



DATE: DECEMBER 13, 2010

TO: MEMBERS OF EDGA EXCHANGE, INC. AND EDGX EXCHANGE, INC.

FROM: TRADE OPERATIONS DESK ([decs@directedge.com](mailto:decs@directedge.com))

RE: EXCLUSION FOR DESTINATION-ON-OPEN ORDERS FROM MARKET COLLAR RULE

Currently, EDGA and EDGX Exchange, Inc. (each referred to hereafter as the “Exchange”) Rule 11.5(a)(2) provides system functionality that cancels any portion of a market order submitted to the Exchange that would execute at a price that is more than \$0.50 or 5 percent worse than consolidated last sale at the time the order initially reaches the Exchange, whichever is greater (“market collars”).

Effective December 13, 2010, each Exchange has amended its Rule 11.5(a)(2) to exclude Destination-on-Open orders (as defined in its Rule 11.5(c)(10)) from the application of market collars under its Rule 11.5(a)(2) in order to avoid potential price dislocation between the reference price for a market collar on a Destination-on-Open order and the market at the open of the regular trading session.

**The Exchange will implement this change on December 14, 2010.**

If you have any questions about this memo, please contact the Trade Operations Desk at 201-942-8220.