

## OMB APPROVAL

OMB Number: 3235-0045  
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Required fields are shown with yellow backgrounds and asterisks.

Page 1 of \* 15

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

File No.\* SR - 2014 - \* 23

Amendment No. (req. for Amendments \*)

Filing by EDGA Exchange, Inc.

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

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pilot <input type="checkbox"/> Extension of Time Period for Commission Action * <input 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)		

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) \*

☐

Section 806(e)(2) \*

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Section 3C(b)(2) \*

☐

Exhibit 2 Sent As Paper Document



Exhibit 3 Sent As Paper Document



### Description

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

EDGA Exchange, Inc. proposes to amend its Fee Schedule.

### 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 \* Christopher Last Name \* Solgan  
 Title \* Regulatory Counsel  
 E-mail \* csolgan@directedge.com  
 Telephone \* (201) 942-8321 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 08/29/2014

By Christopher Solgan

(Name \*)

Regulatory Counsel

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.

csolgan@bats.com

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFT 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

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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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”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> EDGA Exchange, Inc. (“EDGA” or the “Exchange”) proposes to amend its fees and rebates applicable to Members<sup>3</sup> of the Exchange pursuant to EDGA Rule 15.1(a) and (c) (“Fee Schedule”) to increase the fee for orders yielding Flag D, which route or re-route orders to the New York Stock Exchange LLC (“NYSE”). The text of the proposed rule change is attached as Exhibit 5.

(b) Inapplicable.

(c) Inapplicable.

## 2. Procedures of the Self-Regulatory Organization

The Exchange submits the proposed rule change pursuant to authority delegated by the Board of Directors of the Exchange on February 11, 2014. 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 and, therefore, the Exchange’s internal procedures with respect to the proposed change are complete.

The persons on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

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

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

<sup>3</sup> The term “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.” See Exchange Rule 1.5(n).

Eric Swanson  
Executive Vice President and  
General Counsel  
(913) 815-7000

Chris Solgan  
Regulatory Counsel  
(201) 942-8321

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 increase the fee for orders yielding Flag D, which route or re-route to the NYSE. In securities priced at or above \$1.00, the Exchange currently charges a fee of \$0.0026 per share for Members' orders that yield Flag D, which route or re-route orders to the NYSE. The Exchange proposes to amend its Fee Schedule to increase the fee for orders that yield Flag D to \$0.0027 per share in securities priced at or above \$1.00.<sup>4</sup> The proposed change represents a pass through of the rate Direct Edge ECN LLC (d/b/a DE Route) ("DE Route"), the Exchange's affiliated routing broker-dealer, is charged for routing orders to the NYSE that remove liquidity when it does not qualify for a volume tiered reduced fee. The proposed change is in response to the NYSE's September 2014 fee change where the NYSE increased its fee from \$0.0026 per share to \$0.0027 per share for orders in securities priced at or above \$1.00.<sup>5</sup> When DE Route routes to and removes liquidity on the NYSE, it will now be charged a standard rate of \$0.0027 per share.<sup>6</sup> DE Route will

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<sup>4</sup> The Exchange does not propose to amend its fee for orders that yield Flag D in securities priced below \$1.00.

<sup>5</sup> See NYSE Trader Update dated August 21, 2014, [http://www1.nyse.com/pdfs/NYSE\\_Client\\_Notice\\_Fee\\_Change\\_09\\_2014.pdf](http://www1.nyse.com/pdfs/NYSE_Client_Notice_Fee_Change_09_2014.pdf).

<sup>6</sup> The Exchange notes that to the extent DE Route does or does not achieve any volume tiered reduced fee on the NYSE, its rate for Flag D will not change.

pass through this rate it is charged on the NYSE to the Exchange and the Exchange, in turn, will pass through this rate to its Members.

The Exchange proposes to implement these amendment to its Fee Schedule on September 2, 2014.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,<sup>7</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>8</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 believes that its proposal to increase the fees for orders yielding Flag D represents an equitable allocation of reasonable dues, fees, and other charges among Members and other persons using its facilities. Prior to the NYSE's September 2014 fee change, the NYSE charged DE Route a fee of \$0.0026 per share in securities priced at or above \$1.00, which DE Route passed through to the Exchange and the Exchange charged its Members. When DE Route routes to the NYSE, it will now be charged a standard rate of \$0.0027 per share. The Exchange does not levy additional fees or offer additional rebates for orders that it routes to the NYSE through DE Route. Therefore, the Exchange believes that the proposed change to Flag D is equitable and reasonable because it accounts for the pricing changes on the NYSE, which enables the Exchange to charge its Members the applicable pass-through rate. Lastly, the Exchange

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<sup>7</sup> 15 U.S.C. 78f.

<sup>8</sup> 15 U.S.C. 78f(b)(4).

notes that routing through DE Route is voluntary and believes that the proposed change is non-discriminatory because it applies uniformly to all Members.

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

The Exchange believes its proposed amendments to its Fee Schedule would 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 the proposed change represents a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors. Additionally, Members may opt to disfavor EDGA's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange does not believe that the proposed change will impair the ability of Members or competing venues to maintain their competitive standing in the financial markets.

In particular, the Exchange believes that its proposal to pass through the amended fee for orders that yield Flag D would increase intermarket competition because it offers customers an alternative means to route to the NYSE for the same price that they would be charged if they entered orders on those trading centers directly. The Exchange believes that its proposal would not burden intramarket competition because the proposed rate would apply uniformly to all Members.

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 Act<sup>9</sup> and paragraph (f)(2) of Rule 19b-4 thereunder.<sup>10</sup>

(c) Inapplicable.

(d) Inapplicable.

8. Proposed Rule change Based on Rules of Another Self-Regulatory Organization or of the Commission

This proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. 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.

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

<sup>10</sup> 17 CFR 240.19b-4(f)(2).

## EXHIBIT 1

## SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-EDGA-2014-23)

[Date]

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

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on \_\_\_\_\_, EDGA Exchange, Inc. (the “Exchange” or “EDGA”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend its fees and rebates applicable to Members<sup>3</sup> of the Exchange pursuant to EDGA Rule 15.1(a) and (c) (“Fee Schedule”) to increase the fee for orders yielding Flag D, which route or re-route orders to the New York Stock Exchange LLC (“NYSE”).

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

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

<sup>3</sup> The term “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.” See Exchange Rule 1.5(n).



The text of the proposed rule change is available on the Exchange's Internet website at [www.directedge.com](http://www.directedge.com), at the Exchange's principal office, and at the Public Reference Room of the Commission.

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

In its filing with the Commission, the 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 increase the fee for orders yielding Flag D, which route or re-route to the NYSE. In securities priced at or above \$1.00, the Exchange currently charges a fee of \$0.0026 per share for Members' orders that yield Flag D, which route or re-route orders to the NYSE. The Exchange proposes to amend its Fee Schedule to increase the fee for orders that yield Flag D to \$0.0027 per share in securities priced at or above \$1.00.<sup>4</sup> The proposed change represents a pass through of the rate Direct Edge ECN LLC (d/b/a DE Route) ("DE Route"), the Exchange's affiliated routing broker-dealer, is charged for routing orders to the NYSE

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<sup>4</sup> The Exchange does not propose to amend its fee for orders that yield Flag D in securities priced below \$1.00.

that remove liquidity when it does not qualify for a volume tiered reduced fee. The proposed change is in response to the NYSE's September 2014 fee change where the NYSE increased its fee from \$0.0026 per share to \$0.0027 per share for orders in securities priced at or above \$1.00.<sup>5</sup> When DE Route routes to and removes liquidity on the NYSE, it will now be charged a standard rate of \$0.0027 per share.<sup>6</sup> DE Route will pass through this rate it is charged on the NYSE to the Exchange and the Exchange, in turn, will pass through this rate to its Members.

The Exchange proposes to implement these amendment to its Fee Schedule on September 2, 2014.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,<sup>7</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>8</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 believes that its proposal to increase the fees for orders yielding Flag D represents an equitable allocation of reasonable dues, fees, and other charges among Members and other persons using its facilities. Prior to the NYSE's September 2014 fee change, the NYSE charged DE Route a fee of \$0.0026 per share in securities priced at or above \$1.00, which DE Route passed through to the Exchange and the

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<sup>5</sup> See NYSE Trader Update dated August 21, 2014, [http://www1.nyse.com/pdfs/NYSE\\_Client\\_Notice\\_Fee\\_Change\\_09\\_2014.pdf](http://www1.nyse.com/pdfs/NYSE_Client_Notice_Fee_Change_09_2014.pdf).

<sup>6</sup> The Exchange notes that to the extent DE Route does or does not achieve any volume tiered reduced fee on the NYSE, its rate for Flag D will not change.

<sup>7</sup> 15 U.S.C. 78f.

<sup>8</sup> 15 U.S.C. 78f(b)(4).

Exchange charged its Members. When DE Route routes to the NYSE, it will now be charged a standard rate of \$0.0027 per share. The Exchange does not levy additional fees or offer additional rebates for orders that it routes to the NYSE through DE Route.

Therefore, the Exchange believes that the proposed change to Flag D is equitable and reasonable because it accounts for the pricing changes on the NYSE, which enables the Exchange to charge its Members the applicable pass-through rate. Lastly, the Exchange notes that routing through DE Route is voluntary and believes that the proposed change is non-discriminatory because it applies uniformly to all Members.

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

The Exchange believes its proposed amendments to its Fee Schedule would 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 the proposed change represents a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors. Additionally, Members may opt to disfavor EDGA's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange does not believe that the proposed change will impair the ability of Members or competing venues to maintain their competitive standing in the financial markets.

In particular, the Exchange believes that its proposal to pass through the amended fee for orders that yield Flag D would increase intermarket competition because it offers customers an alternative means to route to the NYSE for the same price that they would be charged if they entered orders on those trading centers directly. The Exchange

believes that its proposal would not burden intramarket competition because the proposed rate would apply uniformly to all Members.

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 Act<sup>9</sup> and Rule 19b-4(f)(2)<sup>10</sup> thereunder. At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form

(<http://www.sec.gov/rules/sro.shtml>); or

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

<sup>10</sup> 17 CFR 240.19b-4 (f)(2).

- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-EDGA-2014-23 on the subject line.

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-EDGA-2014-23. 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-EDGA-2014-23 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.<sup>11</sup>

Kevin M. O'Neill  
Deputy Secretary

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

**Exhibit 5**

Additions are underlined; deletions are [bracketed].

EDGA Exchange, Inc. Fee Schedule – Effective [August 11]September 2, 2014

Download in pdf format.

**Rebates & Charges for Adding, Removing or Routing Liquidity per share for Tape A, B, & C securities<sup>1</sup>:**

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.

\* \* \* \* \*

**Liquidity Flags:**

Flag	Description	Fee/(Rebate) Securities at or above \$1.00	Fee/(Rebate) Securities below \$1.00
A – C	(No change).		
D	Routed or re-routed to NYSE	0.002[6] <u>7</u>	0.30% of Dollar Value
F – <u>XR</u> <sup>1,7</sup>	(No change).		

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