

OMB APPROVAL

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Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 37

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

File No.* SR - 2014 - * 34

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

Section 3C(b)(2) *

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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 *).

Proposal to replace references to "Direct Edge ECN LLC d/b/a DE Route" and "DE Route" with "BATS Trading, Inc."

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 * Chris Last Name * Solgan
 Title * Assistant General Counsel
 E-mail * csolgan@bats.com
 Telephone * (201) 972-8321 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 12/22/2014

Assistant General Counsel

By Christopher Solgan

(Name *)

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 *

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 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

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

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

Self-Regulatory Organizations; EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rules 2.11, 2.12, 11.11 and 11.14 to Replace References to “Direct Edge ECN LLC d/b/a DE Route” and “DE Route” with “BATS Trading, Inc.”

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 _____, EDGA Exchange, Inc. (the “Exchange” or “EDGA”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6)(iii) thereunder,⁴ which renders it effective upon filing with the Commission. 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 filed a proposed rule change to amend Rules 2.11, 2.12, 11.11 and 11.14 to replace references to “Direct Edge ECN LLC d/b/a DE Route” and “DE Route” with “BATS Trading, Inc.” (“BATS Trading”). The Exchange does not propose to amend the requirements of any of these rules.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

The text of the proposed rule change is available at the Exchange's website at <http://www.directedge.com/>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Earlier this year, the Exchange and its affiliate, EDGX Exchange, Inc. ("EDGX") received approval to effect a merger (the "Merger") of the Exchange's parent company, Direct Edge Holdings LLC, with BATS Global Markets, Inc., the parent of BATS Exchange, Inc. ("BZX") and BATS Y-Exchange, Inc. ("BYX", together with BZX, EDGA and EDGX, the "BGM Affiliated Exchanges" or "BATS Exchange").⁵ As a result, the Exchange amended Rule 2.12 to reflect that BATS Trading, Inc., the affiliated BZX and BYX routing broker dealer, would also act as the inbound router for routing orders from BYX and BZX to the Exchange. In the context of the Merger, the BGM Affiliated Exchanges are working to migrate EDGX and EDGA onto the BATS

⁵ See Securities Exchange Act Release No. 71449 (January 30, 2014), 79 FR 6961 (February 5, 2014) (SR-EDGX-2013-43; SR-EDGA-2013-34).

technology platform, and align certain system functionality, retaining only intended differences between the BGM Affiliated Exchanges. As a result of these efforts, the Exchange proposes to amend Rules 2.11, 2.12, 11.11 and 11.14 to replace references to “Direct Edge ECN LLC d/b/a DE Route” and “DE Route” with “BATS Trading” to reflect that BATS Trading, Inc. will replace DE Route at the Exchange’s routing broker-dealer upon migration of the Exchange onto the BATS technology platform. Thereafter, BATS Trading will serve as the sole inbound and outbound routing broker-dealer for the Exchange. The Exchange does not propose to amend the requirements of any of these rules.

Rule 2.11, BATS Trading as Outbound Router

Pursuant to Exchange Rule 2.11, the Exchange relies on DE Route to provide outbound routing services from itself to other Trading Centers.⁶ The Exchange proposes to amend Rules 2.11 to replace all references to DE Route with BATS Trading, as BATS Trading will replace DE Route as the outbound routing service for the Exchange upon migration of the Exchange onto the BATS technology platform. The Exchange does not propose to amend the requirements of this rule. Therefore, the conditions and limitations set forth in Exchange Rule 2.11 will continue to require that:

- The Exchange will regulate the BATS Trading as a facility (as defined in Section 3(a)(2) of the Act), subject to Section 6 of the Act. The Exchange will file with

⁶ Rule 600(b)(78) of Regulation NMS, 17 CFR 242.600(b)(78), defines a “Trading Center” as “a national securities exchange or national securities association that operates an SRO trading facility, an alternative trading system, an exchange market maker, an OTC market maker, or any other broker or dealer that executes orders internally by trading as principal or crossing orders as agent.” See also Exchange Rule 2.11(a).

the Commission proposed rule changes and fees relating to the BATS Trading outbound router function and BATS Trading will be subject to the Exchange's non-discrimination requirements.

- FINRA will carry out oversight and enforcement responsibilities as the designated examining authority designated by the Commission pursuant to Rule 17d-1 of the Act with the responsibility for examining BATS Trading for compliance with applicable financial responsibility rules.
- A Member's⁷ use of BATS Trading to route orders to another Trading Center will be optional.
- BATS Trading will not engage in any business other than (a) its outbound router function, (b) its inbound router function as described in Rule 2.12, (c) its usage of an error account in accordance with Exchange Rule 2.11(a)(7) and (d) any other activities it may engage in as approved by the Commission.
- The Exchange shall establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and proprietary information between the Exchange and BATS Trading, and any other entity, including any affiliate of BATS Trading, and, if BATS Trading or any of its affiliates engage in any other business activities other than providing routing

⁷ 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).

services to the Exchange, between the segment of BATS Trading or its affiliate that provides the other business activities and the routing services.

- The Exchange or BATS Trading may cancel orders as either deems to be necessary to maintain fair and orderly markets if and when systems, technical or operational issues occur at the Exchange, BATS Trading or a Trading Center. The Exchange or BATS Trading shall provide notice of the cancellation of orders to affected Members as soon as practicable.
- BATS Trading shall maintain an error account for the purpose of liquidating an error position when such position, in the judgment of the Exchange or BATS Trading, subject to the factors described in Exchange Rule 2.11, cannot be fairly and practicably assigned to one or more Members in its entirety. An error position can be acquired if it results from a systems, technical or operational issue experienced by BATS Trading, by the Exchange, or by a Trading Center to which BATS Trading directed an outbound order.

The books, records, premises, officers, agents, directors and employees of BATS Trading will be deemed to be the books, records, premises, officers, agents, directors and employees of the Exchange for purposes of, and subject to oversight pursuant to, the Act. The books and records of BATS Trading shall be subject at all times to inspection and copying by the Exchange and the Commission. Nothing in Rule 2.11 will preclude officers, agents, directors or employees of the Exchange from also serving as officers, agents, directors and employees of BATS Trading.

Rule 2.12, BATS Trading as Inbound Router

DE Route and BATS Trading provide Members of the Exchange, EDGX, BZX and BYX with optional routing services to other Trading Centers. Thus, in certain circumstances, DE Route and BATS Trading provide inbound routing from EDGX, BYX, or BZX to the Exchange. Exchange Rule 2.12 governs this inbound routing of orders by DE Route and BATS Trading to the Exchange in DE Route's and BATS Trading's capacity as a facility of the Exchange. The Exchange proposes to amend Rule 2.12 to remove all references to DE Route as BATS Trading will be the sole inbound routing service for the Exchange upon migration of the Exchange onto the BATS technology platform. The Exchange does not propose to amend the requirements of this rule. Therefore, the conditions and limitations set forth in Exchange Rule 2.12(a) will continue to require that:

- The Exchange enter into (a) a plan pursuant to Rule 17d-2 under the Act with a non-affiliated self-regulatory organization ("SRO") to relieve the Exchange of regulatory responsibilities for BATS Trading with respect to rules that are common rules between the Exchange and the non-affiliated SRO, and (b) a regulatory services contract ("Regulatory Contract") with a non-affiliated SRO to perform regulatory responsibilities for BATS Trading for unique Exchange rules.
- The Regulatory Contract require the Exchange to provide the non-affiliated SRO with information, in an easily accessible manner, regarding all exception reports, alerts, complaints, trading errors, cancellations, investigations, and enforcement matters (collectively "Exceptions") in which BATS Trading is identified as a participant that has potentially violated Exchange or Commission rules, and requires that the non-affiliated SRO provide a report, at least quarterly, to the

Exchange quantifying all Exceptions in which BATS Trading is identified as a participant that has potentially violated Exchange or Commission rules.

- The Exchange, on behalf of its parent company, establish and maintain procedures and internal controls reasonably designed to ensure that BATS Trading does not develop or implement changes to its system based on non-public information obtained as a result of its affiliation with the Exchange, until such information is available generally to similarly situated Members of the Exchange.
- The Exchange furnish to BATS Trading only the same information and on the same terms as the Exchange makes available in the normal course of business to other users.⁸

In addition, Exchange Rule 2.12(b) states that, provided the conditions in Exchange Rule 2.12(a) are complied with, and provided further that DE Route operates as an outbound router on behalf of EDGX on the same terms and conditions as it does for the Exchange, and in accordance with the rules of EDGX, DE Route may provide inbound routing services to the Exchange from EDGX. BATS Trading provides members of the BGM Affiliated Exchanges (including EDGX) with optional routing services to other market centers, which may include routing from a BGM Affiliated Exchange to the Exchange. Therefore, the Exchange proposes to remove reference to EDGX as BATS Trading will be required under Exchange Rule 2.12(b) to operate as an outbound router on behalf of each BATS Exchange on the same terms and conditions as it does for the Exchange, and in accordance with the rules of each BATS Exchange,

⁸ See Exchange Rule 2.12(a)(2).

BATS Trading may provide inbound routing services to the Exchange from each BATS Exchange. The Exchange believes that Rule 2.12 will continue to adequately manage the potential for conflicts of interest that could arise from BATS Trading routing orders to the Exchange.

Rule 11.11(i), Market Access

Rule 11.11(i) states that, in addition to the Exchange Rules regarding routing to away Trading Centers, DE Route has, pursuant to Rule 15c3-5 under the Act, implemented certain tests designed to mitigate the financial and regulatory risks associated with providing the Exchange's Members access to such away Trading Centers. Pursuant to the policies and procedures developed by DE Route to comply with Rule 15c3-5, if an order or series of orders are deemed to be erroneous or duplicative, would cause the entering Member's credit exposure to exceed a preset credit threshold, or are non-compliant with applicable pre-trade regulatory requirements (as defined in Rule 15c3-5), DE Route will reject such orders prior to routing and/or seek to cancel any orders that have been routed.

The Exchange proposes to amend Rules 11.11(i) to replace all references to DE Route with BATS Trading, as BATS Trading will be the sole inbound routing service for the Exchange upon migration of the Exchange onto the BATS technology platform. The Exchange does not propose to amend the requirements of this rule. Under Rule 11.11(i) and BZX and BYX Rules 11.13(e), BATS trading has, pursuant to Rule 15c3-5 under the Act, implemented certain tests designed to mitigate the financial and regulatory risks associated with providing the Exchange's Members with access to such away Trading Centers. BATS Trading also has policies and procedures in place to comply with Rule

15c3-5, under which BATS Trading will reject such orders prior to routing and/or seek to cancel any orders that have been routed, where an order or series of orders are deemed to be erroneous or duplicative, would cause the entering Member's credit exposure to exceed a preset credit threshold, or are non-compliant with applicable pre-trade regulatory requirements (as defined in Rule 15c3-5).

Rule 11.14, Limitation of Liability

The Exchange also proposes to amend Exchange Rule 11.14(g) to replace references to DE Route with BATS Trading. Rule 11.14(g) authorizes the Exchange, subject to express conditions and limitations, to compensate Members for losses relating to orders routed by the Exchange through DE Route to Trading Centers that the Member claims resulted directly from a malfunction of the physical equipment, devices and/or programming, or the negligent acts or omissions of the employees, of such Trading Centers ("Trading Center Systems Issue"). Rule 11.14(g), applies to Members that experience losses due to Trading Center Systems Issues after DE Route routed the Members' orders to a Trading Center that experienced such issues. Under Rule 11.14(g), as an accommodation to Members, the Exchange, via DE Route, employs reasonable efforts to submit Members' claims for compensation on such Members' behalf to a Trading Center, and pass along to such Members the full amount of compensation, if any, obtained by DE Route from such Trading Center.

Under Rule 11.14(g), the Exchange undertakes to accept claims for losses submitted by Members, which claims must contain representations from such Members as to the accuracy of the information contained therein and that any losses incurred were the direct result of a Trading Center Systems Issue.

Upon migration of the Exchange onto BATS technology, BATS Trading will be the Exchange's sole routing broker-dealer and responsible for submitting claims under Rule 11.14(g). As amended, the Exchange would continue to employ reasonable efforts to submit such claims, but via BATS Trading instead of DE Route, to the Trading Center in question. If and to the extent that BATS Trading were to receive compensation from a Trading Center in response to a claim submitted on behalf of a Member, the full amount of such compensation would be passed through to the Member.

Implementation Date

The Exchange intends to implement the proposed rule change on or about January 12, 2015, which is the anticipated date upon which the migration of the Exchange to the BATS technology platform will be complete and BATS Trading, Inc. will replace DE Route as the Exchange's routing broker-dealer.

2. Statutory Basis

The Exchange believes that the proposed rule changes are consistent with Section 6(b) of the Act⁹ and further the objectives of Section 6(b)(5) of the Act¹⁰ because they are designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and, in general, to protect investors and the public interest. The proposed rule change also is designed to support the principles of Section 11A(a)(1)¹¹ of the Act in that

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ 15 U.S.C. 78k-1(a)(1).

it seeks to assure fair competition among brokers and dealers and among exchange markets.

The Exchange does not propose to amend the requirements of any of its rules and the proposed rule changes are intended only to reflect that BATS Trading will replace DE Route as the Exchange's routing broker-dealer upon migration of the Exchange to the BATS technology platform. A consistent technology offering through the use of a single routing broker-dealer by each of the BGM Affiliated Exchange will, in turn, simplify the technology implementation, changes and maintenance by users of the Exchange that are also participants on EDGX, BZX, and BYX. The proposed rule change would provide greater harmonization between the rules of the BGM Affiliated Exchanges, resulting in greater uniformity and less burdensome and more efficient regulatory compliance. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange reiterates that the proposed rule change is being proposed in the context of the technology integration of the BGM Affiliated Exchanges. Thus, the Exchange believes this proposed rule change is necessary to permit fair competition among national securities exchanges. In addition, the Exchange believes the proposed rule change will benefit Exchange participants in that it is one of several changes necessary to achieve a consistent technology offering by the BGM Affiliated Exchanges.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act¹² and paragraph (f)(6) of Rule 19b-4 thereunder.¹³

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily temporarily suspend such rule change if it appears to the Commission that such action is: (1) necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposal is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-EDGA-2014-34 on the subject line.

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 C.F.R. 240.19b-4.

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 No. SR-EDGA-2014-34. 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 am and 3:00 pm. Copies of such filing will also 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 No. SR-EDGA-2014-34 and should be submitted on or before [_____21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to
delegated authority.¹⁴

Kevin M. O'Neill
Deputy Secretary

¹⁴ 17 CFR 200.30-3(a)(12).

Exhibit 5

Rules of EDGA Exchange, Inc.

* * * * *

CHAPTER II. MEMBERS OF THE EXCHANGE

* * * * *

Rule 2.11. [DE Route]BATS Trading as Outbound Router

(a) For so long as [Direct Edge ECN LLC d/b/a DE Route (“DE Route”)]BATS Trading, Inc. (“BATS Trading”) is affiliated with the Exchange and is providing outbound routing of orders from the Exchange to other securities exchanges, facilities of securities exchanges, automated trading systems, electronic communications networks or other brokers or dealers (collectively, “Trading Centers”) (such function of [DE Route]BATS Trading is referred to as the “Outbound Router”), each of the Exchange and [DE Route]BATS Trading shall undertake as follows:

(1) The Exchange will regulate the Outbound Router function of [DE Route]BATS Trading as a facility (as defined in Section 3(a)(2) of the Act), subject to Section 6 of the Act. In particular, and without limitation, under the Act, the Exchange will be responsible for filing with the Commission rule changes and fees relating to the [DE Route]BATS Trading Outbound Router function and [DE Route]BATS Trading will be subject to exchange non-discrimination requirements.

(2) FINRA, a self-regulatory organization unaffiliated with the Exchange or any of its affiliates, will carry out oversight and enforcement responsibilities as the designated examining authority designated by the Commission pursuant to Rule 17d-1 of the Act with the responsibility for examining [DE Route]BATS Trading for compliance with applicable financial responsibility rules.

(3) A Member’s use of [DE Route]BATS Trading to route orders to another Trading Center will be optional. Any Member that does not want to use [DE Route]BATS Trading may use other routers to route orders to other Trading Centers.

(4) [DE Route]BATS Trading will not engage in any business other than (a) its Outbound Router function, (b) its Inbound Router function as described in Rule 2.12, (c) its usage of an error account in accordance with paragraph (a)(7), below, and (d) any other activities it may engage in as approved by the Commission.

(5) The Exchange shall establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and proprietary information between the Exchange and its facilities (including [DE Route]BATS Trading), and any other entity, including any affiliate of [DE Route]BATS Trading, and, if [DE Route]BATS Trading or any of its affiliates engages in any other business activities other than providing routing services

to the Exchange, between the segment of [DE Route]BATS Trading or its affiliate that provides the other business activities and the routing services.

(6) The Exchange or [DE Route]BATS Trading may cancel orders as either deems to be necessary to maintain fair and orderly markets if and when systems, technical or operational issues occur at the Exchange, [DE Route]BATS Trading or a Trading Center. The Exchange or [DE Route]BATS Trading shall provide notice of the cancellation of orders to affected Members as soon as practicable.

(7) [DE Route]BATS Trading shall maintain an error account for the purpose of liquidating an error position when such position, in the judgment of the Exchange or [DE Route]BATS Trading subject to the factors described herein, cannot be fairly and practicably assigned to one or more Members in its entirety. An error position can be acquired if it results from a systems, technical or operational issue experienced by [DE Route]BATS Trading, by the Exchange or by a Trading Center to which [DE Route]BATS Trading directed an outbound order.

(A) For purposes of Rule 2.11(a)(7), an error position shall not include any position that results from an order submitted by a Member to the Exchange that is executed on the Exchange and automatically processed for clearance and settlement on a locked-in basis.

(B) Except as provided in Rule 2.11(a)(7)(C), [DE Route]BATS Trading shall not (i) accept any position in its error account from an account of a Member, or (ii) permit any Member to transfer any position from the Member's account to [DE Route's]BATS Trading's error account.

(C) If a systems, technical or operational issue results in the Exchange not having valid clearing instructions for a Member's trade, [DE Route]BATS Trading may assume that Member's side of the trade so that the trade can be automatically processed for clearance and settlement on a locked-in basis.

(D) The Exchange or [DE Route]BATS Trading shall consider the following factors in determining whether an error position can be fairly and practicably assigned to one or more Members:

(i) Whether the Exchange or [DE Route]BATS Trading has accurate and sufficient information to assign the entire amount of an error position to all affected Members; and

(ii) Whether the Exchange or [DE Route]BATS Trading is able to evaluate available information in order to assign the entire amount of an error position to all affected Members by the first business day following the trade date on which the error position was established.

(E) When, as and if the Exchange or [DE Route]BATS Trading determines to acquire an error position into [DE Route's]BATS Trading's error account, [DE

Route]BATS Trading shall liquidate such error position as soon as practicable. In liquidating such error position, [DE Route]BATS Trading shall:

(i) Provide complete time and price discretion to a third-party broker-dealer to liquidate such error position, and [DE Route]BATS Trading shall not attempt to exercise any influence or control over the timing or method of trading to liquidate such position; and

(ii) Establish and implement written policies and procedures in accordance with Rule 2.11(a)(7) that are reasonably designed to restrict the flow of confidential and proprietary information associated with the liquidation of the error position between the Exchange and [DE Route]BATS Trading, on one hand, and the third-party broker-dealer, on the other.

(F) If the Exchange or [DE Route]BATS Trading determines, in its judgment subject to the factors described in subparagraph (a)(7)(D) hereof, that an error position can be fairly and practicably assigned to one or more Members in its entirety by the first business day following the trade date on which the error position was incurred, then the Exchange or [DE Route]BATS Trading will:

(i) Assign the entire amount of the error position to all affected Members; and

(ii) Make and keep records to document the rationale for the assignment to such Members. [DE Route]BATS Trading shall also make and keep records of the factors considered in determining to acquire an error position into the error account. Such determinations and assignments shall be made in a non-discriminatory fashion. In addition, [DE Route]BATS Trading shall make and keep records associated with the liquidation of the error position through a third-party broker-dealer.

(b) The books, records, premises, officers, agents, directors and employees of [DE Route]BATS Trading as a facility of the Exchange shall be deemed to be the books, records, premises, officers, agents, directors and employees of the Exchange for purposes of, and subject to oversight pursuant to, the Act. The books and records of [DE Route]BATS Trading as a facility of the Exchange shall be subject at all times to inspection and copying by the Exchange and the Commission. Nothing in these Rules shall preclude officers, agents, directors or employees of the Exchange from also serving as officers, agents, directors and employees of [DE Route]BATS Trading.

Rule 2.12. [DE Route and]BATS Trading, Inc. as Inbound Router[s]

(a) For so long as the Exchange is [(i)] affiliated with EDGX Exchange, Inc., [and Direct Edge ECN LLC d/b/a DE Route (“DE Route”) in its capacity as a facility of the Exchange is utilized for the routing of orders from EDGX Exchange, Inc., to the Exchange, and (ii) affiliated

with] BATS Y-Exchange, Inc., or BATS Exchange, Inc. (each, a “BATS Exchange”), and BATS Trading, Inc. (“BATS Trading”) in its capacity as a facility of each BATS Exchange is utilized for the routing of orders from a BATS Exchange to the Exchange, the Exchange undertakes as follows:

(1) The Exchange shall: (a) enter into a plan pursuant to Rule 17d-2 under the Exchange Act with a non-affiliated self-regulatory organization to relieve the Exchange of regulatory responsibilities for [DE Route and] BATS Trading[, Inc.] with respect to rules that are common rules between the Exchange and the SRO, and (b) enter into a regulatory services contract with a non-affiliated SRO to perform regulatory responsibilities for [DE Route and] BATS Trading[, Inc.] for unique Exchange rules.

(2) The regulatory services contract in paragraph 2.12(a)(1) shall require the Exchange to provide the non-affiliated self-regulatory organization with information, in an easily accessible manner, regarding all exception reports, alerts, complaints, trading errors, cancellations, investigations, and enforcement matters (collectively, “Exceptions”) in which [DE Route or] BATS Trading[, Inc.] is identified as a participant that has potentially violated Exchange or SEC rules, and shall require that the non-affiliated self-regulatory organization provide a report to the Exchange quantifying all such exception reports, alerts, complaints, trading errors, cancellations, investigations and enforcement matters on not less than a quarterly basis.

(3) The Exchange, on behalf of BATS Global Markets Inc., shall establish and maintain procedures and internal controls reasonably designed to ensure that [neither DE Route nor] BATS Trading[, Inc.] does not develop[s] or implement[s] changes to its systems on the basis of nonpublic information obtained as a result of its affiliation with the Exchange until such information is available generally to similarly situated members of the Exchange in connection with the provision of inbound order routing to the Exchange.

(b) Provided the above conditions are complied with, and provided further that [(i) DE Route operates as an outbound router on behalf of EDGX Exchange, Inc., on the same terms and conditions as it does for the Exchange, and in accordance with the rules of EDGX Exchange, Inc., and (ii)] BATS Trading[, Inc.] operates as an outbound router on behalf of each BATS Exchange in accordance with the rules of each BATS Exchange, [DE Route]BATS Trading may provide inbound routing services to the Exchange [from EDGX Exchange, Inc. and BATS Trading, Inc. may provide inbound routing services to the Exchange] from each BATS Exchange.

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CHAPTER XI. TRADING RULES

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Rule 11.11. Routing to Away Trading Centers

Unless the terms of the order direct the Exchange not to route such order away, if a Market Order or marketable Limit Order has not been executed in its entirety pursuant to 11.10(a)(4) above, the order shall be eligible for routing away pursuant to one or more of the routing options listed under paragraph (g) below.

(a) - (h) (No change).

(i) **Market Access.** In addition to the Exchange Rules regarding routing to away trading centers, [DE Route]BATS Trading, as defined in Rule 2.11, has, pursuant to Rule 15c3-5 under the Act, implemented certain tests designed to mitigate the financial and regulatory risks associated with providing the Exchange's Members with access to such away trading centers. Pursuant to the policies and procedures developed by [DE Route]BATS Trading to comply with Rule 15c3-5, if an order or series of orders are deemed to be erroneous or duplicative, would cause the entering Member's credit exposure to exceed a preset credit threshold, or are non-compliant with applicable pre-trade regulatory requirements (as defined in Rule 15c3-5), [DE Route]BATS Trading will reject such orders prior to routing and/or seek to cancel any orders that have been routed.

* * * * *

Rule 11.14. LIMITATION OF LIABILITY

(a) – (f) (No change).

(g) **NOTWITHSTANDING PARAGRAPH (a) ABOVE, AND SUBJECT TO THE EXPRESS LIMITATIONS SET FORTH BELOW, THE EXCHANGE MAY COMPENSATE MEMBERS FOR LOSSES RELATED TO ORDERS OF MEMBERS ROUTED BY THE EXCHANGE THROUGH [DE ROUTE]BATS TRADING TO A TRADING CENTER AND RESULTING DIRECTLY FROM THE MALFUNCTION OF THE PHYSICAL EQUIPMENT, DEVICES AND/OR PROGRAMMING, OR THE NEGLIGENT ACTS OR OMISSIONS OF THE EMPLOYEES, OF SUCH TRADING CENTER.**

- (1) **ALL CLAIMS FOR COMPENSATION PURSUANT TO THIS RULE SHALL BE IN WRITING. ONCE IN RECEIPT OF A CLAIM, THE EXCHANGE WILL VERIFY THAT: (i) A VALID ORDER FROM THE MEMBER WAS ACCEPTED AND ACKNOWLEDGED BY THE EXCHANGE; (ii) THE MEMBER'S ORDER, OR A PORTION THEREOF, WAS ROUTED BY THE EXCHANGE VIA [DE ROUTE]BATS TRADING TO THE TRADING CENTER; AND (iii) THE MEMBER CLAIMS A LOSS AS A RESULT OF THE MALFUNCTION OF THE PHYSICAL EQUIPMENT, DEVICES AND/OR PROGRAMMING, OR THE NEGLIGENT ACTS OR OMISSIONS OF THE EMPLOYEES, OF SUCH TRADING CENTER. UPON VERIFICATION OF THE FOREGOING, THE EXCHANGE SHALL FORWARD THE CLAIM VIA [DE ROUTE]BATS TRADING TO SUCH TRADING CENTER AS SOON AS REASONABLY PRACTICABLE.**

- (2) IF AND TO THE EXTENT THAT THE EXCHANGE, VIA [DE ROUTE]BATS TRADING, RECEIVES COMPENSATION, IN WHOLE OR IN PART, FROM A TRADING CENTER AS A RESULT OF A CLAIM SUBMITTED ON BEHALF OF A MEMBER, THE EXCHANGE SHALL PASS THE FULL AMOUNT OF SUCH COMPENSATION DIRECTLY TO THE MEMBER. ANY COMPENSATION TO MEMBERS FOR SUCH CLAIMS WILL BE PAID SOLELY FROM COMPENSATION, IF ANY, RECOVERED BY THE EXCHANGE VIA [DE ROUTE]BATS TRADING FROM THE TRADING CENTER.

- (3) – (5) (No change).

* * * * *

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² EDGA Exchange, Inc. (the “Exchange” or “EDGA”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend Rules 2.11, 2.12, 11.11 and 11.14 to replace references to “Direct Edge ECN LLC d/b/a DE Route” and “DE Route” with “BATS Trading, Inc.” (“BATS Trading”). The Exchange does not propose to amend the requirements of any of these rules. The Exchange has designated the proposed rule change as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.³

(b) The Exchange does not believe that the proposed rule change will have any direct or significant indirect effect on any other Exchange rule in effect at the time of this filing.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6)(iii).

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

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 Statutory Basis for, the Proposed Rule Change

(a) Purpose

Earlier this year, the Exchange and its affiliate, EDGX Exchange, Inc. (“EDGX”) received approval to effect a merger (the “Merger”) of the Exchange’s parent company, Direct Edge Holdings LLC, with BATS Global Markets, Inc., the parent of BATS Exchange, Inc. (“BZX”) and BATS Y-Exchange, Inc. (“BYX”, together with BZX, EDGA and EDGX, the “BGM Affiliated Exchanges” or “BATS Exchange”).⁴ As a result, the Exchange amended Rule 2.12 to reflect that BATS Trading, Inc., the affiliated BZX and BYX routing broker dealer, would also act as the inbound router for routing orders from BYX and BZX to the Exchange. In the context of the Merger, the BGM Affiliated Exchanges are working to migrate EDGX and EDGA onto the BATS technology platform, and align certain system functionality, retaining only intended differences between the BGM Affiliated Exchanges. As a result of these efforts, the Exchange proposes to amend Rules 2.11, 2.12, 11.11 and 11.14 to replace references to “Direct Edge ECN LLC d/b/a DE Route” and “DE Route” with “BATS Trading” to reflect that BATS Trading, Inc. will replace DE Route at the Exchange’s routing broker-

⁴ See Securities Exchange Act Release No. 71449 (January 30, 2014), 79 FR 6961 (February 5, 2014) (SR-EDGX-2013-43; SR-EDGA-2013-34).

dealer upon migration of the Exchange onto the BATS technology platform. Thereafter, BATS Trading will serve as the sole inbound and outbound routing broker-dealer for the Exchange. The Exchange does not propose to amend the requirements of any of these rules.

Rule 2.11, BATS Trading as Outbound Router

Pursuant to Exchange Rule 2.11, the Exchange relies on DE Route to provide outbound routing services from itself to other Trading Centers.⁵ The Exchange proposes to amend Rules 2.11 to replace all references to DE Route with BATS Trading, as BATS Trading will replace DE Route as the outbound routing service for the Exchange upon migration of the Exchange onto the BATS technology platform. The Exchange does not propose to amend the requirements of this rule. Therefore, the conditions and limitations set forth in Exchange Rule 2.11 will continue to require that:

- The Exchange will regulate the BATS Trading as a facility (as defined in Section 3(a)(2) of the Act), subject to Section 6 of the Act. The Exchange will file with the Commission proposed rule changes and fees relating to the BATS Trading outbound router function and BATS Trading will be subject to the Exchange's non-discrimination requirements.
- FINRA will carry out oversight and enforcement responsibilities as the designated examining authority designated by the Commission pursuant to Rule 17d-1 of the

⁵ Rule 600(b)(78) of Regulation NMS, 17 CFR 242.600(b)(78), defines a "Trading Center" as "a national securities exchange or national securities association that operates an SRO trading facility, an alternative trading system, an exchange market maker, an OTC market maker, or any other broker or dealer that executes orders internally by trading as principal or crossing orders as agent." See also Exchange Rule 2.11(a).

Act with the responsibility for examining BATS Trading for compliance with applicable financial responsibility rules.

- A Member's⁶ use of BATS Trading to route orders to another Trading Center will be optional.
- BATS Trading will not engage in any business other than (a) its outbound router function, (b) its inbound router function as described in Rule 2.12, (c) its usage of an error account in accordance with Exchange Rule 2.11(a)(7) and (d) any other activities it may engage in as approved by the Commission.
- The Exchange shall establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and proprietary information between the Exchange and BATS Trading, and any other entity, including any affiliate of BATS Trading, and, if BATS Trading or any of its affiliates engage in any other business activities other than providing routing services to the Exchange, between the segment of BATS Trading or its affiliate that provides the other business activities and the routing services.
- The Exchange or BATS Trading may cancel orders as either deems to be necessary to maintain fair and orderly markets if and when systems, technical or operational issues occur at the Exchange, BATS Trading or a Trading Center.

The Exchange or BATS Trading shall provide notice of the cancellation of orders to affected Members as soon as practicable.

⁶ 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).

- BATS Trading shall maintain an error account for the purpose of liquidating an error position when such position, in the judgment of the Exchange or BATS Trading, subject to the factors described in Exchange Rule 2.11, cannot be fairly and practicably assigned to one or more Members in its entirety. An error position can be acquired if it results from a systems, technical or operational issue experienced by BATS Trading, by the Exchange, or by a Trading Center to which BATS Trading directed an outbound order.

The books, records, premises, officers, agents, directors and employees of BATS Trading will be deemed to be the books, records, premises, officers, agents, directors and employees of the Exchange for purposes of, and subject to oversight pursuant to, the Act. The books and records of BATS Trading shall be subject at all times to inspection and copying by the Exchange and the Commission. Nothing in Rule 2.11 will preclude officers, agents, directors or employees of the Exchange from also serving as officers, agents, directors and employees of BATS Trading.

Rule 2.12, BATS Trading as Inbound Router

DE Route and BATS Trading provide Members of the Exchange, EDGX, BZX and BYX with optional routing services to other Trading Centers. Thus, in certain circumstances, DE Route and BATS Trading provide inbound routing from EDGX, BYX, or BZX to the Exchange. Exchange Rule 2.12 governs this inbound routing of orders by DE Route and BATS Trading to the Exchange in DE Route's and BATS Trading's capacity as a facility of the Exchange. The Exchange proposes to amend Rule 2.12 to remove all references to DE Route as BATS Trading will be the sole inbound routing service for the Exchange upon migration of the Exchange onto the BATS

technology platform. The Exchange does not propose to amend the requirements of this rule. Therefore, the conditions and limitations set forth in Exchange Rule 2.12(a) will continue to require that:

- The Exchange enter into (a) a plan pursuant to Rule 17d-2 under the Act with a non-affiliated self-regulatory organization (“SRO”) to relieve the Exchange of regulatory responsibilities for BATS Trading with respect to rules that are common rules between the Exchange and the non-affiliated SRO, and (b) a regulatory services contract (“Regulatory Contract”) with a non-affiliated SRO to perform regulatory responsibilities for BATS Trading for unique Exchange rules.
- The Regulatory Contract require the Exchange to provide the non-affiliated SRO with information, in an easily accessible manner, regarding all exception reports, alerts, complaints, trading errors, cancellations, investigations, and enforcement matters (collectively “Exceptions”) in which BATS Trading is identified as a participant that has potentially violated Exchange or Commission rules, and requires that the non-affiliated SRO provide a report, at least quarterly, to the Exchange quantifying all Exceptions in which BATS Trading is identified as a participant that has potentially violated Exchange or Commission rules.
- The Exchange, on behalf of its parent company, establish and maintain procedures and internal controls reasonably designed to ensure that BATS Trading does not develop or implement changes to its system based on non-public information obtained as a result of its affiliation with the Exchange, until such information is available generally to similarly situated Members of the Exchange.

- The Exchange furnish to BATS Trading only the same information and on the same terms as the Exchange makes available in the normal course of business to other users.⁷

In addition, Exchange Rule 2.12(b) states that, provided the conditions in Exchange Rule 2.12(a) are complied with, and provided further that DE Route operates as an outbound router on behalf of EDGX on the same terms and conditions as it does for the Exchange, and in accordance with the rules of EDGX, DE Route may provide inbound routing services to the Exchange from EDGX. BATS Trading provides members of the BGM Affiliated Exchanges (including EDGX) with optional routing services to other market centers, which may include routing from a BGM Affiliated Exchange to the Exchange. Therefore, the Exchange proposes to remove reference to EDGX as BATS Trading will be required under Exchange Rule 2.12(b) to operate as an outbound router on behalf of each BATS Exchange on the same terms and conditions as it does for the Exchange, and in accordance with the rules of each BATS Exchange, BATS Trading may provide inbound routing services to the Exchange from each BATS Exchange. The Exchange believes that Rule 2.12 will continue to adequately manage the potential for conflicts of interest that could arise from BATS Trading routing orders to the Exchange.

Rule 11.11(i), Market Access

Rule 11.11(i) states that, in addition to the Exchange Rules regarding routing to away Trading Centers, DE Route has, pursuant to Rule 15c3-5 under the Act, implemented certain tests designed to mitigate the financial and regulatory risks

⁷ See Exchange Rule 2.12(a)(2).

associated with providing the Exchange's Members access to such away Trading Centers.

Pursuant to the policies and procedures developed by DE Route to comply with Rule 15c3-5, if an order or series of orders are deemed to be erroneous or duplicative, would cause the entering Member's credit exposure to exceed a preset credit threshold, or are non-compliant with applicable pre-trade regulatory requirements (as defined in Rule 15c3-5), DE Route will reject such orders prior to routing and/or seek to cancel any orders that have been routed.

The Exchange proposes to amend Rules 11.11(i) to replace all references to DE Route with BATS Trading, as BATS Trading will be the sole inbound routing service for the Exchange upon migration of the Exchange onto the BATS technology platform. The Exchange does not propose to amend the requirements of this rule. Under Rule 11.11(i) and BZX and BYX Rules 11.13(e), BATS trading has, pursuant to Rule 15c3-5 under the Act, implemented certain tests designed to mitigate the financial and regulatory risks associated with providing the Exchange's Members with access to such away Trading Centers. BATS Trading also has policies and procedures in place to comply with Rule 15c3-5, under which BATS Trading will reject such orders prior to routing and/or seek to cancel any orders that have been routed, where an order or series of orders are deemed to be erroneous or duplicative, would cause the entering Member's credit exposure to exceed a preset credit threshold, or are non-compliant with applicable pre-trade regulatory requirements (as defined in Rule 15c3-5).

Rule 11.14, Limitation of Liability

The Exchange also proposes to amend Exchange Rule 11.14(g) to replace references to DE Route with BATS Trading. Rule 11.14(g) authorizes the Exchange,

subject to express conditions and limitations, to compensate Members for losses relating to orders routed by the Exchange through DE Route to Trading Centers that the Member claims resulted directly from a malfunction of the physical equipment, devices and/or programming, or the negligent acts or omissions of the employees, of such Trading Centers (“Trading Center Systems Issue”). Rule 11.14(g), applies to Members that experience losses due to Trading Center Systems Issues after DE Route routed the Members’ orders to a Trading Center that experienced such issues. Under Rule 11.14(g), as an accommodation to Members, the Exchange, via DE Route, employs reasonable efforts to submit Members’ claims for compensation on such Members’ behalf to a Trading Center, and pass along to such Members the full amount of compensation, if any, obtained by DE Route from such Trading Center.

Under Rule 11.14(g), the Exchange undertakes to accept claims for losses submitted by Members, which claims must contain representations from such Members as to the accuracy of the information contained therein and that any losses incurred were the direct result of a Trading Center Systems Issue.

Upon migration of the Exchange onto BATS technology, BATS Trading will be the Exchange’s sole routing broker-dealer and responsible for submitting claims under Rule 11.14(g). As amended, the Exchange would continue to employ reasonable efforts to submit such claims, but via BATS Trading instead of DE Route, to the Trading Center in question. If and to the extent that BATS Trading were to receive compensation from a Trading Center in response to a claim submitted on behalf of a Member, the full amount of such compensation would be passed through to the Member.

Implementation Date

The Exchange intends to implement the proposed rule change on or about January 12, 2015, which is the anticipated date upon which the migration of the Exchange to the BATS technology platform will be complete and BATS Trading, Inc. will replace DE Route as the Exchange's routing broker-dealer.

(b) Statutory Basis

The Exchange believes that the proposed rule changes are consistent with Section 6(b) of the Act⁸ and further the objectives of Section 6(b)(5) of the Act⁹ because they are designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and, in general, to protect investors and the public interest. The proposed rule change also is designed to support the principles of Section 11A(a)(1)¹⁰ of the Act in that it seeks to assure fair competition among brokers and dealers and among exchange markets.

The Exchange does not propose to amend the requirements of any of its rules and the proposed rule changes are intended only to reflect that BATS Trading will replace DE Route as the Exchange's routing broker-dealer upon migration of the Exchange to the BATS technology platform. A consistent technology offering through the use of a single routing broker-dealer by each of the BGM Affiliated Exchange will, in turn, simplify the technology implementation, changes and maintenance by users of the Exchange that are

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ 15 U.S.C. 78k-1(a)(1).

also participants on EDGX, BZX, and BYX. The proposed rule change would provide greater harmonization between the rules of the BGM Affiliated Exchanges, resulting in greater uniformity and less burdensome and more efficient regulatory compliance. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange reiterates that the proposed rule change is being proposed in the context of the technology integration of the BGM Affiliated Exchanges. Thus, the Exchange believes this proposed rule change is necessary to permit fair competition among national securities exchanges. In addition, the Exchange believes the proposed rule change will benefit Exchange participants in that it is one of several changes necessary to achieve a consistent technology offering by the BGM Affiliated Exchanges.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

6. Extension of Time Period for Commission Action

Not applicable.

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

The proposed rule change has become effective pursuant to Section 19(b)(3)(A)¹¹ of the Act and Rule 19b-4(f)(6)¹² thereunder. The proposed rule change effects a change that (A) does not significantly affect the protection of investors or the public interest; (B) does not impose any significant burden on competition; and (C) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five (5) business days prior to the date of filing.¹³

As described above, the Exchange notes that the proposed change is directly based on the rules of BZX and BYX,¹⁴ both of which currently utilize BATS Trading as their routing broker-dealer. The Exchange does not propose to amend the requirements of any of its rules and the proposed rule changes are intended only to reflect that BATS Trading will replace DE Route as the Exchange's routing broker-dealer upon migration of the Exchange to the BATS technology platform. Based on the foregoing, the proposed

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

¹³ 17 CFR 240.19b-4(f)(6)(iii).

¹⁴ See BZX and BYX Rules 2.11, 2.12, 11.13(e), and 11.16.

rule change does not present any unique issues not previously considered by the Commission, and the Exchange has accordingly designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act¹⁵ and paragraph (f)(6) of Rule 19b-4 thereunder.¹⁶

The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. Waiver of the 30-day operative delay would provide permit the Exchange to implement the proposed rule change on January 12, 2015, which is the anticipated upon which the migration of the Exchange to the BATS technology platform will be complete and BATS Trading will replace DE Route as the Exchange's routing broker-dealer. Waiver of the operative delay is consistent with the protection of investors and the public interest because it will allow the Exchange replace DE Route with BATS Trading as the Exchange's routing broker-dealer upon migration of the Exchange to the BATS technology platform, thereby enabling BATS Trading to act as the routing broker-dealer for each of the BGM Affiliated Exchanges in a timely manner, thereby simplifying the technology integration for Members of the Exchange that are also participants on , EDGX, BZX and BYX. Since completion of the Merger, both Members and the BGM Affiliated Exchange have made numerous systems changes in preparation for the technology migration occurring on January 12, 2015. The Exchange has issued frequent updates to Members informing them of the BGM Affiliated Exchange technology migration changes as well as its anticipated time line so that Members may make the

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 C.F.R. 240.19b-4(f)(6).

requisite system changes. In addition, the Exchange has conducted multiple testing opportunities for Members to ensure both the Member's and the Exchange's system will operate in accordance with the proposed rule change on January 12, 2015. Waiver of the operative delay is, therefore, consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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

The proposed changes to Rule 2.11 regarding the use of DE Route as the outbound router are based on BZX and BYX Rules 2.11.

The proposed changes to Rule 2.12 regarding the use of DE Route as the inbound router are based on BZX and BYX Rules 2.12.

The proposed changes to Rule 11.11(i) regarding Market Access are based on BZX and BYX Rules 11.13(e).

The proposed changes to Rule 11.14 regarding Limitations of Liability are based on BZX and BYX Rules 11.16.

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

(a) – (e) Not applicable.

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

(a) – (e) Not applicable.

11. Exhibits

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

Exhibit 5 – Text of the proposed rule change.