

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 46	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2013 - * 27	Amendment No. (req. for Amendments *)
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Filing 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"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	<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)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) <input type="checkbox"/>	Section 3C(b)(2) <input type="checkbox"/>
Section 806(e)(2) <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

EDGX Exchange, Inc. proposes to amend its fees and rebates applicable to Members pursuant to EDGX Rule 15.1(a) and (c).

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 action.

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.
(Title *)

Date 08/01/2013
By Jeffrey Rosenstock (Name *)
General Counsel
jrosenstock@directedge.com

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 EFFF website.

Form 19b-4 Information *

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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 *

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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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies

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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, security-based swap submission, or advance notice 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) Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act” or “Exchange Act”),¹ and Rule 19b-4 thereunder,² EDGX Exchange, Inc. (“EDGX” or the “Exchange”) proposes to amend its fees and rebates applicable to Members³ pursuant to EDGX Rule 15.1(a) and (c) (“Fee Schedule”) to: (1) increase the fee charged from \$0.0029 per share to \$0.0030 per share for orders that yield Flag U, which routes to LavaFlow, Inc. (“LavaFlow”); (2) eliminate underutilized pricing tiers from its Fee Schedule; and (3) make a number of non-substantive amendments and clarifications. 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 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 Exchange’s 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 rule 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
EDGX Exchange
201-418-3471

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ “Member” is defined as “any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange. A Member will have the status of a “member” of the Exchange as that term is defined in Section 3(a)(3) of the Act.” EDGX Rule 1.5(n).

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

(a) Purpose

The Exchange proposes to amend its Fee Schedule to: (1) increase the fee charged from \$0.0029 per share to \$0.0030 per share for orders that yield Flag U, which routes to LavaFlow; (2) eliminate underutilized pricing tiers from its Fee Schedule; and (3) make a number of non-substantive amendments and clarifications.

Fee Change for Flag U

In securities priced at or above \$1.00, the Exchange currently assesses a fee of \$0.0029 per share for Members' orders that yield Flag U, which routes to LavaFlow. The Exchange proposes to amend its Fee Schedule to increase this fee to \$0.0030 per share for Members' orders that yield Flag U. The proposed change represents a pass through of the rate that Direct Edge ECN LLC (d/b/a DE Route) ("DE Route"), the Exchange's affiliated routing broker-dealer, is charged for routing orders to LavaFlow and do not qualify for a volume tiered discount. When DE Route routes to LavaFlow, it is charged a default fee of \$0.0030 per share.⁴ DE Route will pass through this rate on LavaFlow to the Exchange and the Exchange, in turn, will pass through this rate to its Members. The Exchange notes that the proposed change is in response to LavaFlow's July 2013 fee change where LavaFlow increased the rate it charges its customers, such as DE Route, from a charge of \$0.0029 per share to a charge of \$0.0030 per share for orders that are routed to LavaFlow and add liquidity.⁵

Elimination of the Tier under Footnote 6⁶

Currently, under Footnote 6, Members can qualify for a decreased fee of \$0.0023 per share for orders yielding Flag U where they post an average of 100,000 shares or more per day using routing strategy ROLF (yielding Flag M). The Exchange proposes to amend its Fee Schedule to remove this pricing tier under Footnote 6. This pricing tier represented a pass through of the rate that DE Route was charged for routing orders to LavaFlow that qualify for an identical volume tiered discount provided by LavaFlow. When DE Route routed to LavaFlow and satisfied its tier, it was charged a reduced fee of \$0.0023 per share. DE Route passed through this rate on LavaFlow to the Exchange and the Exchange, in turn, passed through this

⁴ The Exchange notes that to the extent DE Route does or does not achieve any volume tiered discount on LavaFlow, its rate for Flag U will not change.

⁵ See LavaFlow Pricing, available at <https://www.lavatrading.com/solutions/pricing.php> (July 1, 2013) (charging a fee of \$0.0030 per share for removing liquidity in shares priced at or above \$1.00) (last visited July 19, 2013).

⁶ References herein to "footnotes" refer only to footnotes on the Exchange's Fee Schedule and not to footnotes within the current filing.

rate to its Members. The Exchange notes that the proposed change is in response to LavaFlow's recent fee change where LavaFlow eliminated its equivalent pricing tier from its fee schedule.⁷ The Exchange also proposes to remove references to Footnote 6 from the list of "Liquidity Flags" and insert the word "Reserved" into Footnote 6. Lastly, the Exchange notes that with the deletion of this tier, Members will continue to be subject to the other fees and tiers listed on the Exchange's Fee Schedule.

Elimination of Tiers under Footnotes 1, 2 and 13

The final paragraph in Footnote 1 currently contains a tier that provides for reimbursement of the difference between the rebate received and the rebate potentially received for Members that meet the following criteria: (i) add 10,000,000 shares or more of ADV of liquidity to EDGX; (ii) where such added liquidity on EDGX is at least 5,000,000 shares of ADV greater than the previous calendar month; (iii) but for the liquidity added on EDGX, such Member would have qualified for a better rebate with respect to liquidity added on another exchange or ECN that the Member previously qualified for in the three calendar months prior to meeting the above-described criteria in (i) and (ii); and (iii) provide source documentation evidencing the above to the Exchange within fifteen (15) calendar days from the end of the relevant month.

Footnote 2 currently contains the Step-up Take Tier, which provides Members with a rebate of \$0.0030 per share for orders that add liquidity and yield Flags B, V, Y, 3 and 4, and assesses a fee of \$0.0028 per share for orders that remove liquidity and yield Flags N, W, BB, PI, 6, and ZR if a Member (i) adds an ADV of at least 2 million shares on a daily basis, measured monthly, more than that Member's September 2012 added ADV; and (ii) removes at least 0.40% TCW on a daily basis, measured monthly more than that Member's September 2012 removed ADV.

The Exchange notes that no Member has qualified for these tiers during the previous three months, nor does the Exchange anticipate a Member to qualify for these tiers in the near future. Therefore, the Exchange proposes to remove these tiers from its Fee Schedule and replace the text of Footnote 2 with the word "Reserved." The Exchange also proposes to remove references to Footnote 2 from the list of "Liquidity Flags." Lastly, the Exchange notes that with the deletion of these tiers, Members will continue to be subject to the other fees and tiers listed on the Exchange's Fee Schedule.

Footnote 13 currently contains tiers that provide a rebate of \$0.0032 for Members that (i) add a minimum of 0.15% of the TCW on a daily basis measured monthly; and (ii) have an "added liquidity" to "added plus removed liquidity" ratio of at least 85% (the "\$0.0032 Investor Tier") and a rebate of \$0.0030 for Members that (i) on a daily basis, measured monthly, posts an ADV

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See LavaFlow Pricing, available at <https://www.lavatrading.com/solutions/pricing.php> (July 1, 2013) (no longer charging a fee of \$0.0023 per share for members that post an average of 100,000 shares or more per day) (last visited July 19, 2013).

of at least 8 million shares on EDGX where added flags are defined as B, HA, V, Y, MM, RP, ZA, 3, or 4; (ii) have an “added liquidity” to “added plus removed liquidity” ratio of at least 60% (the “\$0.0030 Investor Tier”). Since the addition of the \$0.0032 Investor Tier, the Exchange believes that those Members that achieved the \$0.0030 Investor Tier in the previous three months will achieve the \$0.0032 Investor Tier from July 1, 2013 onward. Therefore, the Exchange proposes to remove the \$0.0030 Investor Tier from its Fee Schedule. Lastly, the Exchange notes that with the deletion of these tiers, Members will continue to be subject to the other fees and tiers listed on the Exchange’s Fee Schedule.

Non-Substantive Clarifying Changes

The Exchange also proposes to make a number of clarifying, non-substantive changes to its Fee Schedule to provide greater transparency to Members on how the Exchange assesses fees and calculates rebates. The Exchange notes that none of these changes substantively amend any fee or rebate, nor alter the manner in which it assesses fees or calculates rebates. These proposed changes are outlined below:

- Amend “EDGX Exchange” at the top of the Fee Schedule to read “EDGX Exchange, Inc.” and make a similar change to the last sentence of the “EdgeBook AttributedSM Fees” section.
- Amend the sentence at the top of the Fee Schedule from “Rebates & Charges for Adding, Removing or Routing Liquidity per Share for Tape A, B, & C Securities” to “Rebates & Charges for Adding, Removing or Routing Liquidity per share for Tape A, B, & C securities.
- Add language to the beginning of the Fee Schedule to clarify that the rates listed in the “Standard Rates” table apply unless a Member is assigned a liquidity flag other than a standard flag. If a Member is assigned a liquidity flag other than a standard flag, the rates listed in the “Liquidity Flags” table will apply.
- Title the first section of the Fee Schedule as “Standard Rates” and the second section “Liquidity Flags” by deleting current text “Liquidity Flags and Associated Fees.”
- Add a row to the “Standard Rates” section of the Fee Schedule specifying to which flags the standard rates apply. These flags are B, V, Y, 3 and 4 for adding liquidity, N, W, 6, BB, PI and ZR for removing liquidity, and X for routing and removing liquidity. The Exchange notes that the flags listed in this row are also listed as “Liquidity Flags” indicating a rate equal to the standard rate. The Exchange believes adding a row indicating which flags provide the standard rate would add clarity to its Fee Schedule.
- Make grammatical changes to the “Liquidity Flags” section. These proposed changes are the following: (i) replacing “Add” with “Adds” under flags B, V, Y, 3 and 4; (ii) replacing “Remove” with “Removes” under flags N, W, 6, BB, MT, PI and PR; (iii) replace “primary” with “listing” under Flag O; (iv) delete “order” from Flag S as it is

repetitive; (v) conform spelling of “MidPoint Match” under flags AA, HA, MM, MT and PI; (vi) add the word “away” to Flag R to clarify that the flag is referring to an away exchange and not the Exchange; and (vii) remove instances of “book” from footnotes B, N, V, W, Y, BB, PI and PR.

- Add a section titled “Definitions,” which would consist of terms that are currently defined within the footnotes of the Fee Schedule. This section would consist of definitions for “Added Flags,” “Removal Flags,” “Routed Flags,” “Average Daily Volume” and “Total Consolidated Volume.” “Added Flags” would be defined as the following flags that are counted towards tiers, where applicable: B, V, Y, 3, 4, HA, MM, RP, and ZA. “Removal Flags” would be defined as the following flags that are counted towards tiers, where applicable: N, W, 6, BB, MT, PI, PR, and ZR. In addition, the following Routed Flag is counted towards tiers prior to 9:30 AM or after 4:00 PM, where applicable: 7. ADV would be defined as the average daily volume of shares that a Member executed on the Exchange for the month in which the fees are calculated. TCV would be defined as the volume reported by all exchanges and trade reporting facilities to the consolidated transaction reporting plans for Tapes A, B and C securities for the month in which the fees are calculated. Where these terms appear in the footnotes, such terms would be abbreviated to match the “Definitions” section. The Exchange notes that these terms were previously defined within the footnotes. The Exchange does not propose any substantive changes to the definitions; it is simply moving the definitions from the footnotes and consolidating them under the new “Definitions” section.
- Add a section entitled “General Notes” to help clarify the application of the footnotes. First, the “General Notes” section would clarify that, to the extent a Member: (i) does not qualify for any of the tiers included in the footnotes, the rates listed in the “Liquidity Flags” section will apply; or (ii) qualifies for higher rebates and/or lower fees than those provided by a tier for which such Member qualifies, the higher rebates and/or lower fees shall apply. The Exchange notes that the language in (ii) is similar to that currently contained in footnotes 2 and 4 of the Fee Schedule. Second, the section will incorporate text currently located in footnotes “a” and “b” that (i) trading activity on days when the market closes early does not count toward volume tiers and (ii) upon a Member’s request, EDGX will aggregate share volume calculations for wholly owned affiliates on a prospective basis. Lastly, the section will clarify that variable rates provided by tiers apply only to executions in securities priced at or above \$1.00.
- Convert the tiers in Footnote 1 into table format and provide a name for each tier. The Exchange does not propose to alter the fees or rebates offered under these tiers or the requirements of the tiers; it simply seeks to reformat the tiers as a table to make them easier to read and understand. The Exchange also proposes to name the tiers under Footnote 1 as the “Add Volume Tiers.” In addition, the Exchange proposes to clarify that the rebate to add for meeting any of these tiers is applicable to flags B, V, Y, 3, 4 and ZA and that the fee to remove for meeting any of these tiers is applicable to flags N, W, 6, BB, PI and ZR.

- Convert the tier in Footnote 3 into table format and rename the tier the “MidPoint Match Volume Tier.” The Exchange does not propose to alter the reduced rate offered under the tier or the requirements of the tier; it simply seeks to reformat the tier as a table to make it easier to read and understand.
- Rename Footnote 4 as “Retail Orders.” The Exchange also proposes to convert the tier in Footnote 4 into table format and rename the tier the “Retail Order Tier.” The Exchange does not propose to alter the reduced rate offered under the tier or the requirements of the tier; it simply seeks to reformat the tier as a table to make it easier to read and understand.
- Delete the language “Intentionally omitted” from Footnote 7 and replace it with the exact content from Footnote 11. Conforming changes are proposed to be made to references to the footnotes in the “Liquidity Flags” section.
- Amend footnotes 8 and 9 to simplify the language of the footnotes. The rates offered by the footnotes and the criteria necessary to obtain the rates would remain unchanged. In addition, pricing information would be removed from Footnote 9 because such information is redundant and its removal would simplify the Fee Schedule.
- Move the \$0.0032 Investor Tier from Footnote 13 into the table of tiers in Footnote 1 and rename the tier the “Investor Tier.” The Exchange does not propose to alter the rebate offered under the tier or the requirements of the tier; it simply seeks to relocate and reformat the tier in a table to make it easier to read and understand.
- Delete footnotes 10 – 13 and “a” – “c” as well as references to the footnotes in the “Liquidity Flags” section.
- Delete Footnote “d” and rename it as a new section entitled, “Late Fees.” The Exchange does not propose to amend the text of Footnote “d,” which will now be included under the new “Late Fees” section. References to Footnote “d” would be removed from the “Liquidity Flags” section.
- Amend the section “Port Fees” to replace the word “Edge” with “EDGE” and add the word “Ports” after “EdgeRisk.”
- Remove references to the effective date of a rule filing where such filing has become effective (i.e., Port Fees, EdgeRisk Gateway, Physical Connectivity Fees, Membership Fees, EdgeBook Attributed Fees, Edge Attribution Incentive Program and Edge Routed Liquidity Report).
- Conform titles of products in the sections following the footnotes to read first as product name followed by “Fees” rather than “Pricing,” where applicable.

Furthermore, the titles of columns would be amended to conform to a common format.

- Insert and remove trademark symbols where applicable throughout the Fee Schedule (i.e., EDGA[®], EDGX[®], EDGE XPRS[®], EdgeRisk PortsSM, EdgeRisk GatewaySM, EdgeBook DepthSM, EdgeBook AttributedSM, Edge Routed Liquidity ReportSM, and EdgeBook Cloud[®]).

Implementation Date

The Exchange proposes to implement these amendments to its Fee Schedule on August 1, 2013.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,⁸ in general, and furthers the objectives of Section 6(b)(4),⁹ 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 also believes the proposed rule change is consistent with the Section 6(b)(5)¹⁰ requirements that the rules of an exchange be 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.

Fee Change for Flag U

The Exchange believes that its proposal to increase the pass through charge for Members' orders that yield Flag U from \$0.0029 to \$0.0030 per share represents an equitable allocation of reasonable dues, fees, and other charges among Members and other persons using its facilities because the Exchange does not levy additional fees or offer additional rebates for orders that it routes to LavaFlow through DE Route. Prior to LavaFlow's July 2013 fee change, LavaFlow charged DE Route a fee of \$0.0029 per share for orders yielding Flag U, which DE Route passed through to the Exchange and the Exchange passed through to its Members. In July 2013, LavaFlow increased the rate it charges its customers, such as DE Route, from a charge of \$0.0029 per share to a charge of \$0.0030 per share for orders that are routed to LavaFlow.¹¹

⁸ 15 U.S.C. 78f.

⁹ 15 U.S.C. 78f(b)(4).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ See LavaFlow Pricing, available at <https://www.lavatrading.com/solutions/pricing.php> (July 1, 2013) (charging a fee of \$0.0030 per share for removing liquidity in shares priced at or above \$1.00).

Therefore, the Exchange believes that the proposed change in Flag U from a fee of \$0.0029 per share to a fee of \$0.0030 per share is equitable and reasonable because it accounts for the pricing changes on LavaFlow. In addition, the proposal allows the Exchange to continue to charge its Members a pass-through rate for orders that are routed to LavaFlow and remove liquidity using DE Route. The Exchange notes that routing through DE Route is voluntary. Lastly, the Exchange also believes that the proposed amendment is non-discriminatory because it applies uniformly to all Members.

Elimination of the Tier under Footnote 6

The Exchange believes that its proposal to eliminate the pricing tier under Footnote 6 represents an equitable allocation of reasonable dues, fees, and other charges among Members and other persons using its facilities because the Exchange does not levy additional fees or offer additional rebates for orders that it routes to LavaFlow through DE Route. Prior to LavaFlow's recent fee change, LavaFlow charged DE Route a fee of \$ 0.0023 per share when volume criteria identical to that contained in Footnote 6 were met. DE Route, in turn, passed through this rate to the Exchange and the Exchange passed it through to its Members. Recently, LavaFlow eliminated this pricing tier from its Fee Schedule.¹² Therefore, the Exchange believes that removing the related pricing tier under Footnote 6 is equitable and reasonable because it accounts for the pricing changes on LavaFlow. The Exchange notes that routing through DE Route is voluntary. The Exchange also believes the elimination of unnecessary and obsolete tiers simplifies its Fee Schedule. Removal of the tiers under Footnote 6 is also equitable and not unfairly discriminatory because those tiers would be eliminated and no longer be available to any Member. Lastly, the Exchange notes that with the deletion of this tier, Members would continue to be subject to the other fees and tiers listed on the Exchange's Fee Schedule.

Elimination of Tiers under Footnotes 1, 2 and 13

The Exchange believes that the proposal to eliminate certain tiers under footnotes 1 and 2 from its Fee Schedule is reasonable because these tiers are underutilized and have generally not incentivized Members to add liquidity to the Exchange. The Exchange notes that no Member has qualified for these tiers during the past three months, nor does the Exchange anticipate a Member to qualify for these tiers in the near future. Therefore, the Exchange believes eliminating the tiers would clarify its Fee Schedule.

The Exchange also believes that the proposal to eliminate the \$0.0030 Investor Tier under Footnote 13 from its Fee Schedule is reasonable because the Exchange anticipates that Members that previously achieved the tier will now achieve the \$0.0032 Investor Tier located in Footnote 1. Therefore, the Exchange believes eliminating the tier would clarify its Fee Schedule.

¹² See LavaFlow Pricing, available at <https://www.lavatrading.com/solutions/pricing.php> (July 1, 2013) (eliminating a fee of \$0.0023 per share for orders yielding Flag U where they post an average of 100,000 shares or more per day).

The Exchange also believes the elimination of unnecessary and obsolete tiers simplifies its Fee Schedule. Removal of these tiers is also equitable and not unfairly discriminatory because those tiers would be eliminated and no longer be available to any Member. Lastly, the Exchange notes that with the deletion of these tiers, Members would continue to be subject to the other fees and tiers listed on the Exchange's Fee Schedule.

Non-Substantive Clarifying Changes

The Exchange believes that the non-substantive clarifying changes to its Fee Schedule are reasonable because they are designed to provide greater transparency to Members with regard to how the Exchange assesses fees and provides rebates. The Exchange notes that none of the proposed non-substantive clarifying changes are designed to amend any fee or rebate, nor alter the manner in which it assesses fees or calculates rebates. The Exchange believes that Members would benefit from clear guidance in its Fee Schedule that describes the manner in which the Exchange would assess fees and calculate rebates. These non-substantive, technical changes to the Fee Schedule as intended to make the Fee Schedule clearer and less confusing for investors and eliminate potential investor confusion, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest.

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

These proposed rule changes do not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that any of these changes represent a significant departure from previous pricing offered by the Exchange or pricing offered by any of the Exchange's competitors. Additionally, Members may opt to disfavor the Exchange's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange believes that the proposed changes would not impair the ability of Members or competing venues to maintain their competitive standing in the financial markets.

Fee Change for Flag U

The Exchange believes that its proposal to pass through a charge of \$0.0030 per share for Members' orders that yield Flag U would increase intermarket competition because it offers customers an alternative means to route to LavaFlow for the same price as entering orders on LavaFlow directly. The Exchange believes that its proposal would not burden intramarket competition because the proposed rate would apply uniformly to all Members.

Elimination of the Tier under Footnote 6

The Exchange believes that its proposal to eliminate the pricing tier under Footnote 6 would not impact intermarket competition because the change is in response to LavaFlow removing an identical corresponding tier from its fee schedule. The Exchange believes that its proposal would not burden intramarket competition because the pricing tier would no longer be available to any Members.

Elimination of Tiers under Footnotes 1, 2 and 13

The Exchange believes that elimination of the tiers under footnotes 1, 2 and 13 would not affect intermarket nor intramarket competition because the tiers in footnotes 1 and 2 have generally not incentivized Members to add liquidity to the Exchange and the Exchange anticipates that Members that previously achieved the \$0.0030 Investor Tier in Footnote 13 will now achieve the \$0.0032 Investor Tier.

Non-Substantive Clarifying Changes

The Exchange believes that non-substantive, clarifying changes to the Fee Schedule would not affect intermarket nor intramarket competition because none of these changes are designed to amend any fee or rebate or alter the manner in which the Exchange assesses fees or calculates rebates. These changes are intended to provide greater transparency to Members with regard to how the Exchange access fees and provides rebates.

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, as such, may take effect upon filing with the Commission pursuant to Section 19(b)(3)(A)(ii) of the Act¹³ and paragraph (f)(2) of Rule 19b-4 thereunder.¹⁴

(c) Inapplicable.

(d) Inapplicable.

¹³ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁴ 17 CFR 240.19b-4(f)(2).

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. Security Based- Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Publication in the Federal Register.

Exhibit 5 – Text of the Proposed Rule Change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-EDGX-2013-27)

[Date]

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

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on August 1, 2013, 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 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 Members³ pursuant to EDGX Rule 15.1(a) and (c) (“Fee Schedule”) to: (1) increase the fee charged from \$0.0029 per share to \$0.0030 per share for orders that yield Flag U, which routes to LavaFlow, Inc. (“LavaFlow”); (2) eliminate underutilized pricing tiers from its Fee

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ “Member” is defined as “any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange. A Member will have the status of a “member” of the Exchange as that term is defined in Section 3(a)(3) of the Act.” EDGX Rule 1.5(n).

Schedule; and (3) make a number of non-substantive amendments and clarifications. All of the changes described herein are applicable to EDGX Members. The text of the proposed rule change is available on the Exchange's Internet website at 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Fee Schedule to: (1) increase the fee charged from \$0.0029 per share to \$0.0030 per share for orders that yield Flag U, which routes to LavaFlow; (2) eliminate underutilized pricing tiers from its Fee Schedule; and (3) make a number of non-substantive amendments and clarifications.

Fee Change for Flag U

In securities priced at or above \$1.00, the Exchange currently assesses a fee of \$0.0029 per share for Members' orders that yield Flag U, which routes to LavaFlow. The Exchange proposes to amend its Fee Schedule to increase this fee to \$0.0030 per share

for Members' orders that yield Flag U. The proposed change represents a pass through of the rate that Direct Edge ECN LLC (d/b/a DE Route) ("DE Route"), the Exchange's affiliated routing broker-dealer, is charged for routing orders to LavaFlow and do not qualify for a volume tiered discount. When DE Route routes to LavaFlow, it is charged a default fee of \$0.0030 per share.⁴ DE Route will pass through this rate on LavaFlow to the Exchange and the Exchange, in turn, will pass through this rate to its Members. The Exchange notes that the proposed change is in response to LavaFlow's July 2013 fee change where LavaFlow increased the rate it charges its customers, such as DE Route, from a charge of \$0.0029 per share to a charge of \$0.0030 per share for orders that are routed to LavaFlow and add liquidity.⁵

Elimination of the Tier under Footnote 6⁶

Currently, under Footnote 6, Members can qualify for a decreased fee of \$0.0023 per share for orders yielding Flag U where they post an average of 100,000 shares or more per day using routing strategy ROLF (yielding Flag M). The Exchange proposes to amend its Fee Schedule to remove this pricing tier under Footnote 6. This pricing tier represented a pass through of the rate that DE Route was charged for routing orders to LavaFlow that qualify for an identical volume tiered discount provided by LavaFlow.

⁴ The Exchange notes that to the extent DE Route does or does not achieve any volume tiered discount on LavaFlow, its rate for Flag U will not change.

⁵ See LavaFlow Pricing, available at <https://www.lavatrading.com/solutions/pricing.php> (July 1, 2013) (charging a fee of \$0.0030 per share for removing liquidity in shares priced at or above \$1.00) (last visited July 19, 2013).

⁶ References herein to "footnotes" refer only to footnotes on the Exchange's Fee Schedule and not to footnotes within the current filing.

When DE Route routed to LavaFlow and satisfied its tier, it was charged a reduced fee of \$0.0023 per share. DE Route passed through this rate on LavaFlow to the Exchange and the Exchange, in turn, passed through this rate to its Members. The Exchange notes that the proposed change is in response to LavaFlow's recent fee change where LavaFlow eliminated its equivalent pricing tier from its fee schedule.⁷ The Exchange also proposes to remove references to Footnote 6 from the list of "Liquidity Flags" and insert the word "Reserved" into Footnote 6. Lastly, the Exchange notes that with the deletion of this tier, Members will continue to be subject to the other fees and tiers listed on the Exchange's Fee Schedule.

Elimination of Tiers under Footnotes 1, 2 and 13

The final paragraph in Footnote 1 currently contains a tier that provides for reimbursement of the difference between the rebate received and the rebate potentially received for Members that meet the following criteria: (i) add 10,000,000 shares or more of ADV of liquidity to EDGX; (ii) where such added liquidity on EDGX is at least 5,000,000 shares of ADV greater than the previous calendar month; (iii) but for the liquidity added on EDGX, such Member would have qualified for a better rebate with respect to liquidity added on another exchange or ECN that the Member previously qualified for in the three calendar months prior to meeting the above-described criteria in (i) and (ii); and (iii) provide source documentation evidencing the above to the Exchange within fifteen (15) calendar days from the end of the relevant month.

⁷ See LavaFlow Pricing, available at <https://www.lavatrading.com/solutions/pricing.php> (July 1, 2013) (no longer charging a fee of \$0.0023 per share for members that post an average of 100,000 shares or more per day) (last visited July 19, 2013).

Footnote 2 currently contains the Step-up Take Tier, which provides Members with a rebate of \$0.0030 per share for orders that add liquidity and yield Flags B, V, Y, 3 and 4, and assesses a fee of \$0.0028 per share for orders that remove liquidity and yield Flags N, W, BB, PI, 6, and ZR if a Member (i) adds an ADV of at least 2 million shares on a daily basis, measured monthly, more than that Member's September 2012 added ADV; and (ii) removes at least 0.40% TCV on a daily basis, measured monthly more than that Member's September 2012 removed ADV.

The Exchange notes that no Member has qualified for these tiers during the previous three months, nor does the Exchange anticipate a Member to qualify for these tiers in the near future. Therefore, the Exchange proposes to remove these tiers from its Fee Schedule and replace the text of Footnote 2 with the word "Reserved." The Exchange also proposes to remove references to Footnote 2 from the list of "Liquidity Flags." Lastly, the Exchange notes that with the deletion of these tiers, Members will continue to be subject to the other fees and tiers listed on the Exchange's Fee Schedule.

Footnote 13 currently contains tiers that provide a rebate of \$0.0032 for Members that (i) add a minimum of 0.15% of the TCV on a daily basis measured monthly; and (ii) have an "added liquidity" to "added plus removed liquidity" ratio of at least 85% (the "\$0.0032 Investor Tier") and a rebate of \$0.0030 for Members that (i) on a daily basis, measured monthly, posts an ADV of at least 8 million shares on EDGX where added flags are defined as B, HA, V, Y, MM, RP, ZA, 3, or 4; (ii) have an "added liquidity" to "added plus removed liquidity" ratio of at least 60% (the "\$0.0030 Investor Tier"). Since the addition of the \$0.0032 Investor Tier, the Exchange believes that those Members that achieved the \$0.0030 Investor Tier in the previous three months will achieve the \$0.0032

Investor Tier from July 1, 2013 onward. Therefore, the Exchange proposes to remove the \$0.0030 Investor Tier from its Fee Schedule. Lastly, the Exchange notes that with the deletion of these tiers, Members will continue to be subject to the other fees and tiers listed on the Exchange's Fee Schedule.

Non-Substantive Clarifying Changes

The Exchange also proposes to make a number of clarifying, non-substantive changes to its Fee Schedule to provide greater transparency to Members on how the Exchange assesses fees and calculates rebates. The Exchange notes that none of these changes substantively amend any fee or rebate, nor alter the manner in which it assesses fees or calculates rebates. These proposed changes are outlined below:

- Amend "EDGX Exchange" at the top of the Fee Schedule to read "EDGX Exchange, Inc." and make a similar change to the last sentence of the "EdgeBook AttributedSM Fees" section.
- Amend the sentence at the top of the Fee Schedule from "Rebates & Charges for Adding, Removing or Routing Liquidity per Share for Tape A, B, & C Securities" to "Rebates & Charges for Adding, Removing or Routing Liquidity per share for Tape A, B, & C securities."
- Add language to the beginning of the Fee Schedule to clarify that the rates listed in the "Standard Rates" table apply unless a Member is assigned a liquidity flag other than a standard flag. If a Member is assigned a liquidity flag other than a standard flag, the rates listed in the "Liquidity Flags" table will apply.

- Title the first section of the Fee Schedule as “Standard Rates” and the second section “Liquidity Flags” by deleting current text “Liquidity Flags and Associated Fees.”
- Add a row to the “Standard Rates” section of the Fee Schedule specifying to which flags the standard rates apply. These flags are B, V, Y, 3 and 4 for adding liquidity, N, W, 6, BB, PI and ZR for removing liquidity, and X for routing and removing liquidity. The Exchange notes that the flags listed in this row are also listed as “Liquidity Flags” indicating a rate equal to the standard rate. The Exchange believes adding a row indicating which flags provide the standard rate would add clarity to its Fee Schedule.
- Make grammatical changes to the “Liquidity Flags” section. These proposed changes are the following: (i) replacing “Add” with “Adds” under flags B, V, Y, 3 and 4; (ii) replacing “Remove” with “Removes” under flags N, W, 6, BB, MT, PI and PR; (iii) replace “primary” with “listing” under Flag O; (iv) delete “order” from Flag S as it is repetitive; (v) conform spelling of “MidPoint Match” under flags AA, HA, MM, MT and PI; (vi) add the word “away” to Flag R to clarify that the flag is referring to an away exchange and not the Exchange; and (vii) remove instances of “book” from footnotes B, N, V, W, Y, BB, PI and PR.
- Add a section titled “Definitions,” which would consist of terms that are currently defined within the footnotes of the Fee Schedule. This section would consist of definitions for “Added Flags,” “Removal Flags,” “Routed Flags,” “Average Daily Volume” and “Total Consolidated Volume.” “Added

Flags” would be defined as the following flags that are counted towards tiers, where applicable: B, V, Y, 3, 4, HA, MM, RP, and ZA. “Removal Flags” would be defined as the following flags that are counted towards tiers, where applicable: N, W, 6, BB, MT, PI, PR, and ZR. In addition, the following Routed Flag is counted towards tiers prior to 9:30 AM or after 4:00 PM, where applicable: 7. ADV would be defined as the average daily volume of shares that a Member executed on the Exchange for the month in which the fees are calculated. TCV would be defined as the volume reported by all exchanges and trade reporting facilities to the consolidated transaction reporting plans for Tapes A, B and C securities for the month in which the fees are calculated. Where these terms appear in the footnotes, such terms would be abbreviated to match the “Definitions” section. The Exchange notes that these terms were previously defined within the footnotes. The Exchange does not propose any substantive changes to the definitions; it is simply moving the definitions from the footnotes and consolidating them under the new “Definitions” section.

- Add a section entitled “General Notes” to help clarify the application of the footnotes. First, the “General Notes” section would clarify that, to the extent a Member: (i) does not qualify for any of the tiers included in the footnotes, the rates listed in the “Liquidity Flags” section will apply; or (ii) qualifies for higher rebates and/or lower fees than those provided by a tier for which such Member qualifies, the higher rebates and/or lower fees shall apply. The Exchange notes that the language in (ii) is similar to that currently contained

in footnotes 2 and 4 of the Fee Schedule. Second, the section will incorporate text currently located in footnotes “a” and “b” that (i) trading activity on days when the market closes early does not count toward volume tiers and (ii) upon a Member’s request, EDGX will aggregate share volume calculations for wholly owned affiliates on a prospective basis. Lastly, the section will clarify that variable rates provided by tiers apply only to executions in securities priced at or above \$1.00.

- Convert the tiers in Footnote 1 into table format and provide a name for each tier. The Exchange does not propose to alter the fees or rebates offered under these tiers or the requirements of the tiers; it simply seeks to reformat the tiers as a table to make them easier to read and understand. The Exchange also proposes to name the tiers under Footnote 1 as the “Add Volume Tiers.” In addition, the Exchange proposes to clarify that the rebate to add for meeting any of these tiers is applicable to flags B, V, Y, 3, 4 and ZA and that the fee to remove for meeting any of these tiers is applicable to flags N, W, 6, BB, PI and ZR.
- Convert the tier in Footnote 3 into table format and rename the tier the “MidPoint Match Volume Tier.” The Exchange does not propose to alter the reduced rate offered under the tier or the requirements of the tier; it simply seeks to reformat the tier as a table to make it easier to read and understand.
- Rename Footnote 4 as “Retail Orders.” The Exchange also proposes to convert the tier in Footnote 4 into table format and rename the tier the “Retail Order Tier.” The Exchange does not propose to alter the reduced rate offered

under the tier or the requirements of the tier; it simply seeks to reformat the tier as a table to make it easier to read and understand.

- Delete the language “Intentionally omitted” from Footnote 7 and replace it with the exact content from Footnote 11. Conforming changes are proposed to be made to references to the footnotes in the “Liquidity Flags” section.
- Amend footnotes 8 and 9 to simplify the language of the footnotes. The rates offered by the footnotes and the criteria necessary to obtain the rates would remain unchanged. In addition, pricing information would be removed from Footnote 9 because such information is redundant and its removal would simplify the Fee Schedule.
- Move the \$0.0032 Investor Tier from Footnote 13 into the table of tiers in Footnote 1 and rename the tier the “Investor Tier.” The Exchange does not propose to alter the rebate offered under the tier or the requirements of the tier; it simply seeks to relocate and reformat the tier in a table to make it easier to read and understand.
- Delete footnotes 10 – 13 and “a” – “c” as well as references to the footnotes in the “Liquidity Flags” section.
- Delete Footnote “d” and rename it as a new section entitled, “Late Fees.” The Exchange does not propose to amend the text of Footnote “d,” which will now be included under the new “Late Fees” section. References to Footnote “d” would be removed from the “Liquidity Flags” section.
- Amend the section “Port Fees” to replace the word “Edge” with “EDGE” and add the word “Ports” after “EdgeRisk.”

- Remove references to the effective date of a rule filing where such filing has become effective (i.e., Port Fees, EdgeRisk Gateway, Physical Connectivity Fees, Membership Fees, EdgeBook Attributed Fees, Edge Attribution Incentive Program and Edge Routed Liquidity Report).
- Conform titles of products in the sections following the footnotes to read first as product name followed by “Fees” rather than “Pricing,” where applicable. Furthermore, the titles of columns would be amended to conform to a common format.
- Insert and remove trademark symbols where applicable throughout the Fee Schedule (i.e., EDGA[®], EDGX[®], EDGE XPRS[®], EdgeRisk PortsSM, EdgeRisk GatewaySM, EdgeBook DepthSM, EdgeBook AttributedSM, Edge Routed Liquidity ReportSM, and EdgeBook Cloud[®]).

Implementation Date

The Exchange proposes to implement these amendments to its Fee Schedule on August 1, 2013.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,⁸ in general, and furthers the objectives of Section 6(b)(4),⁹ 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 also believes the proposed rule change is consistent with the

⁸ 15 U.S.C. 78f.

⁹ 15 U.S.C. 78f(b)(4).

Section 6(b)(5)¹⁰ requirements that the rules of an exchange be 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.

Fee Change for Flag U

The Exchange believes that its proposal to increase the pass through charge for Members' orders that yield Flag U from \$0.0029 to \$0.0030 per share represents an equitable allocation of reasonable dues, fees, and other charges among Members and other persons using its facilities because the Exchange does not levy additional fees or offer additional rebates for orders that it routes to LavaFlow through DE Route. Prior to LavaFlow's July 2013 fee change, LavaFlow charged DE Route a fee of \$0.0029 per share for orders yielding Flag U, which DE Route passed through to the Exchange and the Exchange passed through to its Members. In July 2013, LavaFlow increased the rate it charges its customers, such as DE Route, from a charge of \$0.0029 per share to a charge of \$0.0030 per share for orders that are routed to LavaFlow.¹¹ Therefore, the Exchange believes that the proposed change in Flag U from a fee of \$0.0029 per share to a fee of \$0.0030 per share is equitable and reasonable because it accounts for the pricing

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ See LavaFlow Pricing, available at <https://www.lavatrading.com/solutions/pricing.php> (July 1, 2013) (charging a fee of \$0.0030 per share for removing liquidity in shares priced at or above \$1.00).

changes on LavaFlow. In addition, the proposal allows the Exchange to continue to charge its Members a pass-through rate for orders that are routed to LavaFlow and remove liquidity using DE Route. The Exchange notes that routing through DE Route is voluntary. Lastly, the Exchange also believes that the proposed amendment is non-discriminatory because it applies uniformly to all Members.

Elimination of the Tier under Footnote 6

The Exchange believes that its proposal to eliminate the pricing tier under Footnote 6 represents an equitable allocation of reasonable dues, fees, and other charges among Members and other persons using its facilities because the Exchange does not levy additional fees or offer additional rebates for orders that it routes to LavaFlow through DE Route. Prior to LavaFlow's recent fee change, LavaFlow charged DE Route a fee of \$ 0.0023 per share when volume criteria identical to that contained in Footnote 6 were met. DE Route, in turn, passed through this rate to the Exchange and the Exchange passed it through to its Members. Recently, LavaFlow eliminated this pricing tier from its fee schedule.¹² Therefore, the Exchange believes that removing the related pricing tier under Footnote 6 is equitable and reasonable because it accounts for the pricing changes on LavaFlow. The Exchange notes that routing through DE Route is voluntary. The Exchange also believes the elimination of unnecessary and obsolete tiers simplifies its Fee Schedule. Removal of the tiers under Footnote 6 is also equitable and not unfairly discriminatory because those tiers would be eliminated and no longer be available to any

¹² See LavaFlow Pricing, available at <https://www.lavatrading.com/solutions/pricing.php> (July 1, 2013) (eliminating a fee of \$0.0023 per share for orders yielding Flag U where they post an average of 100,000 shares or more per day).

Member. Lastly, the Exchange notes that with the deletion of this tier, Members would continue to be subject to the other fees and tiers listed on the Exchange's Fee Schedule.

Elimination of Tiers under Footnotes 1, 2 and 13

The Exchange believes that the proposal to eliminate certain tiers under footnotes 1 and 2 from its Fee Schedule is reasonable because these tiers are underutilized and have generally not incentivized Members to add liquidity to the Exchange. The Exchange notes that no Member has qualified for these tiers during the past three months, nor does the Exchange anticipate a Member to qualify for these tiers in the near future. Therefore, the Exchange believes eliminating the tiers would clarify its Fee Schedule.

The Exchange also believes that the proposal to eliminate the \$0.0030 Investor Tier under Footnote 13 from its Fee Schedule is reasonable because the Exchange anticipates that Members that previously achieved the tier will now achieve the \$0.0032 Investor Tier located in Footnote 1. Therefore, the Exchange believes eliminating the tier would clarify its Fee Schedule.

The Exchange also believes the elimination of unnecessary and obsolete tiers simplifies its Fee Schedule. Removal of these tiers is also equitable and not unfairly discriminatory because those tiers would be eliminated and no longer be available to any Member. Lastly, the Exchange notes that with the deletion of these tiers, Members would continue to be subject to the other fees and tiers listed on the Exchange's Fee Schedule.

Non-Substantive Clarifying Changes

The Exchange believes that the non-substantive clarifying changes to its Fee Schedule are reasonable because they are designed to provide greater transparency to

Members with regard to how the Exchange assesses fees and provides rebates. The Exchange notes that none of the proposed non-substantive clarifying changes are designed to amend any fee or rebate, nor alter the manner in which it assesses fees or calculates rebates. The Exchange believes that Members would benefit from clear guidance in its Fee Schedule that describes the manner in which the Exchange would assess fees and calculate rebates. These non-substantive, technical changes to the Fee Schedule as intended to make the Fee Schedule clearer and less confusing for investors and eliminate potential investor confusion, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest.

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

These proposed rule changes do not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that any of these changes represent a significant departure from previous pricing offered by the Exchange or pricing offered by any of the Exchange's competitors. Additionally, Members may opt to disfavor the Exchange's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange believes that the proposed changes would not impair the ability of Members or competing venues to maintain their competitive standing in the financial markets.

Fee Change for Flag U

The Exchange believes that its proposal to pass through a charge of \$0.0030 per share for Members' orders that yield Flag U would increase intermarket competition because it offers customers an alternative means to route to LavaFlow for the same price

as entering orders on LavaFlow directly. The Exchange believes that its proposal would not burden intramarket competition because the proposed rate would apply uniformly to all Members.

Elimination of the Tier under Footnote 6

The Exchange believes that its proposal to eliminate the pricing tier under Footnote 6 would not impact intermarket competition because the change is in response to LavaFlow removing an identical corresponding tier from its fee schedule. The Exchange believes that its proposal would not burden intramarket competition because the pricing tier would no longer be available to any Members.

Elimination of Tiers under Footnotes 1, 2 and 13

The Exchange believes that elimination of the tiers under footnotes 1, 2 and 13 would not affect intermarket nor intramarket competition because the tiers in footnotes 1 and 2 have generally not incentivized Members to add liquidity to the Exchange and the Exchange anticipates that Members that previously achieved the \$0.0030 Investor Tier in Footnote 13 will now achieve the \$0.0032 Investor Tier.

Non-Substantive Clarifying Changes

The Exchange believes that non-substantive, clarifying changes to the Fee Schedule would not affect intermarket nor intramarket competition because none of these changes are designed to amend any fee or rebate or alter the manner in which the Exchange assesses fees or calculates rebates. These changes are intended to provide greater transparency to Members with regard to how the Exchange access fees and provides rebates.

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) of the Act¹³ and Rule 19b-4(f)(2)¹⁴ 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. Please include File Number SR-EDGX-2013-27 on the subject line.

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4 (f)(2).

Paper comments:

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

All submissions should refer to File Number SR-EDGX-2013-27. 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 website (<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 website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the 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-2013-27 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to
delegated authority.¹⁵

Kevin M. O'Neill
Deputy Secretary

¹⁵ 17 CFR 200.30-3(a)(12).

Exhibit 5

Additions are underlined

Deletions are [bracketed]

EDGX Exchange, Inc. Fee Schedule – Effective August 1, 2013

Download in pdf format.

Rebates & Charges for Adding, Removing or Routing Liquidity per [S]share for Tape A, B, & C [S]securities^{1[,a,b,d]}:

Rebates indicated by parentheses ().

The rates listed in the Standard Rates table apply unless a Member is assigned a liquidity flag other than a standard flag. If a Member is assigned a liquidity flag other than a standard flag, the rates listed in the Liquidity Flags table will apply.

Footnotes provide further explanatory text or, where annotated to flags, indicate variable rate changes, provided the conditions in the footnote are met.

Standard Rates:

Category	Adding Liquidity	Removing Liquidity	Routing and Removing Liquidity
Securities at or above \$1.00	\$(0.0020) ^{1,[2,14],a,13]}	\$0.0030 ^{1,[2,]4}	\$0.0029
Securities below \$1.00	\$(0.00003)	0.30% of Dollar Value	0.30% of Dollar Value ^[a]
<u>Standard Flags</u>	<u>B, V, Y, 3, 4</u>	<u>N, W, 6, BB, PI, ZR</u>	<u>X</u>

Liquidity Flags: [Liquidity Flags and Associated Fees:]

Flag	Description	Fee/(Rebate) Securities at or above \$1.00	Fee/(Rebate) Securities below \$1.00
A	Routed to NASDAQ, adds liquidity	(0.0020)	FREE
B ^{1[,2,a]}	Adds liquidity to EDGX [®] [book] (Tape B)	(0.0020)	(0.00003)

C^[a]	Routed to BX	(0.0004)	0.10% of Dollar Value
D^[a]	Routed or re-routed to NYSE	0.0025	0.30% of Dollar Value
F	Routed to NYSE, adds liquidity	(0.0015)	FREE
G	Routed to NYSE Arca (Tapes A or C)	0.0030	0.30% of Dollar Value
I	Routed to EDGA[®]	0.0029	0.30% of Dollar Value
J^[a]	Routed to NASDAQ	0.0030	0.30% of Dollar Value
K	Routed to PSX using ROUC or ROUE routing strategy	0.0028	0.30% of Dollar Value
L	Routed to NASDAQ using INET routing strategy (Tapes A or C)	0.0030	0.30% of Dollar Value
M^[a]	Routed to LavaFlow, adds liquidity	(0.0024)	FREE
N^{1,2}	Removes liquidity from EDGX [book] (Tape C)	0.0030	0.30% of Dollar Value
O^{5,[a]}	Routed to <u>listing</u>[primary] exchange's opening cross	0.0005	0.30% of Dollar Value
Q	Routed using ROUC routing strategy	0.0020	0.30% of Dollar Value
R	Re-routed by <u>away</u> exchange	0.0030	0.30% of Dollar Value
S	Directed ISO [order]	0.0032	0.30% of Dollar Value
T	Routed using ROUD/ROUE routing strategy	0.0012	0.30% of Dollar Value
U^[6,a]	Routed to LavaFlow	0.0030[29]	0.30% of Dollar Value
V^{1,2,a]}	Adds liquidity to EDGX [book] (Tape A)	(0.0020)	(0.00003)
W^{1,2]}	Removes liquidity from EDGX [book] (Tape A)	0.0030	0.30% of Dollar Value
X	Routed	0.0029	0.30% of Dollar Value
Y^{1,2,a]}	Adds liquidity to EDGX [book] (Tape C)	(0.0020)	(0.00003)
Z	Routed using ROUZ routing strategy	0.0010	0.30% of Dollar Value
2	Routed to NASDAQ using INET routing strategy (Tape B)	0.0030	0.30% of Dollar Value
3^{1,2,a]}	Adds liquidity – pre & post	(0.0020)	(0.00003)

	market (Tapes A or C)		
4 ^{1[,2,a]}	Adds liquidity – pre & post market (Tape B)	(0.0020)	(0.00003)
5 ^{7[11]}	Internalization – pre & post market, per side	0.0005	0.15% of Dollar Value
6 ^{1[,2]}	Removes liquidity – pre & post market (All Tapes)	0.0030	0.30% of Dollar Value
7 ¹	Routed – pre & post market	0.0030	0.30% of Dollar Value
8	Routed to NYSE MKT LLC, adds liquidity	(0.0015)	FREE
9	Routed to NYSE Arca, adds liquidity (Tapes A or C)	(0.0021)	FREE
10	Routed to NYSE Arca, adds liquidity (Tape B)	(0.0022)	FREE
AA	MidP[p]oint Match Cross (same MPID)	0.0012	0.15% of Dollar Value
BB ^{1[,2]}	Removes liquidity from EDGX [book] (Tape B)	0.0030	0.30% of Dollar Value
BY	Routed to BATS BYX Exchange using routing strategies ROUC, ROUE or ROBY	FREE	0.10% of Dollar Value
CL ⁹	Routed to listing market closing process, except for NYSE Arca & BATS BZX	0.0010	0.30% of Dollar Value
EA ^{7[11]}	Internalization, adds liquidity	0.0005	0.15% of Dollar Value
ER ^{7[11]}	Internalization, removes liquidity	0.0005	0.15% of Dollar Value
HA	Non-Displayed Orders that add liquidity (not including MidP[p]oint Match orders)	(0.0015)	(0.00003)
MM	Adds liquidity to MidP[p]oint Match (using MidP[p]oint Match order type)	0.0012	(0.00003)
MT	Removes liquidity from MidP[p]oint Match (using MidP[p]oint Match order type)	0.0012	0.30% of Dollar Value
OO	Direct Edge Opening	0.0010	FREE
PI ^{1[,2]}	Removes liquidity from EDGX [book] against MidP[p]oint Match	0.0030	0.30% of Dollar Value
PR	Removes liquidity from EDGX [book] using ROUQ routing	0.0029	0.30% of Dollar Value

	strategy		
RA	Routed to EDGA, adds liquidity	0.0006	FREE
RB	Routed to BX, adds liquidity	0.0020	FREE
RC	Routed to NSX, adds liquidity	(0.0026)	FREE
RP	Non-Displayed Orders, adds liquidity (using Route Peg Order)	(0.0015)	(0.00003)
RQ	Routed using ROUQ routing strategy	0.0029	0.30% of Dollar Value
RR	Routed to EDGA using routing strategies IOCX or IOCT	(0.0004)	0.30% of Dollar Value
RS	Routed to PSX, adds liquidity	(0.0020)	FREE
RT¹	Routed using ROUT routing strategy	0.0030	0.30% of Dollar Value
RW	Routed to CBSX, adds liquidity	0.0050	FREE
RX	Routed using ROUX routing strategy	0.0030	0.30% of Dollar Value
RY	Routed to BATS BYX, adds liquidity	0.0007	FREE
RZ	Routed to BATS BZX, adds liquidity	(0.0025)	FREE
SW⁸	Routed using SWPA/SWPB/SWPC routing strategies (except for removal of liquidity from NYSE)	0.0031	0.30% of Dollar Value
ZA⁴	Retail Order, adds liquidity	(0.0032)	(0.00003)
ZR⁴	Retail Order, removes liquidity	0.0030	0.30% of Dollar Value

Definitions:

- Added Flags are defined as the following flags that are counted towards tiers, where applicable: B, V, Y, 3, 4, HA, MM, RP and ZA.
- Removal Flags are defined as the following flags that are counted towards tiers, where applicable: N, W, 6, BB, MT, PI, PR and ZR.
- The following Routed Flag is counted towards tiers prior to 9:30 AM or after 4:00 PM, where applicable: 7.

- Average Daily Volume (“ADV”) is defined as the average daily volume of shares that a Member executed on the Exchange for the month in which the fees are calculated.
- Total Consolidated Volume (“TCV”) is defined as the volume reported by all exchanges and trade reporting facilities to the consolidated transaction reporting plans for Tapes A, B and C securities for the month in which the fees are calculated.

General Notes:

- The Exchange notes that to the extent a Member does not qualify for any of the below tiers, the rates listed in the above section titled “Liquidity Flags” will apply.
- To the extent a Member qualifies for higher rebates and/or lower fees than those provided by a tier for which such Member qualifies, the higher rebates and/or lower fees shall apply.
- Trading activity on days when the market closes early does not count toward volume tiers.
- Upon a Member’s request, EDGX will aggregate share volume calculations for wholly owned affiliates on a prospective basis.
- Variable rates provided by tiers apply only to executions in securities priced at or above \$1.00.

Footnotes:**¹Add Volume Tiers:**

The rebates to add provided by the below add volume tiers are applicable to the following flags: B, V, Y, 3, 4 and ZA.

The reduced fees to remove provided by the below add volume tiers are applicable to the following flags: N, W, 6, BB, PI and ZR.

[¹ Members can qualify for the Mega Tier and be provided a rebate of \$0.0035 per share for all liquidity posted on EDGX if they: (i) add or route at least 4,000,000 shares of average daily volume (“ADV”) prior to 9:30 AM or after 4:00 PM (includes all flags except 6); (ii) add a minimum of 35,000,000 shares of ADV on EDGX in total, including during both market hours and pre and post-trading hours; and (iii) have an “added liquidity” to “added plus removed liquidity” ratio of at least 85% where added flags are defined as B, V, Y, 3, 4, HA, MM, RP, and ZA, and removal flags are defined as N, W, 6, BB, MT, PI, PR, and ZR. In addition, for meeting the aforementioned criteria, Members will pay a reduced rate for removing and/or routing liquidity of \$0.0015 per share for Flags N, W, 6, 7, BB, PI, RT, and ZR. Where a Member does not meet the aforementioned criteria, then a rate of \$0.0030 per share applies.

Alternatively, Members can also qualify for the Mega Tier, but will be provided a rebate of \$0.0032 per share for all liquidity posted on EDGX if they add or route at least 4,000,000 shares of ADV prior to 9:30 AM or after 4:00 PM (includes all flags except 6) and add a minimum of .20% of the Total Consolidated Volume (“TCV”) on a daily basis measured monthly, including during both market hours and pre and post-trading hours. In addition, for meeting the aforementioned criteria, Members will pay a reduced rate for removing liquidity of \$0.0029 per share for Flags N, W, 6, BB, PI, and ZR. Where a Member does not meet the aforementioned criteria, then a removal rate of \$0.0030 per share applies. TCV is defined as volume reported by all exchanges and trade reporting facilities to the consolidated transaction reporting plans for Tapes A, B and C securities for the month prior to the month in which the fees are calculated.

Members can qualify for the Market Depth Tier and receive a rebate of \$0.0033 per share for displayed liquidity added on EDGX if they post greater than or equal to 0.50% of the TCV in ADV on EDGX in total, where at least 1.8 million shares are Non-Displayed Orders that yield Flag HA.

Members can also qualify for the Mega Step Up Tier and be provided a \$0.0032 rebate per share for liquidity added on EDGX if the Member: (i) posts 0.12% of the TCV in ADV more than their February 2011 ADV added to EDGX; and (ii) adds a minimum of 0.35% of the TCV on a daily basis, measured monthly.

Members can also qualify for the Mega Step Up Tier and be provided a \$0.0030 rebate per share for liquidity added on EDGX if the Member posts 0.12% of the TCV in ADV more than their February 2011 ADV added to EDGX.

Members can qualify for the Ultra Tier and be provided a \$0.0031 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly, posts 0.50% of TCV in ADV to EDGX.

Members can qualify for the Super Tier and be provided a \$0.0028 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly, posts 10,000,000 shares or more of ADV to EDGX.

Members that post 0.065% of the TCV in ADV more than their February 2011 ADV added to EDGX will qualify for a \$0.0028 per share rebate (unless they otherwise qualify for a higher rebate).

Members can qualify for the Growth Tier and be provided a \$0.0025 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly, posts 5,000,000 shares or more of ADV to EDGX.]

<u>Tier</u>	<u>Rebate per share to Add</u>	<u>Fee per share to Remove and/or Route</u>	<u>Required Criteria</u>
<u>Mega Tier 1</u>	<u>\$0.0035</u>	<u>\$0.0015 for removing and/or routing yielding Flags 7 and RT</u>	<p><u>(1) Add or route at least 4,000,000 shares of ADV prior to 9:30 AM or after 4:00 PM;</u></p> <p><u>(2) Add a minimum of 35,000,000 shares of ADV on EDGX in total, including during both market hours and pre and post-trading hours; and</u></p> <p><u>(3) Have an “added liquidity” to “added plus removed liquidity” ratio of at least 85%.</u></p>
<u>Mega Tier 2</u>	<u>\$0.0032</u>	<u>\$0.0029 for removing</u>	<p><u>(1) Add or route at least 4,000,000 shares of ADV prior to 9:30 AM or after 4:00 PM (includes all flags except 6); and</u></p> <p><u>(2) Add a minimum of 0.20% of the TCV on a daily basis measured monthly, including during both market hours and pre and post-trading hours.</u></p>
<u>Market Depth Tier</u>	<u>\$0.0033</u>		<p><u>(1) Add greater than or equal to 0.50% of the TCV in ADV on EDGX in total; and</u></p> <p><u>(2) Add at least 1.8 million shares as Non-Displayed Orders that yield Flag HA.</u></p>
<u>Mega Step Up Tier 1</u>	<u>\$0.0032</u>		<p><u>(1) Add 0.12% of the TCV in ADV more than the Member’s February 2011 ADV added to EDGX; and</u></p> <p><u>(2) Add a minimum of 0.35% of the TCV on a daily basis, measured monthly.</u></p>
<u>Mega Step Up Tier 2</u>	<u>\$0.0030</u>		<u>Add 0.12% of the TCV in ADV more than the Member’s February 2011 ADV added to EDGX.</u>

<u>Mega Step Up Tier 3</u>	<u>\$0.0028</u>		<u>Add 0.065% of the TCV in ADV more than the Member's February 2011 ADV added to EDGX.</u>
<u>Ultra Tier</u>	<u>\$0.0031</u>		<u>Add 0.50% of TCV in ADV, on a daily basis, measured monthly.</u>
<u>Super Tier</u>	<u>\$0.0028</u>		<u>Add 10,000,000 shares or more of ADV, on a daily basis, measured monthly.</u>
<u>Growth Tier</u>	<u>\$0.0025</u>		<u>Add 5,000,000 shares or more of ADV, on a daily basis, measured monthly.</u>
<u>Investor Tier</u>	<u>\$0.0032</u>		<u>(1) Add a minimum of 0.15% of the TCV on a daily basis, measured monthly; and (2) Have an "added liquidity" to "added plus removed liquidity" ratio of at least 85%.</u>

[Any Member meeting the following criteria: (i) adding 10,000,000 shares or more of ADV of liquidity to EDGX, (ii) where such added liquidity on EDGX is at least 5,000,000 shares of ADV greater than the previous calendar month; and (iii) but for the liquidity added on EDGX, such Member would have qualified for a better rebate with respect to liquidity added on another exchange or ECN that the Member previously qualified for in the three calendar months prior to meeting the above-described criteria in (i) and (ii), shall be reimbursed the difference between the rebate received and the rebate potentially received, so long as source documentation evidencing the above is provided to the Exchange within fifteen (15) calendar days from the end of the relevant month. A Member can only receive reimbursement with respect to two consecutive calendar months. With respect to the second calendar month's reimbursement, the relevant period in determining whether criteria (iii) is satisfied is the period three calendar months prior to the first of the two consecutive calendar months the Member meets the above-described criteria in (i) and (ii).]

² Reserved. [A Member can qualify for the Step-up Take Tier by (i) adding an ADV of at least 2 million shares on a daily basis, measured monthly, more than that Member's September 2012 added ADV; and (ii) removing at least 0.40% TCV on a daily basis, measured monthly more than that Member's September 2012 removed ADV. Members qualifying for the Step-up Take Tier will earn a rebate of \$0.0030 per share for orders that add liquidity and yield Flags B, V, Y, 3 and 4, and will be assessed a fee of \$0.0028 per share for orders that remove liquidity and yield Flags N, W, BB, PI, 6, and ZR.]

[The Exchange notes that to the extent Members qualify for a rebate higher than \$0.0030 per share through other volume tiers, such as the Mega Tier, Market Depth Tier or the Ultra Tier,

they will earn the higher rebate on the add flags instead of the Step-up Take Tier. In addition, such Members will still qualify for the reduced charge of \$0.0028 per share for the removal flags.]

³ [A Member can qualify for the Mid-Point Match (“MPM”) Volume Tier by adding and/or removing an ADV of at least 3,000,000 shares on a daily basis, measured monthly, on EDGX, yielding flags MM and/or MT. Members qualifying for the MPM Volume Tier will not pay a fee for orders yielding Flag MM.]

MidPoint Match Volume Tier:

<u>Fee per share to Add</u>	<u>Required Criteria</u>
FREE for orders yielding Flag MM	Add and/or remove an ADV of at least 3,000,000 shares on a daily basis, measured monthly, on EDGX, yielding flags MM and/or MT.

4 Retail Orders:

Where a Retail Order is defined as (i) an agency order or riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person; (ii) is submitted to EDGX by a Member, provided that no change is made to the terms of the order; and (iii) the order does not originate from a trading algorithm or any other computerized methodology. Members must submit a signed written attestation, in a form prescribed by the Exchange, that they have implemented policies and procedures that are reasonably designed to ensure that substantially all orders designated by the Member as a “Retail Order” comply with the above requirements.

If the Member represents Retail Orders from another broker-dealer customer, the Member's supervisory procedures must be reasonably designed to assure that the orders it receives from such broker dealer customer that it designates as Retail Orders meet the definition of a Retail Order. The Member must (i) obtain an annual written representation from each broker-dealer customer that sends it orders to be designated as Retail Orders that entry of such orders as Retail Orders will be in compliance with the requirements specified by the Exchange, and (ii) monitor whether its broker-dealer customer's Retail Order flow continues to meet the applicable requirements.

[Members will be provided a rebate of \$0.0034 per share if they: (i) add an ADV of Retail Orders (Flag ZA) that is 0.10% or more of the TCV on a daily basis, measured monthly; and (ii) have an “added liquidity” to “added plus removed liquidity” ratio of at least 85%.]

Retail Order Tier:

<u>Rebate per share to Add</u>	<u>Required Criteria</u>
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<p><u>\$0.0034 for orders yielding Flag ZA</u></p>	<p><u>(i) Add an ADV of Retail Orders (Flag ZA) that is 0.10% or more of the TCV on a daily basis, measured monthly; and</u></p> <p><u>(ii) Have an “added liquidity” to “added plus removed liquidity” ratio of at least 85%.</u></p>
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The Exchange notes that to the extent Members qualify for a rebate higher than \$0.0032 per share (for Flag ZA executions that do not qualify for the above tier) or \$0.0034 per share (for Flag ZA executions qualifying for the above tier) through other volume tiers, such as the Mega Tier 1 or Market Depth Tier, they will earn the higher rebate on Flag ZA instead of its assigned rate. In addition, to the extent Members qualify for a removal rate lower than \$0.0030 per share through any other tier, such as the Mega Tiers, then they will earn the lower removal rate on the Flag ZR instead of its assigned rate.

The Exchange notes that Members will only be able to designate their orders as Retail Orders on either an order-by-order basis using FIX ports or by designating certain of their FIX ports at the Exchange as “Retail Order Ports.”

⁵ Capped at \$10,000 per month per Member.

⁶ Reserved. [If Member posts an average of 100,000 shares or more per day using strategy ROLF (yielding Flag M), then said Member’s fee when removing liquidity from LavaFlow decreases to \$0.0023 per share (yielding Flag U).]

⁷ If a Member posts 10,000,000 shares or more of ADV to EDGX, then the Member’s rate for internalization (Flags 5, EA or ER) decreases to \$0.0001 per share per side. [Intentionally omitted.]

⁸ Flag D will be yielded [is assigned] if an SWPA, SWPB, or SWPC routing strategy removes liquidity from NYSE.

⁹ [A] Flag [“]O[”] will be yielded [and a fee of \$0.0005 per share will be assessed] if an order is routed to NYSE Arca & BATS BZX’s closing processes.

[¹⁰ Intentionally omitted.

¹¹ If a Member posts 10,000,000 shares or more of ADV to EDGX, then the Member’s rate for internalization (Flags 5, EA or ER) decreases to \$0.0001 per share per side.

¹² Intentionally omitted.

¹³ Members can qualify for the Investor Tier and be provided a rebate of \$0.0032 per share for all liquidity posted on EDGX if they: (i) add a minimum of 0.15% of the TCV on a daily basis

measured monthly; and (ii) have an “added liquidity” to “added plus removed liquidity” ratio of at least 85%.

Members can also qualify for an Investor Tier and be provided a rebate of \$0.0030 per share if they: (i) on a daily basis, measured monthly, posts an ADV of at least 8 million shares on EDGX where added flags are defined as B, HA, V, Y, MM, RP, ZA, 3, or 4; (ii) have an “added liquidity” to “added plus removed liquidity” ratio of at least 60% where added flags are defined as B, HA, V, Y, MM, RP, ZA, 3, or 4 and removal flags are defined as BB, MT, N, W, PI, PR, ZR, or 6; and (iii) have a message-to-trade ratio of less than 6:1.

^a Upon a Member’s request, EDGX will aggregate share volume calculations for wholly owned affiliates on a prospective basis.

^b Trading activity on days when the market closes early does not count toward volume tiers.

^c Reserved.

^d **Late Fees:**

A charge of 1% per month on the past due portion of the balance will be assessed on a Member’s account that is past due. This fee will begin to accrue on a daily basis for items not paid within the 30 day payment terms until the item is paid in full. Late fees incurred will be included as line items on subsequent invoices.

Port Fees:

[The following fees are effective July 1, 2013:]

	[Amount] <u>Fee</u>	Billable Unit	[Frequency]
Direct Sessions (FIX, EDGE[Edge] XPRS [®] (HP-API), Data, DROP, EdgeRisk Ports SM) Logical Port Fees*	\$500/month[.00]	Session	[Monthly]

**First two (2) 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.

EdgeRisk GatewaySM Fees:

[Effective upon the operative date of SR-EDGX-2013-21]

Members and non-Members must pay a monthly fee for each EdgeRisk Gateway pair per the table below:

	[Amount] <u>Fee</u>	[Frequency]
EdgeRisk Gateway Pair	\$5,000/month	[Monthly]

Physical Connectivity Fees:

[Effective May 1, 2013

Members and non-members must pay a monthly fee for physical connectivity per the table below:]

Connection Service Type	[Monthly] Fee per Physical Port
1 Gb Copper	\$500/month
1 Gb Fiber	\$1,000/month
10 Gb Fiber	\$2,000/month

Membership Fees:

[The following fees are effective September 1, 2011:]

Membership Fee Type	Tier Details	Fee
Firm Membership	N/A	\$2,000/year ¹
Trading Rights	N/A	\$300/month ²
MPID Fee – Tier 1	0 to 5 MPIDs	\$0
MPID Fee – Tier 2	More than 5 MPIDs	\$250/month ³

¹ If a Member is pending a voluntary termination of rights as a Member pursuant to Rule 2.8 prior to the date any Annual Membership Fee for a given year will be assessed (i.e., September 1, 2011, January 1, 2012, etc.) and the Member does not utilize the facilities of EDGX during such time, then the Member will not be obligated to pay the Annual Membership Fee.

² Prior to the September 1, 2011 implementation date for these fee changes, the Exchange will waive monthly Trading Rights fees if a Member is pending a voluntary termination of rights pursuant to Rule 2.8.

³ Prior to the September 1, 2011 implementation date for these fee changes, the Exchange will waive monthly MPID fees if a Member is pending a voluntary termination of rights pursuant to Rule 2.8.

EdgeBook DepthSM Fees:

[The fees for EdgeBook Depth X are as follows:]

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

EdgeBook AttributedSM Fees:

[Effective February 1, 2013]

In addition to EdgeBook Depth X fees, as described above, all subscribers to EdgeBook AttributedSM will also incur the following fees:

Delivery	Fee
Internal Distributor	\$2,500/month
External Distributor	\$5,000/month

A “Distributor” of Exchange data is any entity that receives a market data 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, Inc.

Edge Attribution Incentive Program:

[Effective February 1, 2013,] Members who enter Attributable Orders into the Exchange’s System in at least 100 symbols over 10 consecutive trading days over the course of a month are eligible to participate in the Edge Attribution Incentive Program. Each month, the Exchange will set aside 25% of the revenue generated in connection with fees received from EdgeBook Attributed (the “Revenue Allotment”). From the Revenue Allotment, the Exchange will provide a payment to eligible Members who qualified for the Edge Attribution Incentive Program based on the percentage of executed share volume from their Attributable Orders entered into the Exchange’s System.

Edge Routed Liquidity ReportSM Fees[Pricing]:

[The following fees will begin to be assessed after the operative date of filing SR-EDGX-2012-37:]

Service	Data Received	Price
Standard Report	Rolling 30 days	\$500/month
Standard Report	Calendar Month Request	\$500/month requested
Premium Report	Rolling 30 days	\$1,500/month
Premium Report	Calendar Month Request	\$1,500/month requested

EdgeBook Cloud[®] Fees[Pricing]:

Service	Data Received	Price	Delivery Charge	Notes
Replay	Rolling 30 days	\$500/month	None	Firms may request any of the last 30 days.
Replay	Calendar Month Request	\$500/month requested with a cap to \$2,500 if less than or equal to 1TB.	At Cost	Firms may request as many months as they want. If the firm requests more than 1TB, the firm will be charged an additional \$2,500.

FlexDownload	Result as queried	\$750/month (up to and including 200GB)	At Cost	\$5/GB Overage Charge for any overage beyond paid subscription
FlexDownload	Result as queried	\$1,500/month (> 200GB and < or equal to 800GB)	At Cost	
FlexDownload	Result as queried	\$2,500/month (>800GB, but < or equal to 1TB)	At Cost	\$3/GB Overage Charge for any overage beyond paid subscription
Snapshot	Result as queried	\$100/500 Hits/month	None	Hit = symbol*symbol activity level*day
Snapshot	Result as queried	\$250/2,500 Hits/month	None	Automatic subscription upgrade to the next level if months activity outside current subscription
Snapshot	Result as queried	\$500/10,000 Hits/month	None	
Snapshot	Result as queried	\$750/50,000 Hits/month	None	Activity Level is a multiplier that is related to the total quantity of quotes and trades, on the Exchange, of a given security relative to the quantity of quotes and trades of all other securities trading on the exchange. Activity Levels are High (3), Medium (2), or Low (1), and are determined on a monthly basis pursuant to a review of the previous three month's activity for the security.
Snapshot	Result as queried	\$1000/250,000 Hits/month	None	