OMB APPROVAL
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Required fields are shown with yellow backgrounds and asterisks.

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

File No.* SR - 2011 - * 14

Amendment No. (req. for Amendments *)

Proposed Rule Change 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) *
☑	☐	☐	☐	☑	☐

Rule

☐ 19b-4(f)(1)	☐ 19b-4(f)(4)
☑ 19b-4(f)(2)	☐ 19b-4(f)(5)
☐ 19b-4(f)(3)	☐ 19b-4(f)(6)

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

Description

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

Amendmentto fee schedule of EDGA Exchange, 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 proposed rule change.

First Name * Eric Last Name * Hess

Title * General Counsel

E-mail * ehess@directedge.com

Telephone * (201) 942-8239 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 04/29/2011

By Eric W. Hess

(Name *)

General Counsel

(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.

Eric Hess, ehess@directedge.com

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) 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 (required) 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 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 Add Remove View 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 Add Remove View	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 Add Remove View	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 Members[1] 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 offer a reduced rate from $0.0023 per share to $0.0022 per share for Flag D executions (as noted in proposed footnote 14 of the fee schedule) provided that the Member routes an average daily volume ("ADV") of more than 30,000,000 shares per day to NYSE using the RDOT or RDOX routing strategies, as defined in Rules 11.9(b)(3)(h) and (i).

The H flag represents non-displayed executions. The Exchange proposes to append the reference to footnote 2 on Flag H so that a reduced rate (of $0.0010 per share) would be offered provided that the Member adds greater than 1,000,000 shares hidden on a daily basis (yielding Flag H), measured monthly or posts greater than 8,000,000 shares

[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.

on a daily basis, measured monthly (yielding Flags B,V, Y, 3 or 4). Members not meeting either minimum will be charged $0.0030 per share.

For customer internalization (i.e., same MPID),[2] currently there is no charge nor rebate. This was because when the Exchange launched in July 2010 the rebate for removing liquidity ($0.0002 per share) was offset by the fee for adding liquidity ($0.0002 per share). This situation yields Flag "E" on both sides of an execution. During the Pre-Opening and Post-Closing sessions, there are also no charges nor rebates, but this situation yields Flag "5" per side of an execution (adding liquidity/removing liquidity). The Exchange is now proposing to charge $0.0001 per share per side of an execution (for adding liquidity and for removing liquidity) for Flags E and 5 instead of the standard or tiered rebate/removal rates. Therefore, Members would incur a total internalization cost of $0.0002 per share for both sides of an execution for customer internalization.

Currently, orders routed to EDGX Mid-Point Match ("MPM") using the IOCM routing strategy,[3] as defined in Rule 11.9(b)(3)(q)[4], are assessed a fee of $0.0010 per share and yield flag "MT." The Exchange is proposing to increase this fee to $0.0012 per share.

Finally, the Exchange is proposing to make a technical correction to the fee schedule to replace the term "order type" with "routing strategy" throughout the fee schedule in order to conform to language in Rule 11.9(b)(3). These amendments will appear in the text for Flags K, L, P, Q, T, Z, 2, 8, 9, BY, CL, MT, RT, RX, SW, and footnote 8.

EDGA Exchange proposes to implement these amendments to the Exchange fee schedule on May 1, 2011.

(b) Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Exchange Act,[5] in general, and furthers the objectives of

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2 This occurs when two orders presented to the Exchange from the same Member (i.e., MPID) are presented separately and not in a paired manner, but nonetheless inadvertently match with one another. Members are advised to consult Rule 12.2 respecting fictitious trading.

3 EDGX Rule 11.5(c)(7) defines a MPM order as an order with an instruction to execute it at the midpoint of the NBBO. A MPM order may be a Day Order, Fill-or-Kill Order, or IOC Order. The Exchange notes that members can send in a MPM order directly to EDGX without routing through the EDGA platform as an IOCM routing option.

4 IOCM is a routing option under which an order checks the System for available shares and then is sent to EDGX as an immediate or cancel (IOC) MPM order.

5 15 U.S.C. 78f.

Section 6(b)(4),[6] 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 reduced rate of $0.0022 per share for Flag D executions provided that the Member routes an average daily volume ("ADV") of more than 30,000,000 shares per day to NYSE using the RDOT or RDOX routing strategies represents an equitable allocation of reasonable dues, fees, and other charges. When EDGA routes to NYSE and removes liquidity, NYSE charges EDGA $0.0023 per share. If a member uses EDGA to route to NYSE, EDGA provides a $0.0001 discount per share provided that the conditions of the volume threshold are met. The Exchange believes that this discounted rate would incentivize Members to first route through EDGA to reach NYSE and would thereby increase liquidity on EDGA. 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.[7] 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.[8]

The rate is also equitable in that it is designed to incentivize Members to use the RDOT or RDOX routing strategies to increase volume on EDGA. Such increased volume increases potential revenue to the Exchange, and would allow the Exchange to spread its administrative and infrastructure costs over a greater number of shares, leading to lower per share costs. These lower per share costs would allow the Exchange to pass on the savings to Members in the form of reduced fees. The increased liquidity also benefits all investors by deepening EDGA's liquidity pool, supporting the quality of price discovery, promoting market transparency and improving investor protection. Volume-based discounts such as the reduced execution fee proposed here have been widely adopted in the cash equities markets and provide discounts that are reasonably related to the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and introduction of higher volumes of orders into the price and volume discovery processes. The Exchange believes that the

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[6] 15 U.S.C. 78f(b)(4).

[7] See footnote 6 of the EDGA fee schedule.

[8] 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).

proposed discounted rate is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed reduced rate for Flag H executions of $0.0010 per share, as described in footnote 2, is an equitable allocation of reasonable dues, fees, and other charges. The reduced rate of $0.0010[9] provided that a volume threshold is satisfied is designed to incentivize Members to use non-displayed orders to increase volume on EDGA.

Such increased volume increases potential revenue to the Exchange, and would allow the Exchange to spread its administrative and infrastructure costs over a greater number of shares, leading to lower per share costs. These lower per share costs would allow the Exchange to pass on the savings to Members in the form of reduced fees. The increased liquidity also benefits all investors by deepening EDGA's liquidity pool, supporting the quality of price discovery, promoting market transparency and improving investor protection. Volume-based discounts such as the reduced execution fee proposed herein have been widely adopted in the cash equities markets and provide discounts that are reasonably related to the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and introduction of higher volumes of orders into the price and volume discovery processes. The Exchange believes that the proposed fee is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the increased fee for customer internalization of $0.0001 per share per side of an execution for both Flags E (regular trading session) and 5 (pre and post market) represents an equitable allocation of reasonable dues, fees, and other charges as it is designed to introduce a nominal and reasonable fee for members who inadvertently match with one another, thereby discouraging potential wash sales. The increased fee also allows the Exchange to offset its administrative, clearing, and other operating costs incurred in executing such trades. Finally, the fee is equitable in that it is in line with the EDGA fee structure which currently has a maker/taker spread of $0.0001 per share (the standard fee to add liquidity on EDGA is $0.00025 per share, while the standard rebate to remove liquidity is $0.00015 per share). EDGA also has a tiered rate for adding liquidity of $0.00005, which would make this spread -$0.0001 per share. As a result of the customer internalization charge, Members who internalized would be charged $0.0001 per side of an execution (total of $0.0002 per share) instead of capturing the maker/taker spread of -$0.0001 per share.

As mentioned above, when the Exchange launched in July 2010, this spread was zero (0). This increased fee per side of an execution ($0.0001 per side instead of free) thus brings the internalization fee in line with the current maker/taker spreads.[10] The

9 If a member fails to reach such volume thresholds, the Member will pay $0.0030 per share for Flag H executions.

10 The Exchange will continue to ensure that the internalization fee is no more favorable than each prevailing maker/taker spread.

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

The Exchange believes that the proposed increased fee to $0.0012 per share for the “MT” flag for routing to EDGX MPM using the IOCM routing strategy represents an equitable allocation of reasonable dues, fees, and other charges as such increased fee offsets the Exchange’s administrative and other operational costs. The fee increase represents a pass through by EDGA to its members of EDGX’s increased fee (from $0.0010 to $0.0012 per share) for removing liquidity from EDGX MPM, effective May 1, 2011. The $0.0012 per share is competitive and superior to comparable exchange standard removal rates of $0.0030 per share (Nasdaq), $0.0030 per share (NYSE Arca), $0.0023 per share (NYSE), and $0.0028 per share (BATS BZX). The fee is also equitable as it is competitive with other fees assessed for routing strategies that access low cost destinations, such as ROUZ, as defined in Rule 11.9(b)(3)(c)(v) (yields Flag Z , $0.0010 per share) and ROUD/ROUE, as defined in Rules 11.9(b)(3)(b) and 11.9(b)(3)(c)(i) (Flag T, $0.0012 per share). The Exchange believes that the proposed fee is non-discriminatory in that it applies uniformly to all Members.

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 that the proposed rates are non-discriminatory in that they apply uniformly to all Members. 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.

4. <u>Self-Regulatory Organization's Statement on Burden on Competition</u>

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

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. <u>Extension of Time Period for Commission Action</u>

Not applicable.

7. <u>Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)</u>

(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-2011-14

[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 29, 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 Members[3] 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.

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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 offer a reduced rate from $0.0023 per share to $0.0022 per share for Flag D executions (as noted in proposed footnote 14 of the fee schedule) provided that the Member routes an average daily volume ("ADV") of more than 30,000,000 shares per day to NYSE using the RDOT or RDOX routing strategies, as defined in Rules 11.9(b)(3)(h) and (i).

The H flag represents non-displayed executions. The Exchange proposes to append the reference to footnote 2 on Flag H so that a reduced rate (of $0.0010 per share) would be offered provided that the Member adds greater than 1,000,000 shares hidden on a daily basis (yielding Flag H), measured monthly or posts greater than 8,000,000 shares on a daily basis, measured monthly (yielding Flags B,V, Y, 3 or 4). Members not meeting either minimum will be charged $0.0030 per share.

For customer internalization (i.e., same MPID),[4] currently there is no charge nor rebate. This was because when the Exchange launched in July 2010 the rebate for removing liquidity ($0.0002 per share) was offset by the fee for adding liquidity ($0.0002 per share). This situation yields Flag "E" on both sides of an execution. During the Pre-Opening and Post-Closing sessions, there are also no charges nor rebates, but this situation yields Flag "5" per side of an execution (adding liquidity/removing liquidity). The Exchange is now proposing to charge $0.0001 per share per side of an execution (for adding liquidity and for removing liquidity) for Flags E and 5 instead of the standard or tiered rebate/removal rates. Therefore, Members would incur a total internalization cost of $0.0002 per share for both sides of an execution for customer internalization.

Currently, orders routed to EDGX Mid-Point Match ("MPM") using the IOCM routing strategy,[5] as defined in Rule 11.9(b)(3)(q)[6], are assessed a fee of $0.0010 per share and yield flag "MT." The Exchange is proposing to increase this fee to $0.0012 per share.

Finally, the Exchange is proposing to make a technical correction to the fee schedule to replace the term "order type" with "routing strategy" throughout the fee

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4 This occurs when two orders presented to the Exchange from the same Member (i.e., MPID) are presented separately and not in a paired manner, but nonetheless inadvertently match with one another. Members are advised to consult Rule 12.2 respecting fictitious trading.

5 EDGX Rule 11.5(c)(7) defines a MPM order as an order with an instruction to execute it at the midpoint of the NBBO. A MPM order may be a Day Order, Fill-or-Kill Order, or IOC Order. The Exchange notes that members can send in a MPM order directly to EDGX without routing through the EDGA platform as an IOCM routing option.

6 IOCM is a routing option under which an order checks the System for available shares and then is sent to EDGX as an immediate or cancel (IOC) MPM order.

schedule in order to conform to language in Rule 11.9(b)(3). These amendments will appear in the text for Flags K, L, P, Q, T, Z, 2, 8, 9, BY, CL, MT, RT, RX, SW, and footnote 8.

EDGA Exchange proposes to implement these amendments to the Exchange fee schedule on May 1, 2011.

Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,[7] in general, and furthers the objectives of Section 6(b)(4),[8] 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 reduced rate of $0.0022 per share for Flag D executions provided that the Member routes an average daily volume ("ADV") of more than 30,000,000 shares per day to NYSE using the RDOT or RDOX routing strategies represents an equitable allocation of reasonable dues, fees, and other charges. When EDGA routes to NYSE and removes liquidity, NYSE charges EDGA $0.0023 per share. If a member uses EDGA to route to NYSE, EDGA provides a $0.0001 discount per share provided that the conditions of the volume threshold are met. The Exchange believes that this discounted rate would incentivize Members to first route through EDGA to reach NYSE and would thereby increase liquidity on EDGA. 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

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7 15 U.S.C. 78f.

8 15 U.S.C. 78f(b)(4).

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. [9] 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.[10]

The rate is also equitable in that it is designed to incentivize Members to use the RDOT or RDOX routing strategies to increase volume on EDGA. Such increased volume increases potential revenue to the Exchange, and would allow the Exchange to spread its administrative and infrastructure costs over a greater number of shares, leading to lower per share costs. These lower per share costs would allow the Exchange to pass on the savings to Members in the form of reduced fees. The increased liquidity also benefits all investors by deepening EDGA's liquidity pool, supporting the quality of price discovery, promoting market transparency and improving investor protection. Volume-based discounts such as the reduced execution fee proposed here have been widely adopted in the cash equities markets and provide discounts that are reasonably related to the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and introduction of higher volumes of orders into the price and volume discovery processes. The Exchange believes that the

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9 See footnote 6 of the EDGA fee schedule.

10 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).

proposed discounted rate is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed reduced rate for Flag H executions of $0.0010 per share, as described in footnote 2, is an equitable allocation of reasonable dues, fees, and other charges. The reduced rate of $0.0010[11] provided that a volume threshold is satisfied is designed to incentivize Members to use non-displayed orders to increase volume on EDGA.

Such increased volume increases potential revenue to the Exchange, and would allow the Exchange to spread its administrative and infrastructure costs over a greater number of shares, leading to lower per share costs. These lower per share costs would allow the Exchange to pass on the savings to Members in the form of reduced fees. The increased liquidity also benefits all investors by deepening EDGA's liquidity pool, supporting the quality of price discovery, promoting market transparency and improving investor protection. Volume-based discounts such as the reduced execution fee proposed herein have been widely adopted in the cash equities markets and provide discounts that are reasonably related to the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and introduction of higher volumes of orders into the price and volume discovery processes. The Exchange believes that the proposed fee is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the increased fee for customer internalization of $0.0001 per share per side of an execution for both Flags E (regular trading session) and

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11 If a member fails to reach such volume thresholds, the Member will pay $0.0030 per share for Flag H executions.

5 (pre and post market) represents an equitable allocation of reasonable dues, fees, and other charges as it is designed to introduce a nominal and reasonable fee for members who inadvertently match with one another, thereby discouraging potential wash sales. The increased fee also allows the Exchange to offset its administrative, clearing, and other operating costs incurred in executing such trades. Finally, the fee is equitable in that it is in line with the EDGA fee structure which currently has a maker/taker spread of $0.0001 per share (the standard fee to add liquidity on EDGA is $0.00025 per share, while the standard rebate to remove liquidity is $0.00015 per share). EDGA also has a tiered rate for adding liquidity of $0.00005, which would make this spread -$0.0001 per share. As a result of the customer internalization charge, Members who internalized would be charged $0.0001 per side of an execution (total of $0.0002 per share) instead of capturing the maker/taker spread of -$0.0001 per share.

As mentioned above, when the Exchange launched in July 2010, this spread was zero (0). This increased fee per side of an execution ($0.0001 per side instead of free) thus brings the internalization fee in line with the current maker/taker spreads. [12] The Exchange believes that the proposed fee is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed increased fee to $0.0012 per share for the “MT” flag for routing to EDGX MPM using the IOCM routing strategy represents an equitable allocation of reasonable dues, fees, and other charges as such increased fee offsets the Exchange’s administrative and other operational costs. The fee increase represents a pass through by EDGA to its members of EDGX’s increased fee (from

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12 The Exchange will continue to ensure that the internalization fee is no more favorable than each prevailing maker/taker spread.

$0.0010 to $0.0012 per share) for removing liquidity from EDGX MPM, effective May 1, 2011. The $0.0012 per share is competitive and superior to comparable exchange standard removal rates of $0.0030 per share (Nasdaq), $0.0030 per share (NYSE Arca), $0.0023 per share (NYSE), and $0.0028 per share (BATS BZX). The fee is also equitable as it is competitive with other fees assessed for routing strategies that access low cost destinations, such as ROUZ, as defined in Rule 11.9(b)(3)(c)(v) (yields Flag Z , $0.0010 per share) and ROUD/ROUE, as defined in Rules 11.9(b)(3)(b) and 11.9(b)(3)(c)(i) (Flag T, $0.0012 per share). The Exchange believes that the proposed fee is non-discriminatory in that it applies uniformly to all Members.

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 that the proposed rates are non-discriminatory in that they apply uniformly to all Members. 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. <u>Self-Regulatory Organization's Statement on Burden on Competition</u>

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

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 Act[13] and Rule 19b-4(f)(2)[14] 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-2011-14 on the subject line.

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-2011-14. This file number should be included on the subject line if e-mail is used. To help the Commission

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13 15 U.S.C. 78s(b)(3)(A).

14 17 CFR 19b-4(f)(2).

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-2011-14 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.[15]

Secretary

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15 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Additions underlined

Deletions [bracketed]

EDGA Exchange Fee Schedule

Effective [April] May 1 [7], 2011

Rebates & Charges for Adding, Removing or Routing Liquidity per Share for Tape A, B, & C Securities[1,a]:
Rebates indicated by parentheses ( )

Category	Adding Liquidity	Removing Liquidity	Routing Liquidity
Securities at or above $1.00	$0.00025[12]	$(0.00015)[1,a]	$0.0029
Securities below $1.00	FREE	FREE[1,a]	0.30% of Dollar Value[3,a]

Liquidity Flags and Associated Fees:
Unless otherwise noted, the following rebates and fees apply to orders in securities priced $1 and over.

Flag	Description	Fee/(Rebate)
A	Routed to Nasdaq, adds liquidity	(0.0020)
B	Add liquidity to EDGA book (Tape B)	0.00025
C[3,a]	Routed to Nasdaq BX, removes liquidity	(0.0014)
D[3,14,a]	Routed or re-routed to NYSE, removes liquidity	0.0023
E	Customer internalization, per side	[FREE] 0.0001
F	Routed to NYSE, adds liquidity	(0.0015)
G	Routed to ARCA (Tapes A & C), removes liquidity	0.0030
H[a,2]	Non-Displayed orders	0.0010
I	Routed to EDGX	0.0030

J[3,a]	Routed to Nasdaq, removes liquidity	0.0030
K	Routed to BATS BZX Exchange using ROBA [order type] routing strategy (EDGA + BATS) OR Routed to Nasdaq PSX using ROUC [order type] routing strategy	0.0025
L[3,7,a]	Routed to Nasdaq using INET [order type] routing strategy, removes liquidity (Tapes A & C)	0.0030
M[6,a]	Add liquidity on LavaFlow	(0.0024)
N[1,a]	Remove liquidity from EDGA book (Tapes B & C)	(0.00015)
O[5,a]	Routed to primary exchange's opening cross	0.0005
P	Add liquidity on EDGX via an EDGA-originated ROUC [order type] routing strategy	(0.0027)
Q	Routed using ROUQ or ROUC [order types] routing strategy	0.0020
R	Re-routed by exchange	0.0030
S	Directed ISO order	0.0033
T	Routed using ROUD/ROUE [order type] routing strategy	0.0012
U[6,a]	Remove liquidity from LavaFlow	0.0029
V	Add liquidity to EDGA book (Tape A)	0.00025
W[1,a]	Remove liquidity from EDGA book (Tape A)	(0.00015)
X	Routed	0.0029
Y	Add liquidity to EDGA book (Tape C)	0.00025
Z	Routed using ROUZ [order type] routing strategy	0.0010
2[3,7,a]	Routed to Nasdaq using INET [order type,] routing strategy, removes liquidity (Tape B)	0.0030
3	Add liquidity – pre & post market (Tapes A & C)	0.00025
4	Add liquidity – pre & post market (Tape B)	0.00025
5	Customer Internalization – pre & post market, per side	[FREE] 0.0001
6[1,a]	Remove liquidity – pre & post market (All Tapes)	(0.00015)
7	Routed – pre & post market	0.0027
8	Routed to NYSE Amex using the ROOC [order type] routing strategy, adds liquidity	(0.0015)
9	Routed to NYSE Arca using the ROOC [order type] routing strategy, adds liquidity	(0.0021)
BY[13]	Routed to BATS BYX Exchange, removes liquidity (using [order types]	(0.0004)

	routing strategies ROUC, ROBY)	
CL[9]	**Routed to listing market closing process using ROOC [order type] routing strategy, except for NYSE Arca**	**0.0010**
MT	**Routed to EDGX MPM using IOCM [order type] routing strategy**	**0.001[0]2**
OO	**Direct Edge Opening**	**FREE**
RT[10]	**Routed using the ROUT [order type] routing strategy**	**0.0025**
RX[11]	**Routed using the ROUX [order type] routing strategy**	**0.0027**
SW[8]	**Routed using SWPA/SWPB [order types] routing strategies (except for removal of liquidity from NYSE)**	**0.0031**

[1] The removal rate on EDGA is contingent on the attributed MPID adding (including hidden) and/or routing a minimum average daily share volume, measured monthly, of 50,000 shares on EDGA. Any attributed MPID not meeting the aforementioned minimum will be charged $0.0030 per share for removing liquidity from EDGA for securities priced $1.00 and over and 0.20% of dollar value for securities priced less than $1.00.

[2] Rate contingent upon Member adding greater than 1,000,000 shares hidden on a daily basis (yielding Flag H), measured monthly or Member posting greater than 8,000,000 shares on a daily basis, measured monthly (yielding Flags B,V, Y, 3 or 4). Members not meeting either minimum will be charged $0.0030 per share.

[3] Stocks priced below $1.00 on the NYSE are charged $0.0021 per share when removing liquidity. Stocks priced below $1.00 are charged 0.10% of the dollar value of the transaction when routed to Nasdaq BX and removing liquidity in Tapes A, B, & C securities. Stocks priced below $1.00 are charged 0.30% of the dollar value of the transaction when routed to Nasdaq and removing liquidity in securities on all Tapes.

[4] Intentionally omitted.

[5] Capped at $10,000 per month per Member.

[6] If Member posts an average of 100,000 shares or more per day using strategy ROLF (yielding Flag M), then said Member's fee when removing liquidity from LavaFlow decreases to $0.0023 per share (yielding Flag U).

[7] Members routing an average daily volume ("ADV"): (i) less than 5,000,000 shares will be charged $0.0030 per share, as described in the schedule; (ii) equal to or greater than 5,000,000 shares but less than 20,000,000 shares will be charged Nasdaq's best removal tier rate per share; (iii) equal to or greater than 20,000,000 shares but less than 30,000,001 shares will be charged

Nasdaq's best removal tier rate - $0.0001 per share; and (iv) equal to or greater than 30,000,001 shares will be charged Nasdaq's best removal tier rate - $0.0002 per share. The rates, in all cases, are calculated for shares removed from Nasdaq.

[8] Flag D is assigned and a fee of $0.0023 per share is assessed if either an SWPA or SWPB [order type] routing strategy removes liquidity from NYSE.

[9] A Flag "O" will be yielded and a fee of $0.0005 per share will be assessed if an order is routed to NYSE Arca's closing process.

[10] A Flag "RX" will be yielded and a fee of $0.0027 per share will be assessed when an order is routed to EDGX Exchange.

[11] A Flag "I" will be yielded and a fee of $0.0030 per share will be assessed when an order is routed to EDGX Exchange.

[12] If Members, on a daily basis, measured monthly post 0.9% of the Total Consolidated Volume ("TCV") in average daily volume to EDGA, they will be charged $0.00005 per share. TCV is defined as 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 prior to the month in which the fees are calculated.

[13] Stocks priced below $1.00 are charged $0.0010 per share.

[14] For Members that route an ADV more than 30,000,000 shares per day to NYSE using the RDOT or RDOX routing strategy, then the removal rate decreases to $0.0022 per share.

[a] Upon a Member's request, EDGA will aggregate share volume calculations for wholly owned affiliates on a prospective basis.

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