

Required fields are shown with yellow backgrounds and asterisks.

Filing by EDGX 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 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) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

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

Description

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

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

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name *	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	02/18/2014	Regulatory 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.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

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

Exhibit 1 - Notice of Proposed Rule Change *

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

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

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

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

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

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

Add Remove View

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

Partial Amendment

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

1. Text of the Proposed Rule Change

(a) Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act” or “Exchange Act”),¹ and Rule 19b-4 thereunder,² EDGX Exchange, Inc. (“EDGX” or the “Exchange”) proposes to amend its fees and rebates applicable to Members³ of the Exchange pursuant to EDGX Rule 15.1(a) and (c) (“Fee Schedule”) to: (i) amend Flag RC, which routes to the National Stock Exchange, Inc. (“NSX”) and adds liquidity; and (ii) make an administrative change to the definition of Total Consolidated Volume (“TCV”). 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:

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

Christopher Solgan
Regulatory Counsel
EDGX Exchange, Inc.
(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: (i) amend Flag RC, which routes to the NSX and adds liquidity; and (ii) make an administrative change to the definition of TCV.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 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).

Flag RC

In securities priced at or above \$1.00, the Exchange currently provides a rebate of \$0.0026 per share for Members' orders that yield Flag RC, which routes to the NSX and adds liquidity. The Exchange proposes to amend its Fee Schedule to replace this rebate with a fee of \$0.0018 per share for Members' orders that yield Flag RC. The proposed change represents a pass through of the rate that Direct Edge ECN LLC (d/b/a DE Route) ("DE Route"), the Exchange's affiliated routing broker-dealer, is charged for routing orders that add liquidity to NSX when it does not qualify for a volume tiered reduced fee. The proposed change is in response to NSX's February 2014 fee change where the NSX replaced its rebate of \$0.0026 per share with a fee of \$0.0018 per share for orders that add liquidity on the NSX.⁴ When DE Route routes to and adds liquidity on the NSX, it will be charged a standard rate of \$0.0018 per share.⁵ DE Route will pass through this rate on NSX to the Exchange and the Exchange, in turn, will pass through this rate to its Members.

TCV Definition

On December 9, 2013, the Exchange amended its Fee Schedule to exclude odd lot transactions from the definition of TCV, which is used to determine whether a Member is eligible for certain pricing tiers, through January 31, 2014.⁶ Prior to December 9, 2013, an odd lot transaction, which is generally an execution of less than 100 shares,⁷ was not reported to the consolidated tape. Therefore, the Exchange did not include odd lot transactions in its calculation of TCV.⁸ The proposal was designed to allow Members additional time to adjust to the potential impact of including odd lot transactions within consolidated volumes.

⁴ See NSX, Information Circular 14-017, Amendments to the NSX Fee and Rebate Schedule Effective on February 18, 2014, <http://www.nsx.com/resources/content/7/documents/InformationCircular14-017.pdf>.

⁵ The Exchange notes that to the extent DE Route does or does not achieve any volume tiered reduced fee on NSX, its rate for Flag RC will not change.

⁶ See Securities Exchange Act Release No. 71058 (December 12, 2013), 78 FR 76682 (December 18, 2013) (SR-EDGX-2013-46).

⁷ See Exchange Rule 11.6.

⁸ See Securities Exchange Act Release No. 70794 (October 31, 2013), 78 FR 66789 (November 6, 2013) (SR-CTA-2013-05) (Order Approving the Eighteenth Substantive Amendment to the Second Restatement of the CTA Plan). See also Securities Exchange Act Release No. 70793 (October 31, 2013), 78 FR 66788 (November 6, 2013) (File No. S7-24-89) (Order Approving Amendment No. 30 to the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis). See also Securities Exchange Act Release No. 70898 (November 19, 2013) (SR-NYSE-2013-75). See also announcements regarding December 9, 2013 implementation date, available at <https://cta.nyxdata.com/cta/popup/news/2385> and

Beginning on February 1, 2014, the Exchange began to include odd lots in the TCV calculation after a nearly two month transition period. Therefore, the Exchange proposes to update the definition of TCV in its Fee Schedule to remove, “excluding odd lots through January 31, 2014” and no longer reflect that odd lots are excluded from the calculation of TCV. As amended, the definition of TCV would read as follows: “the volume reported by all exchanges and trade reporting facilities to the consolidated transaction reporting plans for Tapes A, B and C securities for the month in which the fees are calculated.”

Implementation Date

The Exchange proposes to implement these amendments to its Fee Schedule on February 18, 2014.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,⁹ in general, and furthers the objectives of Section 6(b)(4),¹⁰ 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.

Flag RC

The Exchange believes that its proposal to replace the pass through rebate of \$0.0026 per share for Members’ orders that yield Flag RC with a fee of \$0.0018 per share represents an equitable allocation of reasonable dues, fees, and other charges among Members and other persons using its facilities because the Exchange does not levy additional fees or offer additional rebates for orders that it routes to NSX through DE Route. Prior to NSX’s February 2014 fee change, NSX provided its members a rebate of \$0.0026 per share to add liquidity to the NSX and provided DE Route that same rebate, which DE Route passed through to the Exchange and the Exchange provided to its Members. In February 2014, NSX replaced the rebate of \$0.0026 per share it provided its customers to add liquidity with a fee of \$0.0018 per share.¹¹ Therefore, the Exchange believes that the proposed change to Flag RC to replace the rebate of \$0.0026 per share with a fee of \$0.0018 per share is equitable and reasonable because it accounts for the pricing change on the NSX. In addition, the proposal allows the Exchange to charge its

<http://www.nasdaqtrader.com/TraderNews.aspx?id=uva2013-11>. If the inclusion of odd lot transactions in the consolidated tape is delayed to a date after December 9, 2013, the manner of inclusion or exclusion of odd lot transactions described in this proposal for purposes of billing on the Exchange would similarly take effect on such later date.

⁹ 15 U.S.C. 78f.

¹⁰ 15 U.S.C. 78f(b)(4).

¹¹ See NSX, Information Circular 14-017, Amendments to the NSX Fee and Rebate Schedule Effective on February 18, 2014, <http://www.nsx.com/resources/content/7/documents/InformationCircular14-017.pdf>.

Members a pass-through rate for orders that are routed to the NSX and add liquidity. Furthermore, the Exchange notes that routing through DE Route is voluntary. Lastly, the Exchange also believes that the proposed amendment is non-discriminatory because it applies uniformly to all Members.

TCV Definition

The Exchange believes its proposal to amend its definition of TCV is reasonable because it provides Members with greater clarity with regard to how the Exchange calculates TCV. The Exchange announced in its earlier filing amending the definition of TCV that it would begin to include odd lots in the TCV calculation on February 1, 2014, after the nearly two month transition period.¹² The Exchange believes it is reasonable to now amend its definition of TCV to clarify that odd lots are no longer excluded. The proposed amendment is intended to make the Fee Schedule clearer and less confusing for investors and eliminate potential investor confusion, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest. The proposed rule change is also equitable and not unfairly discriminatory because it would apply to all Members uniformly.

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

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

Flag RC

The Exchange believes that its proposal to pass through a fee of \$0.0018 per share for Members' orders that yield Flag RC would increase intermarket competition because it offers customers an alternative means to route to NSX for the same price as entering orders on NSX directly. The Exchange believes that its proposal would not burden intramarket competition because the proposed rate would apply uniformly to all Members.

TCV Definition

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposal to exclude odd lot transactions from the TCV calculation was intended to allow Members additional time to

¹² See Securities Exchange Act Release No. 71058 (December 12, 2013), 78 FR 76682 (December 18, 2013) (SR-EDGX-2013-46).

adjust to the potential impact of including odd lot transactions within consolidated volumes. The Exchange believes that the proposed non-substantive change to the definition of TCV would not affect intermarket nor intramarket competition because the change does not alter the criteria necessary to achieve the tiers nor the rates offered by the tiers. In addition, the Exchange believes that other exchanges have ceased excluding odd lot transactions from the consolidated volume calculations as of February 1, 2014.¹³

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 Act¹⁴ and paragraph (f)(2) of Rule 19b-4 thereunder.¹⁵

(c) Inapplicable.

(d) Inapplicable.

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

¹³ See Securities Exchange Act Release No. 70997 (December 5, 2013), 78 FR 75432 (December 11, 2013) (SR-NYSE-2013-78) (amending its price list to exclude odd lot transactions from its consolidated average daily trading volume calculations thru January 31, 2014); see also, Securities Exchange Act Release No. 71140 (December 19, 2013), 78 FR 78460 (December 26, 2013) (SR-BATS-2013-063) (amending its price schedule to exclude odd lot transactions from its consolidated average daily trading volume calculations thru January 31, 2014).

¹⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁵ 17 CFR 240.19b-4(f)(2).

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

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

Not applicable.

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

Not applicable.

11. Exhibits

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

Exhibit 5 – Text of the Proposed Rule Change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- _____ ; File No. SR-EDGX-2014-02)

[Date]

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

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

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

The Exchange proposes to amend its fees and rebates applicable to Members³ of the Exchange pursuant to EDGX Rule 15.1(a) and (c) (“Fee Schedule”) to: (i) amend Flag RC, which routes to the National Stock Exchange, Inc. (“NSX”) and adds liquidity; and (ii) make an administrative change to the definition of Total Consolidated Volume

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 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).

(“TCV”). The text of the proposed rule change is available on the Exchange’s Internet website at www.directedge.com, at the Exchange’s principal office, and at the Public Reference Room of the Commission.

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

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

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

1. Purpose

The Exchange proposes to amend its Fee Schedule to: (i) amend Flag RC, which routes to the NSX and adds liquidity; and (ii) make an administrative change to the definition of TCV.

Flag RC

In securities priced at or above \$1.00, the Exchange currently provides a rebate of \$0.0026 per share for Members’ orders that yield Flag RC, which routes to the NSX and adds liquidity. The Exchange proposes to amend its Fee Schedule to replace this rebate with a fee of \$0.0018 per share for Members’ orders that yield Flag RC. The proposed change represents a pass through of the rate that Direct Edge ECN LLC (d/b/a DE Route) (“DE Route”), the Exchange’s affiliated routing broker-dealer, is charged for routing

orders that add liquidity to NSX when it does not qualify for a volume tiered reduced fee. The proposed change is in response to NSX's February 2014 fee change where the NSX replaced its rebate of \$0.0026 per share with a fee of \$0.0018 per share for orders that add liquidity on the NSX.⁴ When DE Route routes to and adds liquidity on the NSX, it will be charged a standard rate of \$0.0018 per share.⁵ DE Route will pass through this rate on NSX to the Exchange and the Exchange, in turn, will pass through this rate to its Members.

TCV Definition

On December 9, 2013, the Exchange amended its Fee Schedule to exclude odd lot transactions from the definition of TCV, which is used to determine whether a Member is eligible for certain pricing tiers, through January 31, 2014.⁶ Prior to December 9, 2013, an odd lot transaction, which is generally an execution of less than 100 shares,⁷ was not reported to the consolidated tape. Therefore, the Exchange did not include odd lot transactions in its calculation of TCV.⁸ The proposal was designed to allow Members

⁴ See NSX, Information Circular 14-017, Amendments to the NSX Fee and Rebate Schedule Effective on February 18, 2014, <http://www.nsx.com/resources/content/7/documents/InformationCircular14-017.pdf>.

⁵ The Exchange notes that to the extent DE Route does or does not achieve any volume tiered reduced fee on NSX, its rate for Flag RC will not change.

⁶ See Securities Exchange Act Release No. 71058 (December 12, 2013), 78 FR 76682 (December 18, 2013) (SR-EDGX-2013-46).

⁷ See Exchange Rule 11.6.

⁸ See Securities Exchange Act Release No. 70794 (October 31, 2013), 78 FR 66789 (November 6, 2013) (SR-CTA-2013-05) (Order Approving the Eighteenth Substantive Amendment to the Second Restatement of the CTA Plan). See also Securities Exchange Act Release No. 70793 (October 31, 2013), 78 FR 66788 (November 6, 2013) (File No. S7-24-89) (Order Approving Amendment No. 30 to the Joint Self-Regulatory Organization Plan Governing the Collection,

additional time to adjust to the potential impact of including odd lot transactions within consolidated volumes.

Beginning on February 1, 2014, the Exchange began to include odd lots in the TCV calculation after a nearly two month transition period. Therefore, the Exchange proposes to update the definition of TCV in its Fee Schedule to remove, “excluding odd lots through January 31, 2014” and no longer reflect that odd lots are excluded from the calculation of TCV. As amended, the definition of TCV would read as follows: “the volume reported by all exchanges and trade reporting facilities to the consolidated transaction reporting plans for Tapes A, B and C securities for the month in which the fees are calculated.”

Implementation Date

The Exchange proposes to implement these amendments to its Fee Schedule on February 18, 2014.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,⁹ in general, and furthers the objectives of Section

Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis). See also Securities Exchange Act Release No. 70898 (November 19, 2013) (SR-NYSE-2013-75). See also announcements regarding December 9, 2013 implementation date, available at <https://cta.nyxdata.com/cta/popup/news/2385> and <http://www.nasdaqtrader.com/TraderNews.aspx?id=uva2013-11>. If the inclusion of odd lot transactions in the consolidated tape is delayed to a date after December 9, 2013, the manner of inclusion or exclusion of odd lot transactions described in this proposal for purposes of billing on the Exchange would similarly take effect on such later date.

⁹ 15 U.S.C. 78f.

6(b)(4),¹⁰ 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.

Flag RC

The Exchange believes that its proposal to replace the pass through rebate of \$0.0026 per share for Members' orders that yield Flag RC with a fee of \$0.0018 per share represents an equitable allocation of reasonable dues, fees, and other charges among Members and other persons using its facilities because the Exchange does not levy additional fees or offer additional rebates for orders that it routes to NSX through DE Route. Prior to NSX's February 2014 fee change, NSX provided its members a rebate of \$0.0026 per share to add liquidity to the NSX and provided DE Route that same rebate, which DE Route passed through to the Exchange and the Exchange provided to its Members. In February 2014, NSX replaced the rebate of \$0.0026 per share it provided its customers to add liquidity with a fee of \$0.0018 per share.¹¹ Therefore, the Exchange believes that the proposed change to Flag RC to replace the rebate of \$0.0026 per share with a fee of \$0.0018 per share is equitable and reasonable because it accounts for the pricing change on the NSX. In addition, the proposal allows the Exchange to charge its Members a pass-through rate for orders that are routed to the NSX and add liquidity. Furthermore, the Exchange notes that routing through DE Route is voluntary. Lastly, the

¹⁰ 15 U.S.C. 78f(b)(4).

¹¹ See NSX, Information Circular 14-017, Amendments to the NSX Fee and Rebate Schedule Effective on February 18, 2014, <http://www.nsx.com/resources/content/7/documents/InformationCircular14-017.pdf>.

Exchange also believes that the proposed amendment is non-discriminatory because it applies uniformly to all Members.

TCV Definition

The Exchange believes its proposal to amend its definition of TCV is reasonable because it provides Members with greater clarity with regard to how the Exchange calculates TCV. The Exchange announced in its earlier filing amending the definition of TCV that it would begin to include odd lots in the TCV calculation on February 1, 2014, after the nearly two month transition period.¹² The Exchange believes it is reasonable to now amend its definition of TCV to clarify that odd lots are no longer excluded. The proposed amendment is intended to make the Fee Schedule clearer and less confusing for investors and eliminate potential investor confusion, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest. The proposed rule change is also equitable and not unfairly discriminatory because it would apply to all Members uniformly.

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

The Exchange believes its proposal amends 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 any of these changes represent a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors. Additionally, Members may opt to

¹² See Securities Exchange Act Release No. 71058 (December 12, 2013), 78 FR 76682 (December 18, 2013) (SR-EDGX-2013-46).

disfavor EDGX's pricing if they believe that alternatives offer them better value.

Accordingly, the Exchange does not believe that the proposed changes will impair the ability of Members or competing venues to maintain their competitive standing in the financial markets.

Flag RC

The Exchange believes that its proposal to pass through a fee of \$0.0018 per share for Members' orders that yield Flag RC would increase intermarket competition because it offers customers an alternative means to route to NSX for the same price as entering orders on NSX directly. The Exchange believes that its proposal would not burden intramarket competition because the proposed rate would apply uniformly to all Members.

TCV Definition

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposal to exclude odd lot transactions from the TCV calculation was intended to allow Members additional time to adjust to the potential impact of including odd lot transactions within consolidated volumes. The Exchange believes that the proposed non-substantive change to the definition of TCV would not affect intermarket nor intramarket competition because the change does not alter the criteria necessary to achieve the tiers nor the rates offered by the tiers. In addition, the Exchange believes that other exchanges have ceased

excluding odd lot transactions from the consolidated volume calculations as of February 1, 2014.¹³

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 Act¹⁴ and Rule 19b-4(f)(2)¹⁵ 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.

¹³ See Securities Exchange Act Release No. 70997 (December 5, 2013), 78 FR 75432 (December 11, 2013) (SR-NYSE-2013-78) (amending its price list to exclude odd lot transactions from its consolidated average daily trading volume calculations thru January 31, 2014); see also, Securities Exchange Act Release No. 71140 (December 19, 2013), 78 FR 78460 (December 26, 2013) (SR-BATS-2013-063) (amending its price schedule to exclude odd lot transactions from its consolidated average daily trading volume calculations thru January 31, 2014).

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4 (f)(2).

IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-EDGX-2014-02 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-EDGX-2014-02. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m.

and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-EDGX-2014-02 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.¹⁶

Kevin M. O'Neill
Deputy Secretary

¹⁶ 17 CFR 200.30-3(a)(12).

Exhibit 5

Additions are underlined. Deletions are in [brackets].

EDGX Exchange, Inc. Fee Schedule – Effective [December 9]February 18, 2013~~4~~

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Rebates & Charges for Adding, Removing or Routing Liquidity per share for Tape A, B, & C securities¹

Rebates indicated by parentheses ().

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

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

Standard Rates:

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

Liquidity Flags:

Flag	Description	Fee/(Rebate) Securities at or above \$1.00	Fee/(Rebate) Securities below \$1.00
A – RB	(No change).		
RC	Routed to NSX, adds liquidity	[(0.0026)] <u>0.0018</u>	FREE
RP – ZR	(No change).		

Definitions:

- Average Daily Volume (“ADV”) is defined as the average daily volume of shares that a Member executed on the Exchange for the month in which the fees are calculated.
- Total Consolidated Volume (“TCV”) is defined as the volume reported by all exchanges and trade reporting facilities to the consolidated transaction reporting plans for Tapes A, B and C securities for the month in which the fees are calculated[, excluding odd lots through January 31, 2014].

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