(b). See also Securities Exchange Act Release No. 62876 (September 9, 2010), 75 FR 56624 (September 16, 2010) (SR-PHLX-2010-120). See also Securities Exchange Act Release No. 62907 (September 14, 2010), 75 FR 57314 (September 20, 2010) (SR-NASDAQ-2010-110). See also Securities Exchange Act Release No. 63442 (December 6, 2010), 75 FR 77029 (December 10, 2010) (SR-BX-2010-081).

<sup>7</sup> Id.

<sup>8</sup> See Nasdaq Rule 7019(b).

<sup>9</sup> Id.

<sup>10</sup> 15 U.S.C. 78f(b)(5).

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 codification of uniform fees for the EDGX Book Feed for all users and by clarifying the availability of the EDGX Book Feed to various market participants. In addition, EDGX has made a voluntary decision to make this Book Feed available. EDGX is not required by the Act in the first instance to make the data available. EDGX has chosen to make the Book Feed available to improve market quality, attract order flow, and increase transparency. It will continue to make such data available until such time as it changes its rule.

The Exchange also believes that the proposal is consistent with the goals of Regulation NMS,<sup>11</sup> namely facilitating efficiency and competition. Efficiency is promoted when Members who do not need the EDGX Book Feed data are not required to receive (and pay for) such data. The Exchange also believes that efficiency is promoted when Members may choose to receive (and pay for) additional market data based on their own internal analysis of the need for such data. Competition is promoted as the Exchange cannot set unreasonable fees without losing business to its competitors.<sup>12</sup>

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

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

There is significant competition for the provision of market data to market participants, as well as competition for the orders that generate that data. In introducing the proposed fees for this service, the Exchange would be providing one similar to alternatives offered by other market centers.<sup>13</sup> The existence of such alternatives ensures that the Exchange cannot set unreasonable fees, or fees that are unreasonably discriminatory, without losing business to these alternatives. Thus, the EDGX Book

---

<sup>11</sup> See Securities Exchange Act Release No. 51808 (June 9, 2006), 70 FR 37496 (June 29, 2005).

<sup>12</sup> See infra discussion in section 4 "Self-Regulatory Organization's Statement on Burden on Competition."

<sup>13</sup> See Nasdaq Rule 7019(b). See also Securities Exchange Act Release No. 62876 (September 9, 2010), 75 FR 56624 (September 16, 2010) (SR-PHLX-2010-120). See also Securities Exchange Act Release No. 62907 (September 14, 2010), 75 FR 57314 (September 20, 2010) (SR-NASDAQ-2010-110). See also Securities Exchange Act Release No. 63442 (December 6, 2010), 75 FR 77029 (December 10, 2010) (SR-BX-2010-081).

Feed will promote competition if it succeeds in providing market participants with viable and cost-effective alternatives which drive the market to continually improve products and services to cater to customers' data needs.

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 its Members or other interested parties.

6. Extension of Time Period for Commission Action

The Exchange does not consent at this time to an extension of the time period for Commission action specified in Section 19(b)(2) of the Act.<sup>14</sup>

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>15</sup> the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed on any person, whether or not the person is a Member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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.

---

<sup>14</sup> 15 U.S.C. 78s(b)(2).

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

EXHIBIT 1SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-EDGX-2012-14)

[Date]

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Fees Associated with Receipt of the EDGX Book Feed

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 19, 2012, 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 its fee schedule applicable to Members<sup>3</sup> and non-Members of the Exchange to assess market data fees for internal and external distribution of the EDGX book feed ("EDGX Book Feed"). 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.

---

<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 that has been admitted to membership in the Exchange.

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

In SR-EDGX-2011-18,<sup>4</sup> the Exchange made available the EDGX Book Feed, a data feed that contains all orders for securities trading on the Exchange, including all displayed orders for listed securities trading on EDGX, order executions, order cancellations, order modifications, order identification numbers and administrative messages. The EDGX Book Feed offers real-time data, thereby allowing Member firms to more accurately price their orders based on EDGX's view of the depth of book information. It also provides Members an ability to track their own orders from order entry to execution. It is available in both unicast and multicast format. Upon the Exchange's initial offering of the EDGX Book Feed, such service was provided at no cost. In SR-EDGX-2011-18, the Exchange stated that "[s]hould EDGX determine to charge fees associated with the EDGX Book Feed, EDGX will submit a proposed rule

---

<sup>4</sup> Securities Exchange Act Release No. 64791 (July 1, 2011), 76 FR 39944 (July 7, 2011) (SR-EDGX-2011-18).

change to the Commission in order to implement those fees.”<sup>5</sup> This proposal is designed to implement fees for the receipt of the EDGX Book Feed.

The proposed rule change to the EDGX fee schedule codifies such a fee associated with the receipt of the EDGX Book Feed. The Exchange, like other market centers and other data providers, intends to assess fees for entities that receive real-time market data directly or indirectly and act as either internal or external distributors, as discussed below. A “Distributor” of Exchange data is any entity that receives an EDGX Book Feed directly from the Exchange or indirectly through another entity and then distributes such data either internally (within that entity) (“Internal Distributor”) or externally (outside that entity) (“External Distributor”). All Distributors shall execute a Market Data Vendor Agreement with Direct Edge, Inc., acting on behalf of the EDGX Exchange. The amount of the monthly fees would depend on whether the distributor is an “Internal Distributor” or “External Distributor.” Internal Distributors are proposed to be charged \$500 per month and External Distributors are proposed to be charged \$2,500 per month. The fee paid by an External Distributor includes the Internal Distributor Fee and thus allows an External Distributor to provide data both internally (i.e., to users within their own organization) and externally (to users outside their own organization).

Additionally, Distributors will only pay one distributor fee, regardless of the number of locations or users to which the feed is received or distributed. In addition, neither Distributors nor their end-users will be charged per-user device fees when used to receive the EDGX Book Feed nor will they be charged per-user display fees when used to present the EDGX Book Feed.

The Exchange proposes to implement this rule change on May 1, 2012.

---

<sup>5</sup>

Id.

Basis

The Exchange believes that the proposed rule change is 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 it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange makes all services and products subject to these fees available on a non-discriminatory basis to similarly situated recipients because the service is optional and fees charged for the EDGX Book Feed will be the same for both Members and non-Members. The fees are not unreasonably discriminatory and are equitably allocated. The fees for Members and non-Members are uniform except with respect to reasonable distinctions with respect to internal and external distribution.<sup>8</sup> The Exchange proposes charging External Distributors more than Internal Distributors because of higher administrative costs associated with monitoring External Distributors ongoing reporting, as provided in the Direct Edge Data Vendor Agreement and market data requirements referenced therein. The Exchange believes that the fees established for the EDGX Book Feed are reasonable and fair in light of alternatives offered by other market centers.<sup>9</sup> For

---

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

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

<sup>8</sup> The Exchange notes that distinctions based on external versus internal distribution have been previously filed with the Commission by NASDAQ Exchange (“NASDAQ”), NASDAQ OMX BX (“BX”), and NASDAQ OMX PSX (“PSX”). See Nasdaq Rule 7019(b). See also Securities Exchange Act Release No. 62876 (September 9, 2010), 75 FR 56624 (September 16, 2010) (SR-PHLX-2010-120). See also Securities Exchange Act Release No. 62907 (September 14, 2010), 75 FR 57314 (September 20, 2010) (SR-NASDAQ-2010-110). See also Securities Exchange Act Release No. 63442 (December 6, 2010), 75 FR 77029 (December 10, 2010) (SR-BX-2010-081).

<sup>9</sup> Id.

example, PSX charges its data recipients of its book feed, PSX TotalView, a \$1,000 monthly fee to receive its data feed directly from the Exchange. If the data recipient then distributes the data, it pays an “internal” or “external” distributor fee depending on the method of distribution. These fees are on top of the \$1,000 monthly fee and amount to an additional \$500/month for internal distributors and \$1250/month for external distributors. This would amount to total costs of \$1,500 monthly for internal distributors and \$2,250 monthly for external distributors that receive their feed directly from PSX. BX charges its data recipients and internal/external distributors the same fees for its book feed, BX TotalView. Finally, NASDAQ charges \$1,000/month for internal distributors of NASDAQ listed-security depth entitlements and \$500/month for internal distributors of non NASDAQ-listed security depth entitlements; for external distributors, NASDAQ charges \$2,500/month for NASDAQ-listed security depth entitlements and \$1,250/month for external distributors of non NASDAQ-listed security depth entitlements. These are on top of NASDAQ’s direct access fees of \$2,000/month for NASDAQ listed-security depth entitlements and \$1,000/month for non NASDAQ-listed security depth entitlements.<sup>10</sup>

Revenue generated from such fees will help offset the costs that the Exchange incurs in operating and regulating a highly efficient and reliable platform for the trading of U.S. equities. This increased revenue stream will allow the Exchange to offer an innovative service at a reasonable rate, structured in a manner comparable to and consistent with other market centers who provide similar market data products.<sup>11</sup>

---

<sup>10</sup> See Nasdaq Rule 7019(b).

<sup>11</sup> Id.

The Exchange also believes that the proposed fees are consistent with Section 6(b)(5) of the Act,<sup>12</sup> 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 codification of uniform fees for the EDGX Book Feed for all users and by clarifying the availability of the EDGX Book Feed to various market participants. In addition, EDGX has made a voluntary decision to make this Book Feed available. EDGX is not required by the Act in the first instance to make the data available. EDGX has chosen to make the Book Feed available to improve market quality, attract order flow, and increase transparency. It will continue to make such data available until such time as it changes its rule.

The Exchange also believes that the proposal is consistent with the goals of Regulation NMS,<sup>13</sup> namely facilitating efficiency and competition. Efficiency is promoted when Members who do not need the EDGX Book Feed data are not required to receive (and pay for) such data. The Exchange also believes that efficiency is promoted when Members may choose to receive (and pay for) additional market data based on their

---

<sup>12</sup> 15 U.S.C. 78f(b)(5).

<sup>13</sup> See Securities Exchange Act Release No. 51808 (June 9, 2006), 70 FR 37496 (June 29, 2005).

own internal analysis of the need for such data. Competition is promoted as the Exchange cannot set unreasonable fees without losing business to its competitors.<sup>14</sup>

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

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

There is significant competition for the provision of market data to market participants, as well as competition for the orders that generate that data. In introducing the proposed fees for this service, the Exchange would be providing one similar to alternatives offered by other market centers.<sup>15</sup> The existence of such alternatives ensures that the Exchange cannot set unreasonable fees, or fees that are unreasonably discriminatory, without losing business to these alternatives. Thus, the EDGX Book Feed will promote competition if it succeeds in providing market participants with viable and cost-effective alternatives which drive the market to continually improve products and services to cater to customers' data needs.

---

<sup>14</sup> See infra discussion in section II.B. "Self-Regulatory Organization's Statement on Burden on Competition."

<sup>15</sup> See Nasdaq Rule 7019(b). See also Securities Exchange Act Release No. 62876 (September 9, 2010), 75 FR 56624 (September 16, 2010) (SR-PHLX-2010-120). See also Securities Exchange Act Release No. 62907 (September 14, 2010), 75 FR 57314 (September 20, 2010) (SR-NASDAQ-2010-110). See also Securities Exchange Act Release No. 63442 (December 6, 2010), 75 FR 77029 (December 10, 2010) (SR-BX-2010-081).

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from Members or other interested parties.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3) of the Act<sup>16</sup> and Rule 19b-4(f)(2)<sup>17</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-EDGX-2012-14 on the subject line.

Paper comments:

---

<sup>16</sup> 15 U.S.C. 78s(b)(3)(A).

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

- 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-2012-14. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commissions Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-EDGX-2012-14 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>18</sup>

Secretary

---

<sup>18</sup> 17 CFR 200.30-3(a)(12).

## EXHIBIT 5

Additions underlined

Deletions [bracketed]

EDGX Exchange Fee Schedule – Effective [April] May 1, 2012

\* \* \* \* \*

The fees for the EDGX Book Feed are as follows:

<u>Delivery</u>	<u>Fee</u>
<u>Internal Distributor</u>	<u>\$500/month</u>
<u>External Distributor</u>	<u>\$2,500/month</u>

A “Distributor” of Exchange data is any entity that receives an EDGX Book Feed directly from the Exchange or indirectly through another entity and then distributes it either internally (within that entity) (“Internal Distributor”) or externally (outside that entity) (“External Distributor”). All Distributors shall execute a Market Data Vendor Agreement with Direct Edge, Inc., acting on behalf of the EDGX Exchange.