

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="23"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2011"/> - * <input type="text" value="10"/> Amendment No. (req. for Amendments *) <input type="text"/>
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Proposed Rule Change by EDGA Exchange, Inc.
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/> Extension of Time Period for Commission Action * <input type="checkbox"/> Date Expires * <input type="text"/>			Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input checked="" type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)		

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

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 proposed rule change.

First Name * Last Name *
 Title *
 E-mail *
 Telephone * 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 officer.

Date
 By
 (Name *) (Title *)

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 EFFS website.

Form 19b-4 Information (required)

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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 (required)

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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 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

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

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

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

Partial Amendment

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

1. Text of the Proposed Rule Change

(a) EDGA Exchange, Inc. (“Exchange” or “EDGA”) proposes to amend its fees and rebates applicable to Members¹ of the Exchange pursuant to EDGA Rule 15.1(a) and (c). Text of the proposed rule change is attached as Exhibit 5.

(b) Inapplicable.

(c) Inapplicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange on April 27, 2010. Exchange staff will advise the EDGA Exchange Board of Directors of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change. Therefore, the Exchange's internal procedures with respect to the proposed change are complete.

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

Eric W. Hess
General Counsel
EDGA Exchange
201-942-8239

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 increase the rebate on Flag P from \$0.0025 per share to \$0.0027 per share for adding liquidity on EDGX via an EDGA-originated ROUC routing strategy, as defined in Rule 11.9(b)(3)(a).

The Exchange proposes to reduce the rate on Flag T from \$0.0020 per share to \$0.0012 per share for routing using the ROUD/ROUE routing strategies, as defined in Rules 11.9(b)(3)(b) and (c)(i).

Currently, for orders routed during the Pre-Opening² and Post-Closing Sessions³, a charge of \$ 0.0030 per share applies (yielding Flag "7"). The Exchange proposes to reduce the rate to \$0.0027 per share for routing during these trading sessions.

¹ A Member is any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange.

² As defined in EDGA Rule 1.5(q).

Currently, when an order is routed using the ROUT routing strategy, (as defined in Rule 11.9(b)(3)(c)(ii)), a flag “RT” is yielded and a fee of \$0.0025 per share is assessed. However, when an order routes to EDGX using the ROUT routing strategy, a Flag “T” is yielded, and a fee of \$0.0030 per share is assessed. The Exchange proposes that when an order is routed using the ROUT routing strategy to EDGX Exchange, a Flag “RX” is yielded and a fee of \$0.0027 per share will be assessed. This proposed language is included in footnote 10 of the fee schedule. Thus, the Exchange notes that when an order is routed using the ROUT routing strategy, it can either yield either a Flag “RT” or “RX.” The Exchange also notes that a Flag “RX” can also be yielded when an order is routed using the ROUX routing strategy, as defined in Rule 11.9(b)(3)(c)(iii).

As a result of the insert of new language in footnote 10, conforming changes have been made to re-number existing footnotes 10-12 as footnotes 11-13. New footnote 11 is also proposed to be clarified to insert “per share” after the fee of \$0.0030 to conform it with other footnotes on the fee schedule.

EDGA Exchange proposes to implement these amendments to the Exchange fee schedule on April 7, 2011.

(b) Basis – The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Exchange Act,⁴ in general, and furthers the objectives of Section 6(b)(4),⁵ in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities.

The Exchange believes that the proposed increased rebate for Flag P from \$0.0025 to \$0.0027 per share is an equitable allocation of reasonable dues, fees, and other charges. The ROUC routing strategy, as defined in Rule 11.9(b)(3)(a), checks the System for available shares and then is sent sequentially to destinations on the System routing table, Nasdaq OMX BX, and NYSE. If shares remain unexecuted after routing, they are posted to EDGX Exchange, Inc. (“EDGX”). The increased rebate is designed to incentivize Members to route through EDGA to reach multiple sources of liquidity before routing to other low cost destinations, and thereby potentially increases volume on EDGA to the extent an order using the ROUC routing strategy executes on EDGA. The increased rebate allows Members to reach multiple sources of liquidity by routing order flow through EDGA rather than going directly to various venues. The increased rebate also provides Members with superior economics as the \$0.0027 per share rebate represents a flat rate if the ROUC routing strategy posts to EDGX, and thus allows

³ As defined in EDGA Rule 1.5(p).

⁴ 15 U.S.C. 78f.

⁵ 15 U.S.C. 78f(b)(4).

EDGA Members to share in potential volume tier savings realized by the Exchange.⁶ If the Member had routed to EDGX directly and the order had added liquidity to EDGX, the Member could receive rebates ranging from \$0.0023 - \$0.0033, depending on if a volume threshold were satisfied.⁷ The \$0.0027 per share rebate thus represents a rate in between these various tiered and non-tiered rebates provided for adding liquidity to EDGX. This type of rate is also similar to EDGA's rate for removing liquidity from LavaFlow (Flag M). The standard removal rate of \$0.0029 per share is reduced to \$0.0023 per share for orders routed to LavaFlow that achieve certain volume thresholds, as EDGA Members are able to share in potential volume tier savings realized by EDGA when routing to LavaFlow.⁸ This type of rate is also similar to other rates that EDGA charges, such as "one-under" pricing for routing to Nasdaq using the INET order type and is consistent with the processing of similar routing strategies by EDGA's competitors.⁹ In this rate, EDGA takes into account the rates that it is charged or rebated when routing to other low cost destinations, such as EDGX.

The Exchange believes that the rebate of \$0.0027 is reasonable as it is consistent with how other exchanges pass through rebates for orders routed to a different exchange that add liquidity. For example, when Nasdaq routes to Nasdaq BX, Nasdaq passes back Nasdaq BX's standard rebate of \$0.0014 per share. When NYSE Arca routes to NYSE, NYSE Arca passes back the standard NYSE rebate of \$0.0015 per share. These rebates generally approximate what the originating exchange receives from the exchange that is routed to plus or minus a certain differential. EDGA's pricing is consistent with this premise.

The Exchange believes that the proposed rebate is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed reduced rate for Flag T (routing using ROUD/ROUE routing strategies) of \$0.0012 per share is an equitable allocation of reasonable dues, fees, and other charges. Lower fees are directly correlated with a higher number of intermediate low cost destinations as the more intermediate low cost destinations that there are creates a greater potential for an execution at a lower cost destination before reaching a higher cost destination. For example, the ROUQ routing strategy, as defined in Rule 11.9(b)(3)(c)(iv),¹⁰ routes to the lowest number of low cost

⁶ See EDGX fee schedule, footnote 1.

⁷ Id.

⁸ See footnote 6 of the EDGA fee schedule.

⁹ See footnote 7 of the EDGA fee schedule. See also BATS BZX fee schedule: Discounted Destination Specific Routing ("One Under") to NYSE, NYSE ARCA and NASDAQ. See Securities Exchange Act Release No. 62858, 75 FR 55838 (September 14, 2010) (SR-BATS-2010-023) (modifying the BATS fee schedule in order to amend the fees for its BATS + NYSE Arca destination specific routing option to continue to offer a "one under" pricing model).

¹⁰ See SR-EDGA-2011-09 (April 1, 2011).

destinations compared to the ROUD/ROUE¹¹ and ROUZ¹² routing strategies. As a result, the Exchange charges a higher fee for such strategy of \$0.0020 per share (Flag Q). The ROUD/ROUE routing strategies route to a medium number of low cost destinations and the ROUZ routing strategy routes to the highest number of low cost destinations amongst these routing strategies. As a result, the Exchange will assess a proposed fee of \$0.0012 per share for the ROUD/ROUE routing strategies and assesses the lowest fee for the ROUZ routing strategy of \$0.0010 per share. The more low cost destinations that an order routes to allows the Exchange to pass on the savings it receives from such destinations to its members in lower fees. Therefore, it is equitable that ROUQ has the highest fee of \$0.0020 per share, while ROUD/ROUE has an intermediate fee of \$0.0012 per share, and ROUZ has the lowest fee of the three strategies of \$0.0010 per share. The Exchange also notes that a difference between ROUQ and ROUZ routing strategies is that the additional routing destinations in the ROUZ routing strategy are intermediate between the routing destinations in ROUQ. This also accounts for the differences in fees. Therefore, for each additional intermediate low cost destination that an order routes to, the prices of the strategies mentioned above (ROUQ, ROUD/ROUE, ROUZ) decrease accordingly.

The Exchange believes that the rate is reasonable when compared to other market centers using similar routing strategies. The comparable routing strategy to the ROUD/ROUE routing strategies is Parallel D or Parallel 2D with the DRT (Dark routing technique) option on BZX. BZX charges \$0.0020 per share for its DRT option. The Exchange believes that the proposed rebate is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed reduced rate for Flag 7 executions of \$0.0027 per share is an equitable allocation of reasonable dues, fees, and other charges. The reduced rate is designed to incentivize Members to increase volume on EDGA during the Pre-Opening and Post-Closing Sessions, which have limited trading hours. In addition, it represents a blended flat-rate for customers which EDGA has derived by taking into account its costs of routing to various destinations on its fee schedule. The blended, flat-rate provides simplicity for customers, instead of passing through the actual rates that EDGA receives from various destinations on its schedule. This type of rate is similar to other rates that EDGA charges, such as “one-under” pricing for routing to Nasdaq using the INET order type and is consistent with the processing of similar routing strategies by EDGA’s competitors.¹³

¹¹ The Exchange notes that ROUD/ROUE routing strategies route to the identical number of low cost destinations.

¹² See SR-EDGA -2011-09 (April 1, 2011). See Rule 11.9(b)(3)(c)(v).

¹³ See footnote 7 of the EDGA fee schedule. See also BATS BZX fee schedule: Discounted Destination Specific Routing (“One Under”) to NYSE, NYSE ARCA and NASDAQ. See Securities Exchange Act Release No. 62858, 75 FR 55838 (September 14, 2010) (SR-BATS-2010-023) (modifying the BATS fee schedule in order to amend the fees for its BATS + NYSE Arca destination specific routing

In addition, the Exchange notes that fewer Members generally trade during pre and post trading hours because of the limited time parameters associated with these trading sessions. The Exchange believes that the rate is equitable in that it is lower than comparable routing strategies that route during regular trading hours (i.e., Flag X, \$0.0029 per share). The Exchange believes that the proposed rebate is non-discriminatory in that it applies uniformly to all Members.

Currently, when a Member uses the ROUT strategy, it is charged \$0.0030 per share (Flag "I") when it routes to EDGX. The Exchange proposes to lower this fee to \$0.0027 per share and yield Flag "RX" instead. The Exchange believes that the proposed decreased rate for orders that route to EDGX Exchange, Inc. using the ROUT routing strategy (as noted in footnote 10) represents an equitable allocation of reasonable dues, fees, and other charges since the decreased fee is designed to cap Member's routed fees at \$0.0027 per share. The decreased fee is also designed to incentivize Members to sweep liquidity through EDGA before going to other destinations while allowing Members to reach multiple source of liquidity by routing order flow through EDGA rather than going directly to various venues.

The rate does not favor routing to EDGX as it is higher than the rate for routing to any other destination (i.e., Nasdaq) using the ROUT routing strategy, in which a fee of \$0.0025 per share is assessed. For example, if a Member uses EDGA to route to Nasdaq using the ROUT routing strategy, the Member is charged \$0.0025 per share (Flag RT). However, EDGA is charged Nasdaq's standard removal rate of \$0.0030 per share. Analogously, when a member uses EDGA to route to EDGX using the ROUT routing strategy, the member is proposed to be charged \$0.0027 per share. However, EDGA is charged EDGX's standard removal rate of \$0.0030 per share. Therefore, a Member is more likely to use the ROUT routing strategy to route to Nasdaq rather than EDGX since the potential costs savings that is achieved by the Member is greater. (\$0.0005 vs. \$0.0003).

The comparable routing strategy to the ROUT strategy is either Parallel D or Parallel 2D with the DRT (Dark routing technique) option on BZX or SCAN/STGY on Nasdaq OMX Exchange ("Nasdaq.") BATS BZX Exchange charges \$0.0028 per share for its Parallel D and Parallel 2D routing strategies and \$0.0020 per share for its DRT option. Nasdaq charges \$0.0030 per share for its SCAN and STGY routing strategies. The Exchange believes that the proposed rebate is non-discriminatory in that it applies uniformly to all Members. Based on these comparisons, the Exchange believes that the rate is reasonable as it is line with the fees assessed by BATS BZX Exchange.

The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The proposed rule change reflects a competitive pricing structure designed to incent market participants to direct their order flow to the Exchange. The Exchange believes the fees and credits remain competitive

option to continue to offer a "one under" pricing model).

with those charged by other venues and therefore continue to be reasonable and equitably allocated to Members.

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

This proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act.

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 Exchange 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 Exchange Act Section 19(b)(3)(A).

(c) Inapplicable.

(d) Inapplicable.

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

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

9. 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-EDGA-2011-10

[Date]

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

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 7, 2011, the EDGA Exchange, Inc. (the "Exchange" or the "EDGA") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend its fees and rebates applicable to Members³ of the Exchange pursuant to EDGA Rule 15.1(a) and (c). All of the changes described herein are applicable to EDGA Members. The text of the proposed rule change is available on the Exchange's Internet website at <http://www.directedge.com>.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ A Member is any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange.

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 Statutory Basis for, the Proposed Rule Change

Purpose

The Exchange proposes to increase the rebate on Flag P from \$0.0025 per share to \$0.0027 per share for adding liquidity on EDGX via an EDGA-originated ROUC routing strategy, as defined in Rule 11.9(b)(3)(a).

The Exchange proposes to reduce the rate on Flag T from \$0.0020 per share to \$0.0012 per share for routing using the ROUD/ROUE routing strategies, as defined in Rules 11.9(b)(3)(b) and (c)(i).

Currently, for orders routed during the Pre-Opening⁴ and Post-Closing Sessions⁵, a charge of \$ 0.0030 per share applies (yielding Flag "7"). The Exchange proposes to reduce the rate to \$0.0027 per share for routing during these trading sessions.

Currently, when an order is routed using the ROUT routing strategy, (as defined in Rule 11.9(b)(3)(c)(ii)), a flag "RT" is yielded and a fee of \$0.0025 per share is

⁴ As defined in EDGA Rule 1.5(q).

⁵ As defined in EDGA Rule 1.5(p).

assessed. However, when an order routes to EDGX using the ROUT routing strategy, a Flag “T” is yielded, and a fee of \$0.0030 per share is assessed. The Exchange proposes that when an order is routed using the ROUT routing strategy to EDGX Exchange, a Flag “RX” is yielded and a fee of \$0.0027 per share will be assessed. This proposed language is included in footnote 10 of the fee schedule. Thus, the Exchange notes that when an order is routed using the ROUT routing strategy, it can either yield either a Flag “RT” or “RX.” The Exchange also notes that a Flag “RX” can also be yielded when an order is routed using the ROUX routing strategy, as defined in Rule 11.9(b)(3)(c)(iii).

As a result of the insert of new language in footnote 10, conforming changes have been made to re-number existing footnotes 10-12 as footnotes 11-13. New footnote 11 is also proposed to be clarified to insert “per share” after the fee of \$0.0030 to conform it with other footnotes on the fee schedule.

EDGA Exchange proposes to implement these amendments to the Exchange fee schedule on April 7, 2011.

Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Exchange Act,⁶ in general, and furthers the objectives of Section 6(b)(4),⁷ 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.

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(4).

The Exchange believes that the proposed increased rebate for Flag P from \$0.0025 to \$0.0027 per share is an equitable allocation of reasonable dues, fees, and other charges. The ROUC routing strategy, as defined in Rule 11.9(b)(3)(a), checks the System for available shares and then is sent sequentially to destinations on the System routing table, Nasdaq OMX BX, and NYSE. If shares remain unexecuted after routing, they are posted to EDGX Exchange, Inc. (“EDGX”). The increased rebate is designed to incentivize Members to route through EDGA to reach multiple sources of liquidity before routing to other low cost destinations, and thereby potentially increases volume on EDGA to the extent an order using the ROUC routing strategy executes on EDGA. The increased rebate allows Members to reach multiple sources of liquidity by routing order flow through EDGA rather than going directly to various venues. The increased rebate also provides Members with superior economics as the \$0.0027 per share rebate represents a flat rate if the ROUC routing strategy posts to EDGX, and thus allows EDGA Members to share in potential volume tier savings realized by the Exchange.⁸ If the Member had routed to EDGX directly and the order had added liquidity to EDGX, the Member could receive rebates ranging from \$0.0023 - \$0.0033, depending on if a volume threshold were satisfied.⁹ The \$0.0027 per share rebate thus represents a rate in between these various tiered and non-tiered rebates provided for adding liquidity to EDGX. This type of rate is also similar to EDGA’s rate for removing liquidity from LavaFlow (Flag M). The standard removal rate of \$0.0029 per share is reduced to \$0.0023 per share for orders routed to LavaFlow that achieve certain volume thresholds, as EDGA Members

⁸ See EDGX fee schedule, footnote 1.

⁹ Id.

are able to share in potential volume tier savings realized by EDGA when routing to LavaFlow.¹⁰ This type of rate is also similar to other rates that EDGA charges, such as “one-under” pricing for routing to Nasdaq using the INET order type and is consistent with the processing of similar routing strategies by EDGA’s competitors.¹¹ In this rate, EDGA takes into account the rates that it is charged or rebated when routing to other low cost destinations, such as EDGX.

The Exchange believes that the rebate of \$0.0027 is reasonable as it is consistent with how other exchanges pass through rebates for orders routed to a different exchange that add liquidity. For example, when Nasdaq routes to Nasdaq BX, Nasdaq passes back Nasdaq BX’s standard rebate of \$0.0014 per share. When NYSE Arca routes to NYSE, NYSE Arca passes back the standard NYSE rebate of \$0.0015 per share. These rebates generally approximate what the originating exchange receives from the exchange that is routed to plus or minus a certain differential. EDGA’s pricing is consistent with this premise.

The Exchange believes that the proposed rebate is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed reduced rate for Flag T (routing using ROUD/ROUE routing strategies) of \$0.0012 per share is an equitable allocation of reasonable dues, fees, and other charges. Lower fees are directly correlated with a higher

¹⁰ See footnote 6 of the EDGA fee schedule.

¹¹ See footnote 7 of the EDGA fee schedule. See also BATS BZX fee schedule: Discounted Destination Specific Routing (“One Under”) to NYSE, NYSE ARCA and NASDAQ. See Securities Exchange Act Release No. 62858, 75 FR 55838 (September 14, 2010) (SR-BATS-2010-023) (modifying the BATS fee schedule in order to amend the fees for its BATS + NYSE Arca destination specific routing option to continue to offer a “one under” pricing model).

number of intermediate low cost destinations as the more intermediate low cost destinations that there are creates a greater potential for an execution at a lower cost destination before reaching a higher cost destination. For example, the ROUQ routing strategy, as defined in Rule 11.9(b)(3)(c)(iv),¹² routes to the lowest number of low cost destinations compared to the ROUD/ROUE¹³ and ROUZ¹⁴ routing strategies. As a result, the Exchange charges a higher fee for such strategy of \$0.0020 per share (Flag Q). The ROUD/ROUE routing strategies route to a medium number of low cost destinations and the ROUZ routing strategy routes to the highest number of low cost destinations amongst these routing strategies. As a result, the Exchange will assess a proposed fee of \$0.0012 per share for the ROUD/ROUE routing strategies and assesses the lowest fee for the ROUZ routing strategy of \$0.0010 per share. The more low cost destinations that an order routes to allows the Exchange to pass on the savings it receives from such destinations to its members in lower fees. Therefore, it is equitable that ROUQ has the highest fee of \$0.0020 per share, while ROUD/ROUE has an intermediate fee of \$0.0012 per share, and ROUZ has the lowest fee of the three strategies of \$0.0010 per share. The Exchange also notes that a difference between ROUQ and ROUZ routing strategies is that the additional routing destinations in the ROUZ routing strategy are intermediate between the routing destinations in ROUQ. This also accounts for the differences in fees. Therefore, for each additional intermediate low cost destination that an order routes to,

¹² See SR-EDGA-2011-09 (April 1, 2011).

¹³ The Exchange notes that ROUD/ROUE routing strategies route to the identical number of low cost destinations.

¹⁴ See SR-EDGA -2011-09 (April 1, 2011). See Rule 11.9(b)(3)(c)(v).

the prices of the strategies mentioned above (ROUQ, ROUD/ROUE, ROUZ) decrease accordingly.

The Exchange believes that the rate is reasonable when compared to other market centers using similar routing strategies. The comparable routing strategy to the ROUD/ROUE routing strategies is Parallel D or Parallel 2D with the DRT (Dark routing technique) option on BZX. BZX charges \$0.0020 per share for its DRT option. The Exchange believes that the proposed rebate is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed reduced rate for Flag 7 executions of \$0.0027 per share is an equitable allocation of reasonable dues, fees, and other charges. The reduced rate is designed to incentivize Members to increase volume on EDGA during the Pre-Opening and Post-Closing Sessions, which have limited trading hours. In addition, it represents a blended flat-rate for customers which EDGA has derived by taking into account its costs of routing to various destinations on its fee schedule. The blended, flat-rate provides simplicity for customers, instead of passing through the actual rates that EDGA receives from various destinations on its schedule. This type of rate is similar to other rates that EDGA charges, such as “one-under” pricing for routing to Nasdaq using the INET order type and is consistent with the processing of similar routing strategies by EDGA’s competitors.¹⁵

¹⁵ See footnote 7 of the EDGA fee schedule. See also BATS BZX fee schedule: Discounted Destination Specific Routing (“One Under”) to NYSE, NYSE ARCA and NASDAQ. See Securities Exchange Act Release No. 62858, 75 FR 55838 (September 14, 2010) (SR-BATS-2010-023) (modifying the BATS fee schedule in order to amend the fees for its BATS + NYSE Arca destination specific routing option to continue to offer a “one under” pricing model).

In addition, the Exchange notes that fewer Members generally trade during pre and post trading hours because of the limited time parameters associated with these trading sessions. The Exchange believes that the rate is equitable in that it is lower than comparable routing strategies that route during regular trading hours (i.e., Flag X, \$0.0029 per share). The Exchange believes that the proposed rebate is non-discriminatory in that it applies uniformly to all Members.

Currently, when a Member uses the ROUT strategy, it is charged \$0.0030 per share (Flag "I") when it routes to EDGX. The Exchange proposes to lower this fee to \$0.0027 per share and yield Flag "RX" instead. The Exchange believes that the proposed decreased rate for orders that route to EDGX Exchange, Inc. using the ROUT routing strategy (as noted in footnote 10) represents an equitable allocation of reasonable dues, fees, and other charges since the decreased fee is designed to cap Member's routed fees at \$0.0027 per share. The decreased fee is also designed to incentivize Members to sweep liquidity through EDGA before going to other destinations while allowing Members to reach multiple source of liquidity by routing order flow through EDGA rather than going directly to various venues.

The rate does not favor routing to EDGX as it is higher than the rate for routing to any other destination (i.e., Nasdaq) using the ROUT routing strategy, in which a fee of \$0.0025 per share is assessed. For example, if a Member uses EDGA to route to Nasdaq using the ROUT routing strategy, the Member is charged \$0.0025 per share (Flag RT). However, EDGA is charged Nasdaq's standard removal rate of \$0.0030 per share. Analogously, when a member uses EDGA to route to EDGX using the ROUT routing strategy, the member is proposed to be charged \$0.0027 per share. However, EDGA is

charged EDGX's standard removal rate of \$0.0030 per share. Therefore, a Member is more likely to use the ROUT routing strategy to route to Nasdaq rather than EDGX since the potential costs savings that is achieved by the Member is greater. (\$0.0005 vs. \$0.0003).

The comparable routing strategy to the ROUT strategy is either Parallel D or Parallel 2D with the DRT (Dark routing technique) option on BZX or SCAN/STGY on Nasdaq OMX Exchange ("Nasdaq.") BATS BZX Exchange charges \$0.0028 per share for its Parallel D and Parallel 2D routing strategies and \$0.0020 per share for its DRT option. Nasdaq charges \$0.0030 per share for its SCAN and STGY routing strategies. The Exchange believes that the proposed rebate is non-discriminatory in that it applies uniformly to all Members. Based on these comparisons, the Exchange believes that the rate is reasonable as it is line with the fees assessed by BATS BZX Exchange.

The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The proposed rule change reflects a competitive pricing structure designed to incent market participants to direct their order flow to the Exchange. The Exchange believes the fees and credits remain competitive with those charged by other venues and therefore continue to be reasonable and equitably allocated to Members.

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

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.

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) of the Act¹⁶ and Rule 19b-4(f)(2)¹⁷ thereunder. At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form <http://www.sec.gov/rules/sro.shtml>; or
- Send an E-mail to rule-comments@sec.gov. Please include File No. SR-EDGA-2011-10 on the subject line.

¹⁶ 15 U.S.C. 78s(b)(3)(A).

¹⁷ 17 CFR 19b-4(f)(2).

Paper comments:

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

All submissions should refer to File Number SR-EDGA-2011-10. 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 Commissions Internet Web site (<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 inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-EDGA-2011-10 and should be submitted by [insert date 21 days from the date of publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁸

Secretary

¹⁸ 17 CFR 200.30-3(a)(12).