Required fields are shown with yellow backgrounds and asterisks.

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

File No.* SR - 2013 - * 08

Amendment No. (req. for Amendments *)

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) * ☐

Rule

Pilot ☐	Extension of Time Period for Commission Action * 回	Date Expires *

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

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) 回   Section 806(e)(2) 回

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) 回

Exhibit 2 Sent As Paper Document 回   Exhibit 3 Sent As Paper Document 回

Description

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

EDGX Exchange, Inc. proposes to amend Rules 1.5, 11.5, 11.8, 11.9 and 11.14 regarding the implementation of the National Market System Plan to Address Extraordinary Market Volatility as approved by the Securities and Exchange Commission.

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 * Jeffrey   Last Name * Rosenstrock

Title * General Counsel

E-mail * jrosenstrock@directedge.com

Telephone * (201) 942-8295   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 02/13/2013   General Counsel

By   Jeffrey Rosenstrock

(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.

jrosenstrock@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 *

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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

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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)   EDGX Exchange, Inc. ("EDGX" or the "Exchange") proposes to amend
        Rules 1.5, 11.5, 11.8, 11.9 and 11.14 regarding the implementation of the
        National Market System Plan to Address Extraordinary Market Volatility
        (as amended, the "Plan") as approved by the Securities and Exchange
        Commission (the "Commission").[1] The text of the proposed rule change
        is attached as Exhibit 5 and is available on the Exchange's website at
        www.directedge.com, at the Exchange's principal office, and at the Public
        Reference Room of the Commission.

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

(c)   Not applicable.

2.   Procedures of the Self-Regulatory Organization

        The 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 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 person on the Exchange staff prepared to respond to questions and
comments on the proposed rule change is:

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

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

(a)   Purpose

        EDGX proposes to amend Rules 1.5, 11.5, 11.8, 11.9 and 11.14 in
connection with the implementation of the Plan.

Background

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[1]   See Securities Exchange Release No. 67091 (May 31, 2012), 77 FR 33498 (June
        6, 2012) (approving the Plan on a pilot basis).

On April 5, 2011, NYSE Euronext, on behalf of the New York Stock Exchange LLC ("NYSE"), NYSE Amex LLC, and NYSE Arca, Inc. ("Arca"), and the following parties to the Plan: BATS Exchange, Inc., BATS Y-Exchange, Inc. (together, "BATS"), Chicago Board Options Exchange, Incorporated, Chicago Stock Exchange, Inc., EDGX, EDGA Exchange, Inc., Financial Industry Regulatory Authority, Inc., NASDAQ OMX BX, Inc., NASDAQ OMX PHLX LLC, the Nasdaq Stock Market LLC, and National Stock Exchange, Inc. (collectively with NYSE, NYSE MKT, and Arca, the "Participants"), filed with the Commission pursuant to Section 11A of the Securities Exchange Act of 1934 ("Act"),[2] and Rule 608 thereunder,[3] the Plan to create a market-wide limit up-limit down ("LULD") mechanism that is intended to address extraordinary market volatility in NMS Stocks.[4] The Plan sets forth procedures that provide for market-wide LULD requirements that would be designed to prevent trades in individual NMS Stocks from occurring outside of specified price bands. These LULD requirements would be coupled with trading pauses[5] to accommodate more fundamental price moves (as opposed to erroneous trades or momentary gaps in liquidity).

The price bands would consist of a Lower Price Band (the "Lower Price Band") and an Upper Price Band (the "Upper Price Band" – each a "Price Band" and, together with the Lower Price Band, the "Price Bands") for each NMS Stock. The Price Bands would be calculated by the Securities Information Processors (the "SIP" or "Processors") responsible for consolidation of information for an NMS Stock pursuant to Rule 603(b) of Regulation NMS under the Act.[6] The Price Bands would be based on a Reference Price[7] that equals the arithmetic mean price of Eligible Reported Transactions[8] for the NMS Stock over the immediately preceding five-minute period. The Price Bands for an NMS Stock would be

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[2]   15 U.S.C. 78k-1.

[3]   17 CFR 242.608.

[4]   See Letter from Janet M. McGinness, Senior Vice President, Legal and Corporate Secretary, NYSE Euronext, to Elizabeth M. Murphy, Secretary, Commission, dated April 5, 2011 ("Transmittal Letter"). The term "NMS Stock" shall have the meaning provided in Rule 600(b)(47) of Regulation NMS under the Act.

[5]   As defined in Section I(X) of the Plan.

[6]   17 CFR 242.603(b).

[7]   As defined in Section I(T) of the Plan.

[8]   As defined in the proposed Plan, Eligible Reported Transactions would have the meaning prescribed by the Operating Committee for the proposed Plan, and generally mean transactions that are eligible to update the sale price of an NMS Stock.

calculated by applying the Percentage Parameter[9] for such NMS Stock to the Reference Price, with the Lower Price Band being a Percentage Parameter below the Reference Price, and the Upper Price Band being a Percentage Parameter above the Reference Price. Between 9:30 a.m. and 9:45 a.m. ET and 3:35 p.m. and 4:00 p.m. ET, the Price Bands would be calculated by applying double the Percentage Parameters.

Under the Plan, the Exchange is required to establish, maintain, and enforce written policies and procedures reasonably designed to prevent the display of offers below the Lower Price Band and bids above the Upper Price Band for an NMS Stock. The Processors would disseminate an offer below the Lower Price Band or bid above the Upper Price Band that nevertheless inadvertently may be submitted despite such reasonable policies and procedures, but with an appropriate flag identifying it as non-executable; such bid or offer would not be included in National Best Bid ("NBB") or National Best Offer ("NBO" and, together with the NBB, the "NBBO") calculations. In addition, the Exchange is required to develop, maintain, and enforce policies and procedures reasonably designed to prevent trades at prices outside the Price Bands, with the exception of single-priced opening, reopening, and closing transactions on the primary listing exchange.

In connection with the upcoming implementation of the Plan on April 8, 2013, the Exchange proposes to amend the following rules:

Order Execution (Rule 11.9)

The Exchange proposes to re-organize Rule 11.9 so that matters relevant to order execution would be covered in Rule 11.9(a), while matters relevant to order routing would be covered in Rule 11.9(b). Rules 11.9(a) and (b) would be structured so that each would contain subsections that would describe the manner

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[9]   As initially proposed by the Participants, the Percentage Parameters for Tier 1 NMS Stocks (i.e., stocks in the S&P 500 Index or Russell 1000 Index and certain ETPs) with a Reference Price of $1.00 or more would be five percent and less than $1.00 would be the lesser of (a) $0.15 or (b) 75 percent. The Percentage Parameters for Tier 2 NMS Stocks (i.e., all NMS Stocks other than those in Tier 1) with a Reference Price of $1.00 or more would be 10 percent and less than $1.00 would be the lesser of (a) $0.15 or (b) 75 percent. The Percentage Parameters for a Tier 2 NMS Stock that is a leveraged ETP would be the applicable Percentage Parameter set forth above multiplied by the leverage ratio of such product. On May 24, 2012, the Participants amended the Plan to create a 20% price band for Tier 1 and Tier 2 stocks with a Reference Price of $0.75 or more and up to and including $3.00. The Percentage Parameter for stocks with a Reference Price below $0.75 would be the lesser of (a) $0.15 or (b) 75 percent. See Securities Exchange Release No. 67091 (May 31, 2012), 77 FR 33498 (June 6, 2012).

by which execution and routing would be affected by the Plan, among other regulations. The Exchange proposes to add Rule 11.9(a)(3) that would provide particular details with regard to how the Plan would modify order behavior on the Exchange. Proposed Rule 11.9(a)(3) and its subparagraphs are described below.

Compliance with the Plan

The Exchange proposes to add Rule 11.9(a)(3), which would state that, except as provided in Section VI of the Plan,[10] for any executions to occur during Regular Trading Hours, such executions must occur at a price that is greater than or equal to the Lower Price Band and less than or equal to the Upper Price Band, when such Price Bands are disseminated.

Default Behavior for Non-Routable Orders Not Crossing the Price Bands

The Exchange proposes to add Rule 11.9(a)(3)(A), which would state that, when a non-routable buy (sell) order is entered into the System[11] at a price less (greater) than or equal to the Upper (Lower) Price Band, such order will be posted to the EDGX Book[12] or executed, unless (i) the order is an Immediate-or-Cancel ("IOC") Order,[13] in which case it will be cancelled if not executed, or (ii) the User[14] has entered instructions to cancel the order.

Default Behavior when a Non-Routable Buy (Sell) Order Arrives at a Price Higher (Lower) than the Upper (Lower) Price Band

The Exchange proposes to add Rule 11.9(a)(3)(B), which would state that, when a non-routable buy (sell) order arrives at a price greater (less) than the Upper (Lower) Price Band, the Exchange will re-price and display such buy (sell) order at the price of the Upper (Lower) Price Band.

Default Behavior when the Upper (Lower) Price Band Moves to a Price Higher (Lower) than a Resting Buy (Sell) Order's Displayed Posting Price

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[10]   Section VI(A)(1) of the Plan provides that "single-priced opening, reopening, and closing transactions on the Primary Listing Exchange, however, shall be excluded from this limitation. In addition, any transaction that both (i) does not update the last sale price (except if solely because the transaction was reported late), and (ii) is excepted or exempt from Rule 611 under Regulation NMS shall be excluded from this limitation."

[11]   As defined in Rule 1.5(cc).

[12]   As defined in Rule 1.5(d).

[13]   As defined in Rule 11.5(b)(1).

[14]   As defined in Rule 1.5(ee).

If the price of the Upper (Lower) Price Band moves above (below) a non-routable buy (sell) order's displayed posting price, such buy (sell) order will not be adjusted further and will remain posted at the original price at which it was posted to the EDGX Book.

Default Behavior when the Upper (Lower) Price Band Crosses a Resting Buy (Sell) Order's Displayed Posting Price

Proposed Rule 11.9(a)(3)(B) would also state that, when the Upper (Lower) Price Band crosses a non-routable buy (sell) order resting on the EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

Routable Market and Limit Orders

The Exchange proposes to add Rule 11.9(a)(3)(C), which would cross reference how routable market and limit orders would behave under the Plan[15]. The proposed order handling under the Plan would be set forth in proposed Rule 11.9(b)(1)(B) and described in the section entitled "Changes in Routing Behavior to Comply with the Plan," below.

Short Sale Behavior

The Exchange proposes to add Rule 11.9(a)(3)(D), which would describe how short sale orders would be re-priced in accordance with both Regulation SHO and the Plan. In particular, the proposed rule would state that, where a short sale order is entered into the System with a limit price below the Lower Price Band and a short sale price test restriction under Rule 201 of Regulation SHO ("short sale price test restriction") is in effect for the covered security, the System will re-price such order to the Lower Price Band as long as the Lower Price Band is at a Permitted Price.[16] When a short sale order is entered into the System with a limit price above the Lower Price Band and a short sale price test restriction is in effect for the covered security, the System will re-price such order, if necessary, at a Permitted Price pursuant to Rule 11.5(c)(4).

Example: Sell Short Order is priced at the Lower Price Band where the Lower Price Band is above the NBB

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[15] The Exchange notes that the behavior of stop orders and stop limit orders, as defined in Exchange Rule 1.5, are not specifically addressed in this filing as they are converted to market and limit orders when the stop price is elected and will then behave like market or limit orders, respectively, as described above.

[16] As defined in Rule 11.5(c)(4)(B).

Assume the NBBO is $10.00 by $10.10, the Price Bands[17] are $10.01 by $10.15, and the short sale price test restriction is in effect. A sell short order arrives to sell 100 shares at $10.00 and is displayed at $10.01. The sell short order will be allowed to be priced at the Lower Price Band so long as the Lower Price Band is above the NBB during the short sale price test restriction.

Policies and Procedures

The Exchange proposes to add Rule 11.9(a)(3)(E) to specify that pursuant to Section IV of the Plan, all Trading Centers[18] in NMS Stocks, including those operated by Members of the Exchange, shall establish maintain, and enforce written policies and procedures that are reasonably designed to comply with the requirements specified in Section VI of the Plan, and to comply with the Trading Pauses specified in Section VII of the Plan.

Applicability of the Plan to Specific Order Types

The following examples and descriptions demonstrate how Rules 11.9(a)(3)(A)-(C), as described above, will affect specific order functionality under the Plan.

Immediate-or-Cancel ("IOC") Orders

As described in proposed Rule 11.9(a)(3)(A), IOC Orders will be executed to the extent allowed within the Price Bands, and the portion not so executed will be cancelled.

In general, IOC and IOC Intermarket Sweep Orders[19] ("IOC ISO") will be handled the same way when the Price Bands are inside of the NBBO. Buy IOC/IOC ISOs will be executed up to the Upper Price Band and the remainder will be canceled back to the User. Sell IOC/IOC ISOs will be executed down to the Lower Price Band and the remainder will be canceled back to the User. IOC ISOs will be prevented from executing at prices that cross the Price Bands when the limit price of the ISO crosses a Price Band that is outside of the NBBO.

Example 1: Sell IOC Order Executes Down to the Lower Price Band

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[17] Note that Price Band prices used in all examples in this filing are for illustrative purposes only and do not reflect the method by which the actual Price Bands will be calculated in accordance with the Plan.

[18] As defined in Rule 2.11(a).

[19] ISO Orders are described in Exchange Rule 11.5(d) and defined under Regulation NMS. See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496 (June 29, 2005).

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $10.04 by $10.15. Three orders are placed: Order1 to buy 100 shares at $10.02; Order2 to buy 100 shares at $10.04; and an IOC Order to sell 200 shares at $10.02. The IOC Order will execute 100 shares at $10.04 against Order2 and the remaining 100 shares will be cancelled back to the User. The IOC Order cannot execute against Order1 because Order1 is priced below the Lower Price Band.

Example 2: Sell IOC ISO Executes through NBBO Down to the Lower Price
            Band

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.99 by $10.15. Three orders are placed: Order1 to buy 100 shares at $9.99; Order2 to buy 100 shares at $9.98; and an IOC ISO to sell 200 shares at $9.98. The IOC ISO will execute 100 shares at $9.99 against Order1 and the remaining 100 shares will be canceled back to the User. The IOC ISO cannot execute against Order2 because Order2 is priced below the Lower Price Band.

EDGX Only / Post Only Orders[20]

As described in proposed Rule 11.9(a)(3)(B), where a non-routable order such as a EDGX Only / Post Only buy (sell) Order is entered into the System at a price above (below) the Upper (Lower) Price Band, such buy (sell) order will be re-priced and displayed at the price of the Upper (Lower) Price Band. If the Upper (Lower) Price Band moves higher (lower) than the EDGX Only / Post Only buy (sell) Order's posting price, such buy (sell) order will not be adjusted further and will remain at the original price at which it was posted to the EDGX Book.

Example 1: EDGX Only / Post Only Order is entered into the System at a Price
            that Crosses the Price Bands

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.95 by $10.08. An EDGX Only / Post Only buy Order arrives at $10.09. The buy order will be re-priced, displayed and posted to the EDGX Book at $10.08, the price of the Upper Price Band.

Example 2: Price Band Moves Higher Than EDGX Only / Post Only Buy Order
            on the EDGX Book

Assume the same facts as in Example 1, but now the Price Bands adjust to $9.95 by $10.10. The buy order will not be adjusted further and will instead remain on the EDGX Book at $10.08, the original price at which it was posted to the EDGX Book.

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[20]   As defined in Rules 11.5(c)(4) and (5).

Changes in Routing Behavior to Comply with the Plan

The Exchange proposes to add Rule 11.9(b)(1)(B), which would describe how routing will function under the Plan and would be divided into three major subsections, detailed under the subheadings listed below.

Default Routing Behavior

The first major subsection, proposed Rule 11.9(b)(1)(B)(i), would describe how default routing behavior would function in accordance with the Plan and would state that, in order to comply with the Plan, a routable buy (sell) market or routable marketable limit order will be routed by the Exchange only when the NBO (NBB) is or becomes executable according to the Plan, which would be when the NBO is less than or equal to the Upper Price Band (NBB is greater than or equal to the Lower Price Band). According to the Plan, the NBO (NBB) is or becomes non-executable when the NBO is greater than the Upper Price Band (the NBB is less than the Lower Price Band) ("Non-Executable"). Proposed Rule 11.9(b)(1)(B)(i) would also state that, excluding routing strategies SWPA, SWPB and SWPC, for purposes of Rules 11.9(b)(1)(B)(i)(I) and (II), routing strategies that access all Protected Quotations include the following routing strategies as described in current Rule 11.9(b)(3) (proposed to be re-numbered Rule 11.9(b)(2)): ROUT, ROUX, ROUC, ROUE and ROOC. Routing strategies that do not access all Protected Quotations include all other routing strategies listed in current Rule 11.9(b)(3).

Routing strategies that access all Protected Quotations (other than SWPA, SWPB and SWPC) are designed to maximize liquidity with the intention to fully execute a marketable order. Routing strategies that do not access all Protected Quotations are designed with other objectives in mind and are not as likely to fully execute a marketable order because of the smaller number of liquidity sources accessed. For example, routing strategy ROUZ, which does not access all Protected Quotations, will only access dark pools after interacting with the EDGX Book and then post any remainder to the EDGX Book unless otherwise instructed by the User.

If a marketable order utilizing a routing strategy that accesses all Protected Quotations cannot be executed because the Upper (Lower) Price Band crosses the NBO (NBB) (i.e., the NBO/NBB is non-executable), the Exchange believes that, in order to fulfill the routing strategy's objective of maximizing liquidity and fully executing a marketable order, it is appropriate to re-price such order up to the order's limit price and re-route such order once the Upper (Lower) Price Band no longer crosses the NBO (NBB) (i.e., the NBO/NBB becomes executable).

Below are examples illustrating how default routing behavior will function in accordance with the Plan.[21]

Example: Buy Order Example where NBO is Above the Upper Price Band

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.95 by $10.05. Order1 arrives to buy 100 shares at $10.15; Order2 arrives to buy 100 shares as a market order. Neither Order1 nor Order2 will be routed because no buy orders will be routed when the NBO is above the Upper Price Band.

Routable Market Orders

Proposed Rule 11.9(b)(1)(B)(i) would contain two minor subsections, the first of which, proposed Rule 11.9(b)(1)(B)(i)(I), would describe routing behavior under the Plan applicable to routable market orders and would state that, for routing strategies that access all Protected Quotations, if the NBO (NBB) is Non-Executable and a buy (sell) market order is placed, the System will default to re-price such buy (sell) market order and display it at the price of the Upper (Lower) Price Band and will continue to re-price it to the price of the Upper (Lower) Price Band as the Upper (Lower) Price Band adjusts, so long as the buy (sell) market order does not move above (below) its market collar price, as defined in Rule 11.5(a)(2), or alternatively, such buy (sell) market order may be cancelled pursuant to User instruction. For all other routing strategies that do not access all Protected Quotations, routable market orders will not be re-priced and displayed at the price of the Upper (Lower) Price Band and will instead be cancelled if the NBO (NBB) is Non-Executable.

The rule further provides that if the Upper (Lower) Price Band crosses a routable buy (sell) order resting on the EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

Example 1: Buy Market Order where NBO is Above Upper Price Band

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.95 by $10.05. A routable buy market order arrives for 100 shares utilizing a routing strategy that accesses all Protected Quotations (e.g., ROUT). The buy order will not be routed as the NBO is Non-Executable (greater than the Upper Price Band) and will be posted and displayed at $10.05 or cancelled according to the User's instructions.

If the Price Bands move up after the initial re-price to $9.98 by $10.08, the buy order will be re-priced and displayed at $10.08. If the Price Bands move

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[21] All of the below examples in this section on changes to the behavior of routable orders as a result of compliance with the Plan assume that there is no liquidity on the EDGX Book.

down after the initial re-price to $9.92 by $10.02, the buy order will be re-priced and displayed at $10.02.

In the same example, if the buy market order arrives for 100 shares utilizing a routing strategy that does not access all Protected Quotations, such as ROCO, then the System will cancel the buy market order when the NBO is Non-Executable and will not re-price and display the order at the price of the Upper Price Band.

Example 2: Market Order is Re-Priced to Market Collar Price as a Result of Movement of the Price Bands

Assume the NBBO is $10.00 by $11.00, the Price Bands are $9.05 by $10.05 and the last sale was at $10.00. A market order arrives to buy 100 shares and is displayed at $10.05 with a market collar of $10.50. The Price Bands then change to $10.00 by $11.00. As a result, the market order is posted and displayed at its collar price of $10.50.

Routable Limit Orders

The second minor subsection, proposed Rule 11.9(b)(1)(B)(i)(II), would describe routing behavior under the Plan applicable to routable limit orders and would state that, if the price of (i) a routable buy (sell) limit order that is entered into the System or (ii) the unfilled balance of such order returned from routing to away Trading Centers is greater (less) than the Upper (Lower) Price Band and is ineligible for routing as a result of the NBO (NBB) being or having become Non-Executable, then the System will default to re-price such buy (sell) order and display it at the price of the Upper (Lower) Price Band, or alternatively, it may be cancelled pursuant to User instruction. For routing strategies that access all Protected Quotations, if the Upper (Lower) Price Band subsequently moves above (below) the routable buy (sell) order's posting price, such routable order will continue to be re-priced to the Upper (Lower) Price Band until the order reaches its limit price. For all other routing strategies that do not access all Protected Quotations, the routable order will not be re-priced to a price above (below) the original price at which it was posted to the EDGX Book.

The rule further provides that if the Upper (Lower) Price Band crosses a routable buy (sell) order resting on the EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

Example 1: Sell Limit Order that accesses all Protected Quotations where NBB is Below Lower Price Band

Assume the NBBO is $10.02 by $10.10 and the Price Bands are $10.04 by $10.15. A routable sell order arrives for 100 shares at $10.01 utilizing a routing strategy that accesses all Protected Quotations (e.g., ROUT). The sell order will

not be routed and will be posted and displayed at $10.04 or cancelled according to the User's instructions.

If the Lower Price Band moves up after the initial re-price to $10.06 by $10.16, the order will be re-priced to display at $10.06. If the Lower Price Band moves down after the initial re-price to $10.03 by $10.13, the order will be re-priced to display at $10.03.

Example 2: Sell Limit Order that does not access all Protected Quotations

Assume the NBBO is $10.02 by $10.10 and the Price Bands are $10.04 by $10.15. A routable sell order arrives for 100 shares at $10.01 utilizing a routing strategy that does not access all Protected Quotations (e.g., ROUZ). The sell order will not be routed and will instead be posted and displayed at $10.04 or cancelled according to the User's instructions.

If the Lower Price Band moves up to $10.06 by $10.16 after the initial re-price, the order will be re-priced and displayed at $10.06. If the Lower Price Band moves down to $10.03 by $10.13 after the initial re-price, the order will be re-priced and displayed at $10.04, the original price at which it was posted to the EDGX Book.

Re-Routing Behavior

The second major subsection, proposed Rule 11.9(b)(1)(B)(ii), would describe how re-routing will function under the Plan and would state that, for routing strategies that access all Protected Quotations, when the Upper (Lower) Price Band adjusts such that the NBO (NBB) becomes executable, a routable buy (sell) market or marketable limit order will be eligible to be re-routed by the Exchange.

Example 1: Routing Buy Order when NBO Becomes Executable

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.94 by $10.09. A routable buy market order arrives for 100 shares utilizing a routing strategy that accesses all Protected Quotations (e.g., ROUT).[22] The buy order will not be routed and will instead be posted and displayed at $10.09. The Price Bands change to $9.95 by $10.10. The order will be routed since the NBO is now executable.

Example 2: Routing Sell Order when NBB Becomes Executable

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[22]   If, for example, a routing strategy that does not access all Protected Quotations, such as ROUZ, is elected by the User, the order is not re-routed and remains posted on the EDGX Book.

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $10.05 by $10.15. A routable sell order arrives for 100 shares at $9.99 utilizing a routing strategy that accesses all Protected Quotations (e.g., ROUT). The sell order will be re-priced and displayed at $10.05. The Price Bands then change to $9.98 by $10.10. The sell order will be routed since the NBB is now executable.

<u>Behavior of Orders Utilizing SWP Routing Strategies</u>

The third and final major subsection, Rule 11.9(b)(1)(B)(iii), would describe how orders utilizing routing strategies SWPA, SWPB and SWPC[23] (together, "SWP routing strategies") will function under the Plan and would state that the System will immediately cancel orders utilizing a SWP routing strategy when an order to buy utilizing an SWP routing strategy has a limit price that is greater than the Upper Price Band or if a sell order utilizing an SWP routing strategy has a limit price that is less than the Lower Price Band. The following examples illustrate how an order utilizing a SWP routing strategy (an "SWP order") would behave in accordance with the Plan:

Example 1: Buy SWP Limit Price Crosses the Upper Price Band (Price Band Inside the NBBO)

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $10.00 by $10.08. A SWP order is placed to buy 100 shares at $10.10. The order is rejected immediately because its $10.10 limit price crosses the Upper Price Band.

Example 2: Buy SWP Limit Price Crosses the Upper Price Band (Price Band Outside the NBBO)

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.95 by $10.11. A SWP order is placed to buy 100 shares at $10.12. The order is rejected immediately because its $10.12 limit price crosses the Upper Price Band.

Example 3: Buy SWP Limit Price is the same as the price of the Upper Price Band (Price Band Outside the NBBO)

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.95 by $10.11. A SWP order is placed to buy 100 shares at $10.11. The order is executed and ISOs can be routed out since the limit of $10.11 is equal to the Upper Price Band.

<u>Miscellaneous Organizational Amendments to Rule 11.9</u>

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[23] Rules 11.9(b)(3)(o), (p) and (q) define SWPA, SWPB and SWPC routing strategies, respectively.

The Exchange proposes to add Rule 11.9(a)(1) (Compliance with Regulation SHO), which would contain unchanged text from current Rule 11.9(a) relevant to compliance with Regulation SHO. The Exchange proposes to add Rule 11.9(a)(2) (Compliance with Regulation NMS), which would contain unchanged text from current Rule 11.9(a) relevant to compliance with Regulation NMS. The Exchange proposes to re-number current Rule 11.9(a)(1) (Execution against EDGX Book) to new Rule 11.9(a)(4). The text of the rule would remain unchanged.

The Exchange proposes to rename current Rule 11.9(b) (Execution and Routing) to Rule 11.9(b) (Routing). The Exchange proposes to add Rule 11.9(b)(1), which would contain text in current Rule 11.9(b)(2) with regard to routing to away trading centers. The text of the rule will remain unchanged aside from updated cross references. The Exchange also proposes to add Rule 11.9(b)(1)(A), which would contain unchanged text in current Rule 11.9(b)(2) relevant to Regulation SHO. The Exchange proposes to add new Rules 11.9(b)(1)(C) and (D), which would contain the unchanged text of current Rules 11.9(b)(2)(A) and (B), respectively. Lastly, the Exchange proposes to re-number current Rule 11.9(b)(3) to new Rule 11.9(b)(2). The text of the rule will remain unchanged.

Orders and Modifiers (Rule 11.5)

The Exchange proposes to amend cross references in Rules 11.5(a)(2), 11.5(c)(4) – (10), and 11.5(d)(1) in response to the re-numbering of subsections within Rule 11.9, as discussed in detail above.

Mid-Point Match Orders

The Exchange proposes to amend Rule 11.5(c)(7) to describe the behavior of Mid-Point Match ("MPM") Orders[24] under the Plan.

The Exchange believes that, when a Protected Quotation[25] is crossed by the Price Bands and all Trading Centers have not yet replaced their quotes to re-align them with the Price Bands, the integrity of the NBBO is compromised. In such circumstances, the Exchange believes that it is fair and reasonable to shut down all midpoint trading until the Protected Quotation(s) is(are) no longer crossed by the Price Bands.

In addition, pursuant to Rule 11.9(a)(3), MPM Orders will not trade with any other orders when the midpoint of the NBBO is below the Lower Price Band or above the Upper Price Band since MPM Orders only execute at the midpoint of

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[24]   As defined in Rule 11.5(c)(7).

[25]   As defined in Rule 11.5(v).

the NBBO. MPM Orders will continue to execute at the midpoint of the NBBO as long as the execution price is between the Lower and Upper Price Bands.

Example 1: MPM Order Does Not Trade when Upper Price Band Crosses
            Protected Bids from other Exchanges

        Assume the NBBO is $10.00 by $10.01 and the Price Bands are $9.02 by $10.02. The best bids are $10.00 at NYSE, $10.00 at BATS and $9.95 at ARCA. Order1 is placed to Sell 100 shares at $9.95 as a MPM Order. The Price Bands then change to $8.99 by $9.99 and the NBBO changes to $9.95 by $10.01 (BATS and NYSE's best bids are excluded from the NBBO by the SIP and neither exchange has yet submitted new quotes to the SIP). Order2 is placed to buy 100 shares at $9.99. Order2 does not trade with Order1 and remains posted on the EDGX Book at $9.99.

Example 2: MPM Orders Cannot Trade when the Price Band is Crossing the
            Midpoint of the NBBO

        Assume the NBBO is $10.00 by $10.10 and the Price Bands are $10.00 by $10.04. A MPM Order is placed to buy 100 shares at $11.00 and posted at $10.05. A MPM Order is placed to sell 100 shares at $10.00. The MPM Orders cannot trade at $10.05 because the Upper Price Band is crossing the midpoint of the NBBO. Both orders will remain posted on the EDGX Book at $10.05. No execution will occur between the orders until the Upper Price Band no longer crosses the midpoint of the NBBO.

Priority of Orders (Rule 11.8)

        The Exchange proposes to add new Rule 11.8(a)(8), which would state that when a Price Band crosses an order resting on the EDGX Book, such order will be provided a new time stamp[26] and prioritized based on its existing time stamp at the time the new Price Bands are established. Furthermore, if an order is resting on the Book at a price equal to the Upper (Lower) Price Band, such order will not be re-priced, but will be provided a new time stamp and prioritized based on its existing time stamp at the time the new Price Bands are established.

        The Exchange views this method of retaining priority based on time as being the method that is most fair to its Members and subject to the least amount of manipulation. The Exchange believes that time priority is a superior approach to price priority because under a time priority approach, it would be more difficult for certain Members to price their orders on the EDGA Book in a way that gives them a potential priority advantage when such orders are subsequently re-priced by a Price Band crossing the price at which such orders reside on the Book.

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[26]   A new time stamp enables the Exchange's System to record every time an order is re-priced.

The following examples demonstrate how order priority will be affected by the Plan.

Example 1: Price Band Crosses Orders Resting on the EDGX Book

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.95 by $10.15. Two orders are placed: Order1 arrives to buy 100 shares at $10.05 and then Order2 arrives to buy 100 shares at $10.08. The Price Bands change to $9.95 by $10.05 and Order2 is re-priced to $10.05 as a result of the adjustment of the Upper Price Band. Order3 is then placed to sell 100 shares at $10.05. Order1 will trade with Order3. Initially, Order2 will have price priority while the Price Bands are outside of the NBBO. However, after the Price Bands adjust, Order1 will have priority based on its existing time stamp at the time the new Price Bands were established.

Example 2: Price Band Crosses Orders Resting on the EDGX Book

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.95 by $10.15. Two orders are placed: Order1 arrives to buy 100 shares at $10.08 and then Order2 arrives to buy 100 shares at $10.05. The Price Bands change to $9.95 by $10.05 and Order1 is re-priced to $10.05 as a result of the adjustment of the Upper Price Band. Order3 is then placed to sell 100 shares at $10.05. Order1 will trade with Order3 because it retains its priority based on its existing time stamp at the time the new Price Bands were established. When the Price Bands adjusted, both Order1 and Order2 obtained new time stamps and retained priority based on the time stamps that existed relative to one another at the time the new Price Bands were established.

Definitions (Rule 1.5)

The Exchange proposes to add new Rule 1.5(gg), which would define the term the "Plan" to mean The National Market System Plan to Address Extraordinary Market Volatility as well as state that a number of terms used in the Rules and related to the Plan shall have the definitions and meanings ascribed to them under the Plan.

Trading Halts Due to Extraordinary Market Volatility (Rule 11.14)

The Exchange proposes to amend Rule 11.14(d) (individual stock trading pauses) to explain how the rule will operate during the phased implementation of the Plan. Currently, under Rule 11.14(d), if a primary listing market issues an individual stock trading pause in any NMS stock, the Exchange will pause trading in that security until trading has resumed on the primary listing market. If, however, trading has not resumed on the primary listing market and ten minutes have passed since the individual stock trading pause message has been received

from the responsible single plan processor, the Exchange may resume trading in such stock. During Phase 1 of the Plan, an individual stock trading pause in Tier 1 NMS Stocks that are subject to the requirements of the Plan shall be subject to the Plan. Tier 1 NMS Stocks not yet subject to the requirements of the Plan and Tier 2 NMS Stocks shall be subject to the requirements set forth in paragraph (d) of Rule 11.14. Once the Plan has been fully implemented and all NMS stocks are subject to the Plan, Rule 11.14(d) will no longer apply.

(b)   Statutory Basis

        The statutory basis for the proposed rule change is Section 6(b)(5) of the Act,[27] which requires the rules of an exchange to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest. The Exchange believes that the proposed rule change meets these requirements in that it seeks to promote the efficient execution of investor transactions, and thus strengthen investor confidence, over the long term by providing additional transparency regarding the order handling procedures employed by the Exchange and certain obligations of Members when sending orders to the Exchange consistent with the Plan. The Exchange also believes that the proposed amendments to Rules 11.8 and 11.9 will assist Users in executing or displaying their orders consistent with the Plan, especially under fast moving conditions where the Price Bands and NBBO are quickly updating.   In addition, Users can choose to use an IOC Order or opt out of certain default re-pricing processes, as described in proposed Rules 11.9(b)(3) and 11.9(b)(1)(B)(i)(I – II), that re-price a buy (sell) order to the price of the Upper (Lower) Price Band. If Users choose to do so, the Exchange will instead cancel their orders instead as per User instructions.

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

        The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that its rules are comparable, in part, with re-pricing and cancellation processes offered by other exchanges in response to the Plan. The Exchange also believes that there is no impact on competition as analogous rule changes are being filed by all Participants to the Plan and the Plan itself was developed and jointly filed by all Participants in the first instance.

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[27]   15 U.S.C. 78f(b)(5).

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

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

6.   Extension of Time Period for Commission Action

          Not applicable.

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

          The foregoing rule change has become effective pursuant to Section
19(b)(3)(A)[28] of the Act and Rule 19b-4(f)(6)[29] thereunder. The proposed rule
change effects a change that (A) does not significantly affect the protection of
investors or the public interest; (B) does not impose any significant burden on
competition; and (C) by its terms, does not become operative for thirty (30) days
after the date of the filing, or such shorter time as the Commission may designate
if consistent with the protection of investors and the public interest; provided that
the self-regulatory organization has given the Commission written notice of its
intent to file the proposed rule change, along with a brief description and text of
the proposed rule change, at least five (5) business days prior to the date of filing
of the proposed rule change, or such shorter time as designated by the
Commission.

          The Exchange provided the Commission with written notice of its intent to
file the proposed rule change, along with a brief description and text of the
proposed rule change, at least five business days prior to the date of filing.[30] The
Exchange has satisfied this requirement.

          The Exchange believes that this proposal is non-controversial in that the
proposed rule change is designed to comply with the requirements of the Plan that
was jointly developed by Participants, such as the Exchange and other national
securities exchanges, and approved by the Commission.

          For the foregoing reasons, this rule filing qualifies for immediate
effectiveness as a "non-controversial" rule change under paragraph (f)(6) of Rule
19b-4.[31]

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[28]   15 U.S.C. 78s(b)(3)(A).

[29]   17 CFR 240.19b-4(f)(6).

[30]   17 CFR 240.19b-4(f)(6)(iii).

[31]   17 CFR 240.19b-4(f)(6).

Based on the foregoing, the Exchange believes that its proposal should become immediately effective.

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

(a) – (e) Not applicable.

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

(a) – (e) Not applicable.

11.   Exhibits

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

Exhibit 5 – Text of Proposed Rules.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-   ; File No. SR-EDGX-2013-08)

[Date]

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate
Effectiveness of Proposed Rule Change to Amend EDGX Rules 1.5, 11.5, 11.8, 11.9 and
11.14 in connection with the implementation of the National Market System Plan to
Address Extraordinary Market Volatility

      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 February 13, 2013, 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 Rules 1.5, 11.5, 11.8, 11.9 and 11.14 regarding

the implementation of the National Market System Plan to Address Extraordinary

Market Volatility (as amended, the "Plan") as approved by the Securities and Exchange

Commission (the "Commission").[3] All of the changes described herein are applicable to

EDGX Members. The text of the proposed rule change is available on the Exchange's

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[1]   15 U.S.C. 78s(b)(1).

[2]   17 CFR 240.19b-4.

[3]   See Securities Exchange Release No. 67091 (May 31, 2012), 77 FR 33498 (June
      6, 2012) (approving the Plan on a pilot basis).

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

EDGX proposes to amend Rules 1.5, 11.5, 11.8, 11.9 and 11.14 in connection

with the implementation of the Plan.

       Background

On April 5, 2011, NYSE Euronext, on behalf of the New York Stock Exchange

LLC ("NYSE"), NYSE Amex LLC, and NYSE Arca, Inc. ("Arca"), and the following

parties to the Plan: BATS Exchange, Inc., BATS Y-Exchange, Inc. (together, "BATS"),

Chicago Board Options Exchange, Incorporated, Chicago Stock Exchange, Inc., EDGX,

EDGA Exchange, Inc., Financial Industry Regulatory Authority, Inc., NASDAQ OMX

BX, Inc., NASDAQ OMX PHLX LLC, the Nasdaq Stock Market LLC, and National

Stock Exchange, Inc. (collectively with NYSE, NYSE MKT, and Arca, the

"Participants"), filed with the Commission pursuant to Section 11A of the Securities

Exchange Act of 1934 ("Act"),[4] and Rule 608 thereunder,[5] the Plan to create a market-wide limit up-limit down ("LULD") mechanism that is intended to address extraordinary market volatility in NMS Stocks.[6] The Plan sets forth procedures that provide for market-wide LULD requirements that would be designed to prevent trades in individual NMS Stocks from occurring outside of specified price bands. These LULD requirements would be coupled with trading pauses[7] to accommodate more fundamental price moves (as opposed to erroneous trades or momentary gaps in liquidity).

The price bands would consist of a Lower Price Band (the "Lower Price Band") and an Upper Price Band (the "Upper Price Band" – each a "Price Band" and, together with the Lower Price Band, the "Price Bands") for each NMS Stock. The Price Bands would be calculated by the Securities Information Processors (the "SIP" or "Processors") responsible for consolidation of information for an NMS Stock pursuant to Rule 603(b) of Regulation NMS under the Act.[8] The Price Bands would be based on a Reference Price[9] that equals the arithmetic mean price of Eligible Reported Transactions[10] for the NMS Stock over the immediately preceding five-minute period. The Price Bands for an

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[4]   15 U.S.C. 78k-1.

[5]   17 CFR 242.608.

[6]   See Letter from Janet M. McGinness, Senior Vice President, Legal and Corporate Secretary, NYSE Euronext, to Elizabeth M. Murphy, Secretary, Commission, dated April 5, 2011 ("Transmittal Letter"). The term "NMS Stock" shall have the meaning provided in Rule 600(b)(47) of Regulation NMS under the Act.

[7]   As defined in Section I(X) of the Plan.

[8]   17 CFR 242.603(b).

[9]   As defined in Section I(T) of the Plan.

[10]   As defined in the proposed Plan, Eligible Reported Transactions would have the meaning prescribed by the Operating Committee for the proposed Plan, and generally mean transactions that are eligible to update the sale price of an NMS Stock.

NMS Stock would be calculated by applying the Percentage Parameter[11] for such NMS

Stock to the Reference Price, with the Lower Price Band being a Percentage Parameter

below the Reference Price, and the Upper Price Band being a Percentage Parameter

above the Reference Price. Between 9:30 a.m. and 9:45 a.m. ET and 3:35 p.m. and 4:00

p.m. ET, the Price Bands would be calculated by applying double the Percentage

Parameters.

Under the Plan, the Exchange is required to establish, maintain, and enforce

written policies and procedures reasonably designed to prevent the display of offers

below the Lower Price Band and bids above the Upper Price Band for an NMS Stock.

The Processors would disseminate an offer below the Lower Price Band or bid above the

Upper Price Band that nevertheless inadvertently may be submitted despite such

reasonable policies and procedures, but with an appropriate flag identifying it as non-

executable; such bid or offer would not be included in National Best Bid ("NBB") or

National Best Offer ("NBO" and, together with the NBB, the "NBBO") calculations. In

addition, the Exchange is required to develop, maintain, and enforce policies and

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[11]   As initially proposed by the Participants, the Percentage Parameters for Tier 1
         NMS Stocks (i.e., stocks in the S&P 500 Index or Russell 1000 Index and certain
         ETPs) with a Reference Price of $1.00 or more would be five percent and less
         than $1.00 would be the lesser of (a) $0.15 or (b) 75 percent. The Percentage
         Parameters for Tier 2 NMS Stocks (i.e., all NMS Stocks other than those in Tier
         1) with a Reference Price of $1.00 or more would be 10 percent and less than
         $1.00 would be the lesser of (a) $0.15 or (b) 75 percent. The Percentage
         Parameters for a Tier 2 NMS Stock that is a leveraged ETP would be the
         applicable Percentage Parameter set forth above multiplied by the leverage ratio
         of such product. On May 24, 2012, the Participants amended the Plan to create a
         20% price band for Tier 1 and Tier 2 stocks with a Reference Price of $0.75 or
         more and up to and including $3.00. The Percentage Parameter for stocks with a
         Reference Price below $0.75 would be the lesser of (a) $0.15 or (b) 75 percent.
         See Securities Exchange Release No. 67091 (May 31, 2012), 77 FR 33498 (June
         6, 2012).

procedures reasonably designed to prevent trades at prices outside the Price Bands, with

the exception of single-priced opening, reopening, and closing transactions on the

primary listing exchange.

In connection with the upcoming implementation of the Plan on April 8, 2013, the

Exchange proposes to amend the following rules:

Order Execution (Rule 11.9)

The Exchange proposes to re-organize Rule 11.9 so that matters relevant to order

execution would be covered in Rule 11.9(a), while matters relevant to order routing

would be covered in Rule 11.9(b). Rules 11.9(a) and (b) would be structured so that each

would contain subsections that would describe the manner by which execution and

routing would be affected by the Plan, among other regulations. The Exchange proposes

to add Rule 11.9(a)(3) that would provide particular details with regard to how the Plan

would modify order behavior on the Exchange. Proposed Rule 11.9(a)(3) and its

subparagraphs are described below.

Compliance with the Plan

The Exchange proposes to add Rule 11.9(a)(3), which would state that, except as

provided in Section VI of the Plan,[12] for any executions to occur during Regular Trading

Hours, such executions must occur at a price that is greater than or equal to the Lower

Price Band and less than or equal to the Upper Price Band, when such Price Bands are

disseminated.

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[12]   Section VI(A)(1) of the Plan provides that "single-priced opening, reopening, and
        closing transactions on the Primary Listing Exchange, however, shall be excluded
        from this limitation. In addition, any transaction that both (i) does not update the
        last sale price (except if solely because the transaction was reported late), and (ii)
        is excepted or exempt from Rule 611 under Regulation NMS shall be excluded
        from this limitation."

Default Behavior for Non-Routable Orders Not Crossing the Price Bands

The Exchange proposes to add Rule 11.9(a)(3)(A), which would state that, when a

non-routable buy (sell) order is entered into the System[13] at a price less (greater) than or

equal to the Upper (Lower) Price Band, such order will be posted to the EDGX Book[14] or

executed, unless (i) the order is an Immediate-or-Cancel ("IOC") Order,[15] in which case

it will be cancelled if not executed, or (ii) the User[16] has entered instructions to cancel the

order.

Default Behavior when a Non-Routable Buy (Sell) Order Arrives at a Price
Higher (Lower) than the Upper (Lower) Price Band

The Exchange proposes to add Rule 11.9(a)(3)(B), which would state that, when a

non-routable buy (sell) order arrives at a price greater (less) than the Upper (Lower) Price

Band, the Exchange will re-price and display such buy (sell) order at the price of the

Upper (Lower) Price Band.

Default Behavior when the Upper (Lower) Price Band Moves to a Price Higher
(Lower) than a Resting Buy (Sell) Order's Displayed Posting Price

If the price of the Upper (Lower) Price Band moves above (below) a non-routable

buy (sell) order's displayed posting price, such buy (sell) order will not be adjusted

further and will remain posted at the original price at which it was posted to the EDGX

Book.

Default Behavior when the Upper (Lower) Price Band Crosses a Resting Buy
(Sell) Order's Displayed Posting Price

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[13]   As defined in Rule 1.5(cc).

[14]   As defined in Rule 1.5(d).

[15]   As defined in Rule 11.5(b)(1).

[16]   As defined in Rule 1.5(ee).

Proposed Rule 11.9(a)(3)(B) would also state that, when the Upper (Lower) Price Band crosses a non-routable buy (sell) order resting on the EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

Routable Market and Limit Orders

The Exchange proposes to add Rule 11.9(a)(3)(C), which would cross reference how routable market and limit orders would behave under the Plan[17]. The proposed order handling under the Plan would be set forth in proposed Rule 11.9(b)(1)(B) and described in the section entitled "Changes in Routing Behavior to Comply with the Plan," below.

Short Sale Behavior

The Exchange proposes to add Rule 11.9(a)(3)(D), which would describe how short sale orders would be re-priced in accordance with both Regulation SHO and the Plan. In particular, the proposed rule would state that, where a short sale order is entered into the System with a limit price below the Lower Price Band and a short sale price test restriction under Rule 201 of Regulation SHO ("short sale price test restriction") is in effect for the covered security, the System will re-price such order to the Lower Price Band as long as the Lower Price Band is at a Permitted Price.[18] When a short sale order is entered into the System with a limit price above the Lower Price Band and a short sale price test restriction is in effect for the covered security, the System will re-price such order, if necessary, at a Permitted Price pursuant to Rule 11.5(c)(4).

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[17] The Exchange notes that the behavior of stop orders and stop limit orders, as defined in Exchange Rule 1.5, are not specifically addressed in this filing as they are converted to market and limit orders when the stop price is elected and will then behave like market or limit orders, respectively, as described above.

[18] As defined in Rule 11.5(c)(4)(B).

Example: Sell Short Order is priced at the Lower Price Band where the Lower Price
Band is above the NBB

Assume the NBBO is $10.00 by $10.10, the Price Bands[19] are $10.01 by $10.15,

and the short sale price test restriction is in effect. A sell short order arrives to sell 100

shares at $10.00 and is displayed at $10.01. The sell short order will be allowed to be

priced at the Lower Price Band so long as the Lower Price Band is above the NBB during

the short sale price test restriction.

Policies and Procedures

The Exchange proposes to add Rule 11.9(a)(3)(E) to specify that pursuant to

Section IV of the Plan, all Trading Centers[20] in NMS Stocks, including those operated by

Members of the Exchange, shall establish maintain, and enforce written policies and

procedures that are reasonably designed to comply with the requirements specified in

Section VI of the Plan, and to comply with the Trading Pauses specified in Section VII of

the Plan.

Applicability of the Plan to Specific Order Types

The following examples and descriptions demonstrate how Rules 11.9(a)(3)(A)-

(C), as described above, will affect specific order functionality under the Plan.

Immediate-or-Cancel ("IOC") Orders

As described in proposed Rule 11.9(a)(3)(A), IOC Orders will be executed to the

extent allowed within the Price Bands, and the portion not so executed will be cancelled.

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[19]   Note that Price Band prices used in all examples in this filing are for illustrative
        purposes only and do not reflect the method by which the actual Price Bands will
        be calculated in accordance with the Plan.

[20]   As defined in Rule 2.11(a).

In general, IOC and IOC Intermarket Sweep Orders[21] ("IOC ISO") will be

handled the same way when the Price Bands are inside of the NBBO. Buy IOC/IOC

ISOs will be executed up to the Upper Price Band and the remainder will be canceled

back to the User. Sell IOC/IOC ISOs will be executed down to the Lower Price Band

and the remainder will be canceled back to the User. IOC ISOs will be prevented from

executing at prices that cross the Price Bands when the limit price of the ISO crosses a

Price Band that is outside of the NBBO.

Example 1: Sell IOC Order Executes Down to the Lower Price Band

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $10.04 by

$10.15. Three orders are placed: Order1 to buy 100 shares at $10.02; Order2 to buy 100

shares at $10.04; and an IOC Order to sell 200 shares at $10.02. The IOC Order will

execute 100 shares at $10.04 against Order2 and the remaining 100 shares will be

cancelled back to the User. The IOC Order cannot execute against Order1 because

Order1 is priced below the Lower Price Band.

Example 2: Sell IOC ISO Executes through NBBO Down to the Lower Price Band

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.99 by $10.15.

Three orders are placed: Order1 to buy 100 shares at $9.99; Order2 to buy 100 shares at

$9.98; and an IOC ISO to sell 200 shares at $9.98. The IOC ISO will execute 100 shares

at $9.99 against Order1 and the remaining 100 shares will be canceled back to the User.

The IOC ISO cannot execute against Order2 because Order2 is priced below the Lower

Price Band.

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[21]   ISO Orders are described in Exchange Rule 11.5(d) and defined under Regulation
        NMS. See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR
        37496 (June 29, 2005).

EDGX Only / Post Only Orders[22]

As described in proposed Rule 11.9(a)(3)(B), where a non-routable order such as a EDGX Only / Post Only buy (sell) Order is entered into the System at a price above (below) the Upper (Lower) Price Band, such buy (sell) order will be re-priced and displayed at the price of the Upper (Lower) Price Band. If the Upper (Lower) Price Band moves higher (lower) than the EDGX Only / Post Only buy (sell) Order's posting price, such buy (sell) order will not be adjusted further and will remain at the original price at which it was posted to the EDGX Book.

Example 1: EDGX Only / Post Only Order is entered into the System at a Price that Crosses the Price Bands

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.95 by $10.08. An EDGX Only / Post Only buy Order arrives at $10.09. The buy order will be re-priced, displayed and posted to the EDGX Book at $10.08, the price of the Upper Price Band.

Example 2: Price Band Moves Higher Than EDGX Only / Post Only Buy Order on the EDGX Book

Assume the same facts as in Example 1, but now the Price Bands adjust to $9.95 by $10.10. The buy order will not be adjusted further and will instead remain on the EDGX Book at $10.08, the original price at which it was posted to the EDGX Book.

Changes in Routing Behavior to Comply with the Plan

The Exchange proposes to add Rule 11.9(b)(1)(B), which would describe how routing will function under the Plan and would be divided into three major subsections, detailed under the subheadings listed below.

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[22]   As defined in Rules 11.5(c)(4) and (5).

Default Routing Behavior

The first major subsection, proposed Rule 11.9(b)(1)(B)(i), would describe how

default routing behavior would function in accordance with the Plan and would state that,

in order to comply with the Plan, a routable buy (sell) market or routable marketable limit

order will be routed by the Exchange only when the NBO (NBB) is or becomes

executable according to the Plan, which would be when the NBO is less than or equal to

the Upper Price Band (NBB is greater than or equal to the Lower Price Band).

According to the Plan, the NBO (NBB) is or becomes non-executable when the NBO is

greater than the Upper Price Band (the NBB is less than the Lower Price Band) ("Non-

Executable"). Proposed Rule 11.9(b)(1)(B)(i) would also state that, excluding routing

strategies SWPA, SWPB and SWPC, for purposes of Rules 11.9(b)(1)(B)(i)(I) and (II),

routing strategies that access all Protected Quotations include the following routing

strategies as described in current Rule 11.9(b)(3) (proposed to be re-numbered Rule

11.9(b)(2)): ROUT, ROUX, ROUC, ROUE and ROOC. Routing strategies that do not

access all Protected Quotations include all other routing strategies listed in current Rule

11.9(b)(3).

Routing strategies that access all Protected Quotations (other than SWPA, SWPB

and SWPC) are designed to maximize liquidity with the intention to fully execute a

marketable order. Routing strategies that do not access all Protected Quotations are

designed with other objectives in mind and are not as likely to fully execute a marketable

order because of the smaller number of liquidity sources accessed. For example, routing

strategy ROUZ, which does not access all Protected Quotations, will only access dark

pools after interacting with the EDGX Book and then post any remainder to the EDGX

Book unless otherwise instructed by the User.

If a marketable order utilizing a routing strategy that accesses all Protected

Quotations cannot be executed because the Upper (Lower) Price Band crosses the NBO

(NBB) (i.e., the NBO/NBB is non-executable), the Exchange believes that, in order to

fulfill the routing strategy's objective of maximizing liquidity and fully executing a

marketable order, it is appropriate to re-price such order up to the order's limit price and

re-route such order once the Upper (Lower) Price Band no longer crosses the NBO

(NBB) (i.e., the NBO/NBB becomes executable).

Below are examples illustrating how default routing behavior will function in

accordance with the Plan.[23]

Example: Buy Order Example where NBO is Above the Upper Price Band

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.95 by $10.05.

Order1 arrives to buy 100 shares at $10.15; Order2 arrives to buy 100 shares as a market

order. Neither Order1 nor Order2 will be routed because no buy orders will be routed

when the NBO is above the Upper Price Band.

<u>Routable Market Orders</u>

Proposed Rule 11.9(b)(1)(B)(i) would contain two minor subsections, the first of

which, proposed Rule 11.9(b)(1)(B)(i)(I), would describe routing behavior under the Plan

applicable to routable market orders and would state that, for routing strategies that

access all Protected Quotations, if the NBO (NBB) is Non-Executable and a buy (sell)

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[23]   All of the below examples in this section on changes to the behavior of routable
         orders as a result of compliance with the Plan assume that there is no liquidity on
         the EDGX Book.

market order is placed, the System will default to re-price such buy (sell) market order and display it at the price of the Upper (Lower) Price Band and will continue to re-price it to the price of the Upper (Lower) Price Band as the Upper (Lower) Price Band adjusts, so long as the buy (sell) market order does not move above (below) its market collar price, as defined in Rule 11.5(a)(2), or alternatively, such buy (sell) market order may be cancelled pursuant to User instruction. For all other routing strategies that do not access all Protected Quotations, routable market orders will not be re-priced and displayed at the price of the Upper (Lower) Price Band and will instead be cancelled if the NBO (NBB) is Non-Executable.

The rule further provides that if the Upper (Lower) Price Band crosses a routable buy (sell) order resting on the EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

Example 1: Buy Market Order where NBO is Above Upper Price Band

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.95 by $10.05. A routable buy market order arrives for 100 shares utilizing a routing strategy that accesses all Protected Quotations (e.g., ROUT). The buy order will not be routed as the NBO is Non-Executable (greater than the Upper Price Band) and will be posted and displayed at $10.05 or cancelled according to the User's instructions.

If the Price Bands move up after the initial re-price to $9.98 by $10.08, the buy order will be re-priced and displayed at $10.08. If the Price Bands moves down after the initial re-price to $9.92 by $10.02, the buy order will be re-priced and displayed at $10.02.

In the same example, if the buy market order arrives for 100 shares utilizing a

routing strategy that does not access all Protected Quotations, such as ROCO, then the

System will cancel the buy market order when the NBO is Non-Executable and will not

re-price and display the order at the price of the Upper Price Band.

Example 2: Market Order is Re-Priced to Market Collar Price as a Result of
              Movement of the Price Bands

Assume the NBBO is $10.00 by $11.00, the Price Bands are $9.05 by $10.05 and

the last sale was at $10.00. A market order arrives to buy 100 shares and is displayed at

$10.05 with a market collar of $10.50. The Price Bands then change to $10.00 by

$11.00. As a result, the market order is posted and displayed at its collar price of $10.50.

Routable Limit Orders

The second minor subsection, proposed Rule 11.9(b)(1)(B)(i)(II), would describe

routing behavior under the Plan applicable to routable limit orders and would state that, if

the price of (i) a routable buy (sell) limit order that is entered into the System or (ii) the

unfilled balance of such order returned from routing to away Trading Centers is greater

(less) than the Upper (Lower) Price Band and is ineligible for routing as a result of the

NBO (NBB) being or having become Non-Executable, then the System will default to re-

price such buy (sell) order and display it at the price of the Upper (Lower) Price Band, or

alternatively, it may be cancelled pursuant to User instruction. For routing strategies that

access all Protected Quotations, if the Upper (Lower) Price Band subsequently moves

above (below) the routable buy (sell) order's posting price, such routable order will

continue to be re-priced to the Upper (Lower) Price Band until the order reaches its limit

price. For all other routing strategies that do not access all Protected Quotations, the

routable order will not be re-priced to a price above (below) the original price at which it

was posted to the EDGX Book.

The rule further provides that if the Upper (Lower) Price Band crosses a routable buy (sell) order resting on the EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

Example 1: Sell Limit Order that accesses all Protected Quotations where NBB is Below Lower Price Band

Assume the NBBO is $10.02 by $10.10 and the Price Bands are $10.04 by $10.15. A routable sell order arrives for 100 shares at $10.01 utilizing a routing strategy that accesses all Protected Quotations (e.g., ROUT). The sell order will not be routed and will be posted and displayed at $10.04 or cancelled according to the User's instructions.

If the Lower Price Band moves up after the initial re-price to $10.06 by $10.16, the order will be re-priced to display at $10.06. If the Lower Price Band moves down after the initial re-price to $10.03 by $10.13, the order will be re-priced to display at $10.03.

Example 2: Sell Limit Order that does not access all Protected Quotations

Assume the NBBO is $10.02 by $10.10 and the Price Bands are $10.04 by $10.15. A routable sell order arrives for 100 shares at $10.01 utilizing a routing strategy that does not access all Protected Quotations (e.g., ROUZ). The sell order will not be routed and will instead be posted and displayed at $10.04 or cancelled according to the User's instructions.

If the Lower Price Band moves up to $10.06 by $10.16 after the initial re-price, the order will be re-priced and displayed at $10.06. If the Lower Price Band moves down to $10.03 by $10.13 after the initial re-price, the order will be re-priced and displayed at $10.04, the original price at which it was posted to the EDGX Book.

Re-Routing Behavior

The second major subsection, proposed Rule 11.9(b)(1)(B)(ii), would describe

how re-routing will function under the Plan and would state that, for routing strategies

that access all Protected Quotations, when the Upper (Lower) Price Band adjusts such

that the NBO (NBB) becomes executable, a routable buy (sell) market or marketable

limit order will be eligible to be re-routed by the Exchange.

Example 1: Routing Buy Order when NBO Becomes Executable

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.94 by $10.09.

A routable buy market order arrives for 100 shares utilizing a routing strategy that

accesses all Protected Quotations (e.g., ROUT).[24] The buy order will not be routed and

will instead be posted and displayed at $10.09. The Price Bands change to $9.95 by

$10.10. The order will be routed since the NBO is now executable.

Example 2: Routing Sell Order when NBB Becomes Executable

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $10.05 by

$10.15. A routable sell order arrives for 100 shares at $9.99 utilizing a routing strategy

that accesses all Protected Quotations (e.g., ROUT). The sell order will be re-priced and

displayed at $10.05. The Price Bands then change to $9.98 by $10.10. The sell order

will be routed since the NBB is now executable.

<u>Behavior of Orders Utilizing SWP Routing Strategies</u>

The third and final major subsection, Rule 11.9(b)(1)(B)(iii), would describe how

orders utilizing routing strategies SWPA, SWPB and SWPC[25] (together, "SWP routing

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[24]   If, for example, a routing strategy that does not access all Protected Quotations, such as ROUZ, is elected by the User, the order is not re-routed and remains posted on the EDGX Book.

[25]   Rules 11.9(b)(3)(o), (p) and (q) define SWPA, SWPB and SWPC routing strategies, respectively.

strategies") will function under the Plan and would state that the System will immediately

cancel orders utilizing a SWP routing strategy when an order to buy utilizing an SWP

routing strategy has a limit price that is greater than the Upper Price Band or if a sell

order utilizing an SWP routing strategy has a limit price that is less than the Lower Price

Band. The following examples illustrate how an order utilizing a SWP routing strategy

(an "SWP order") would behave in accordance with the Plan:

Example 1:   Buy SWP Limit Price Crosses the Upper Price Band (Price Band Inside the
                      NBBO)

        Assume the NBBO is $10.00 by $10.10 and the Price Bands are $10.00 by

$10.08. A SWP order is placed to buy 100 shares at $10.10. The order is rejected

immediately because its $10.10 limit price crosses the Upper Price Band.

Example 2:   Buy SWP Limit Price Crosses the Upper Price Band (Price Band Outside
                      the NBBO)

        Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.95 by $10.11.

A SWP order is placed to buy 100 shares at $10.12. The order is rejected immediately

because its $10.12 limit price crosses the Upper Price Band.

Example 3:   Buy SWP Limit Price is the same as the price of the Upper Price Band
                      (Price Band Outside the NBBO)

        Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.95 by $10.11.

A SWP order is placed to buy 100 shares at $10.11. The order is executed and ISOs can

be routed out since the limit of $10.11 is equal to the Upper Price Band.

        Miscellaneous Organizational Amendments to Rule 11.9

        The Exchange proposes to add Rule 11.9(a)(1) (Compliance with Regulation

SHO), which would contain unchanged text from current Rule 11.9(a) relevant to

compliance with Regulation SHO. The Exchange proposes to add Rule 11.9(a)(2)

(Compliance with Regulation NMS), which would contain unchanged text from current

Rule 11.9(a) relevant to compliance with Regulation NMS. The Exchange proposes to

re-number current Rule 11.9(a)(1) (Execution against EDGX Book) to new Rule

11.9(a)(4). The text of the rule would remain unchanged.

The Exchange proposes to rename current Rule 11.9(b) (Execution and Routing)

to Rule 11.9(b) (Routing). The Exchange proposes to add Rule 11.9(b)(1), which would

contain text in current Rule 11.9(b)(2) with regard to routing to away trading centers.

The text of the rule will remain unchanged aside from updated cross references. The

Exchange also proposes to add Rule 11.9(b)(1)(A), which would contain unchanged text

in current Rule 11.9(b)(2) relevant to Regulation SHO. The Exchange proposes to add

new Rules 11.9(b)(1)(C) and (D), which would contain the unchanged text of current

Rules 11.9(b)(2)(A) and (B), respectively. Lastly, the Exchange proposes to re-number

current Rule 11.9(b)(3) to new Rule 11.9(b)(2). The text of the rule will remain

unchanged.

Orders and Modifiers (Rule 11.5)

The Exchange proposes to amend cross references in Rules 11.5(a)(2), 11.5(c)(4)

– (10), and 11.5(d)(1) in response to the re-numbering of subsections within Rule 11.9, as

discussed in detail above.

Mid-Point Match Orders

The Exchange proposes to amend Rule 11.5(c)(7) to describe the behavior of

Mid-Point Match ("MPM") Orders[26] under the Plan.

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[26]   As defined in Rule 11.5(c)(7).

The Exchange believes that, when a Protected Quotation[27] is crossed by the Price

Bands and all Trading Centers have not yet replaced their quotes to re-align them with

the Price Bands, the integrity of the NBBO is compromised. In such circumstances, the

Exchange believes that it is fair and reasonable to shut down all midpoint trading until the

Protected Quotation(s) is(are) no longer crossed by the Price Bands.

In addition, pursuant to Rule 11.9(a)(3), MPM Orders will not trade with any

other orders when the midpoint of the NBBO is below the Lower Price Band or above the

Upper Price Band since MPM Orders only execute at the midpoint of the NBBO. MPM

Orders will continue to execute at the midpoint of the NBBO as long as the execution

price is between the Lower and Upper Price Bands.

Example 1: MPM Order Does Not Trade when Upper Price Band Crosses Protected Bids
from other Exchanges

Assume the NBBO is $10.00 by $10.01 and the Price Bands are $9.02 by

$10.02. The best bids are $10.00 at NYSE, $10.00 at BATS and $9.95 at ARCA. Order1

is placed to Sell 100 shares at $9.95 as a MPM Order. The Price Bands then change to

$8.99 by $9.99 and the NBBO changes to $9.95 by $10.01 (BATS and NYSE's best bids

are excluded from the NBBO by the SIP and neither exchange has yet submitted new

quotes to the SIP). Order2 is placed to buy 100 shares at $9.99. Order2 does not trade

with Order1 and remains posted on the EDGX Book at $9.99.

Example 2:   MPM Orders Cannot Trade when the Price Band is Crossing the Midpoint
of the NBBO

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $10.00 by

$10.04. A MPM Order is placed to buy 100 shares at $11.00 and posted at $10.05. A

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[27]   As defined in Rule 11.5(v).

MPM Order is placed to sell 100 shares at $10.00. The MPM Orders cannot trade at $10.05 because the Upper Price Band is crossing the midpoint of the NBBO. Both orders will remain posted on the EDGX Book at $10.05. No execution will occur between the orders until the Upper Price Band no longer crosses the midpoint of the NBBO.

Priority of Orders (Rule 11.8)

The Exchange proposes to add new Rule 11.8(a)(8), which would state that when a Price Band crosses an order resting on the EDGX Book, such order will be provided a new time stamp[28] and prioritized based on its existing time stamp at the time the new Price Bands are established. Furthermore, if an order is resting on the Book at a price equal to the Upper (Lower) Price Band, such order will not be re-priced, but will be provided a new time stamp and prioritized based on its existing time stamp at the time the new Price Bands are established.

The Exchange views this method of retaining priority based on time as being the method that is most fair to its Members and subject to the least amount of manipulation. The Exchange believes that time priority is a superior approach to price priority because under a time priority approach, it would be more difficult for certain Members to price their orders on the EDGA Book in a way that gives them a potential priority advantage when such orders are subsequently re-priced by a Price Band crossing the price at which such orders reside on the Book.

The following examples demonstrate how order priority will be affected by the Plan.

Example 1: Price Band Crosses Orders Resting on the EDGX Book

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[28]   A new time stamp enables the Exchange's System to record every time an order is re-priced.

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.95 by $10.15. Two orders are placed: Order1 arrives to buy 100 shares at $10.05 and then Order2 arrives to buy 100 shares at $10.08. The Price Bands change to $9.95 by $10.05 and Order2 is re-priced to $10.05 as a result of the adjustment of the Upper Price Band. Order3 is then placed to sell 100 shares at $10.05. Order1 will trade with Order3. Initially, Order2 will have price priority while the Price Bands are outside of the NBBO. However, after the Price Bands adjust, Order1 will have priority based on its existing time stamp at the time the new Price Bands were established.

Example 2: Price Band Crosses Orders Resting on the EDGX Book

Assume the NBBO is $10.00 by $10.10 and the Price Bands are $9.95 by $10.15. Two orders are placed: Order1 arrives to buy 100 shares at $10.08 and then Order2 arrives to buy 100 shares at $10.05. The Price Bands change to $9.95 by $10.05 and Order1 is re-priced to $10.05 as a result of the adjustment of the Upper Price Band. Order3 is then placed to sell 100 shares at $10.05. Order1 will trade with Order3 because it retains its priority based on its existing time stamp at the time the new Price Bands were established. When the Price Bands adjusted, both Order1 and Order2 obtained new time stamps and retained priority based on the time stamps that existed relative to one another at the time the new Price Bands were established.

Definitions (Rule 1.5)

The Exchange proposes to add new Rule 1.5(gg), which would define the term the "Plan" to mean The National Market System Plan to Address Extraordinary Market Volatility as well as state that a number of terms used in the Rules and related to the Plan shall have the definitions and meanings ascribed to them under the Plan.

Trading Halts Due to Extraordinary Market Volatility (Rule 11.14)

The Exchange proposes to amend Rule 11.14(d) (individual stock trading pauses) to explain how the rule will operate during the phased implementation of the Plan. Currently, under Rule 11.14(d), if a primary listing market issues an individual stock trading pause in any NMS stock, the Exchange will pause trading in that security until trading has resumed on the primary listing market. If, however, trading has not resumed on the primary listing market and ten minutes have passed since the individual stock trading pause message has been received from the responsible single plan processor, the Exchange may resume trading in such stock. During Phase 1 of the Plan, an individual stock trading pause in Tier 1 NMS Stocks that are subject to the requirements of the Plan shall be subject to the Plan. Tier 1 NMS Stocks not yet subject to the requirements of the Plan and Tier 2 NMS Stocks shall be subject to the requirements set forth in paragraph (d) of Rule 11.14. Once the Plan has been fully implemented and all NMS stocks are subject to the Plan, Rule 11.14(d) will no longer apply.

2.   Statutory Basis

The statutory basis for the proposed rule change is Section 6(b)(5) of the Act,[29] which requires the rules of an exchange to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest. The Exchange believes that the proposed rule change meets these requirements in that it seeks to promote the efficient execution of investor transactions, and thus strengthen investor

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[29]   15 U.S.C. 78f(b)(5).

confidence, over the long term by providing additional transparency regarding the order handling procedures employed by the Exchange and certain obligations of Members when sending orders to the Exchange consistent with the Plan. The Exchange also believes that the proposed amendments to Rules 11.8 and 11.9 will assist Users in executing or displaying their orders consistent with the Plan, especially under fast moving conditions where the Price Bands and NBBO are quickly updating.   In addition, Users can choose to use an IOC Order or opt out of certain default re-pricing processes, as described in proposed Rules 11.9(b)(3) and 11.9(b)(1)(B)(i)(I – II), that re-price a buy (sell) order to the price of the Upper (Lower) Price Band. If Users choose to do so, the Exchange will instead cancel their orders instead as per User instructions.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that its rules are comparable, in part, with re-pricing and cancellation processes offered by other exchanges in response to the Plan. The Exchange also believes that there is no impact on competition as analogous rule changes are being filed by all Participants to the Plan and the Plan itself was developed and jointly filed by all Participants in the first instance.

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

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

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)[30] of the Act and Rule 19b-4(f)(6)[31] thereunder. The proposed rule change effects a change that (A) does not significantly affect the protection of investors or the public interest; (B) does not impose any significant burden on competition; and (C) by its terms, does not become operative for thirty (30) days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five (5) business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

The Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing.[32] The Exchange has satisfied this requirement.

The Exchange believes that this proposal is non-controversial in that the proposed rule change is designed to comply with the requirements of the Plan that was jointly developed by Participants, such as the Exchange and other national securities exchanges, and approved by the Commission.

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[30]   15 U.S.C. 78s(b)(3)(A).

[31]   17 CFR 240.19b-4(f)(6).

[32]   17 CFR 240.19b-4(f)(6)(iii).

For the foregoing reasons, this rule filing qualifies for immediate effectiveness as a "non-controversial" rule change under paragraph (f)(6) of Rule 19b-4.[33]

Based on the foregoing, the Exchange believes that its proposal should become immediately effective.

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

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-2013-08 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-2013-08. This file number should be included on the subject line if e-mail is used. To help the Commission process

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[33]   17 CFR 240.19b-4(f)(6).

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-2013-08 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.[34]

                                      Kevin M. O'Neill
                                      Deputy Secretary

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[34]   17 CFR 200.30-3(a)(12).

Exhibit 5

Additions <u>double underlined</u>

Deletions [bracketed]

EDGX Exchange, Inc.

Rule 1.5 Definitions

Unless the context otherwise requires, for all purposes of these Exchange Rules, terms used in Exchange Rules shall have the meaning assigned in Article I of the Exchange's By-Laws or as set forth below:

(a) – (ff) (No changes).

<u>(gg) The Plan</u>

<u>The term "the Plan" shall mean The National Market System Plan to Address Extraordinary Market Volatility. The terms Limit Price, Price Band, Upper Price Band and Lower Price Band, among others used in the Plan, shall have the definitions and meanings ascribed to them under the Plan.</u>

<p style="text-align:center">*   *   *   *   *</p>

Rule 11.5. Orders and Modifiers

Users may enter into the System the types of orders listed in this Rule 11.5, subject to the limitations set forth in this Rule or elsewhere in these Rules.

(a) *General Order Types*

(1) (No change).

(2) Market Order. An order to buy or sell a stated amount of a security that is to be executed at the NBBO when the order reaches the Exchange. Market orders shall not trade through Protected Quotations. A market order that is designated as "EDGX Only" will be cancelled if, when reaching the Exchange, it cannot be executed on the System in accordance with Rule 11.9[(b)(1)] <u>(a)(4)</u>. Market orders that are not designated as "EDGX Only" and that cannot be executed in accordance with Rule 11.9[(b)(1)] <u>(a)(4)</u> on the System when reaching the Exchange will be eligible for routing away pursuant to Rule 11.9(b)[(2)] <u>(1)</u>. Except with respect to a Destination-on-Open Order, as defined in paragraph (c)(10), below, any portion of a market order that would execute at a price more than $0.50 or 5 percent worse than the consolidated last sale at the time the order initially reaches the Exchange, whichever is greater,

will be cancelled. Market orders are not eligible for execution during the Pre-Opening or the Post-Closing Trading Sessions.

(b) (No change).

(c) *Other Types of Orders and Order Modifiers*. Unless an order's instructions require it to be displayed on the Exchange or routed to an away trading center(s), an order may include instructions to be non displayed. All order types and modifiers listed below, except for those set forth in Rules 11.5(c)(2), (9)-(10) may also include instructions to be non displayed.

> (1) – (3) (No change).

> (4) *EDGX Only Order*. An order that is to be ranked and executed on the Exchange pursuant to Rule 11.8 and Rule 11.9[(b)(1)] (a)(4) or cancelled, without routing away to another trading center. The System will default to the displayed price sliding process and short sale price sliding process for an EDGX Only Order unless the User has entered instructions not to use any of the processes.

> > (A) - (E) (No changes).

> (5) *Post Only Order*. An order that is to be ranked and executed on the Exchange pursuant to Rule 11.8 and Rule 11.9[(b)(1)] (a)(4) or cancelled, as appropriate, without routing away to another trading center except that the order will not remove liquidity from the EDGX Book absent an order instruction to the contrary. A EDGX Post Only Order will be subject to the displayed price sliding process and short sale price sliding process unless a User has entered instructions not to use the either or both processes as set forth in paragraph (c)(4) above.

> (6) *Pegged Order*. A limit order whose price is automatically adjusted by the System in response to changes in the NBBO. A User entering a Pegged Order can specify that order's price will either be at or inferior to the NBBO by an amount set by the User.   If a Pegged Order displayed on the Exchange would lock the market, the price of the order will be automatically adjusted by the System to one minimum price variation below the current NBO (for bids) or to one minimum price variation above the current NBB (for offers).   A new timestamp is created for the order each time it is automatically adjusted. Pegged Orders are not eligible for routing pursuant to Rule 11.9(b)[(2)] (1).

> (7) *Mid-Point Match* ("MPM") Order. An order with an instruction to execute it at the midpoint of the NBBO.   An MPM order may be a Day Order, Fill-or-Kill Order, or IOC Order. A new timestamp is created for the order each time it is automatically adjusted. MPM orders are not eligible for routing pursuant to Rule 11.9(b)([2]1) and are not displayed on the Exchange.

> Pursuant to Rule 11.9(a)(3), MPM Orders will not trade with any other orders when the midpoint of the NBBO is below the Lower Price Band or above the Upper Price Band. MPM Orders will continue to execute at the midpoint of the NBBO as long as the execution price is between the Lower and Upper Price Bands.

(8) *Non-Displayed Order*. A market or limit order that is not displayed on the Exchange. A Non-Displayed Order is ranked based on the specified limit price and time of order entry in accordance with Rule 11.8(a)(2) and is available for potential execution against incoming marketable orders in accordance with Rule 11.9[(b)(1)] (a)(4)(A)-(B). The System shall not accept a Non-Displayed Order that is priced better than midpoint of the NBBO.

(9) *Destination Specific Order*. A market or limit order that instructs the System to route the order to a specified away trading center or centers, after exposing the order to the EDGX Book. Destination Specific Orders that are not executed in full after routing away are processed by the Exchange as described below in Rule 11.9[(b)(1)] (a)(4), save where the User has provided instructions that the order reside on the book of the relevant away trading center.

(10) *Destination-on-Open Order*. A market or limit order that instructs the System to route the order to a specified away trading center to participate in said trading center's opening process, without being processed by the System as described below in Rule 11.9[(b)(1)] (a)(4), and which after participating in such opening process will be returned to the EDGX Book for execution and/or display, to the extent unfilled.

(11) – (19) (No change).

(d) *Intermarket Sweep Orders*

(1) The System will accept incoming Intermarket Sweep Orders ("ISO") (as such term is defined in Regulation NMS). In order to be eligible for treatment as an Intermarket Sweep Order, the limit order must be marked "ISO" and the User entering the order must simultaneously route one or more additional limit orders marked "ISO," as necessary, to away markets to execute against the full displayed size of any Protected Quotation for the security with a price that is superior to the limit price of the Intermarket Sweep Order entered in the System. Such orders, if they meet the requirements of the foregoing sentence, may be executed at one or multiple price levels in the System without regard to Protected Quotations at away markets consistent with Regulation NMS (*i.e.*, may trade through such quotations). The Exchange relies on the marking of an order as an ISO order when handling such order, and thus, it is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation NMS relating to Intermarket Sweep Orders. ISOs are not eligible for routing pursuant to Rule 11.9(b)[(2)] (1).

(2) (No change).

(e) (No change).

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Rule 11.8. Priority of Orders

(a)   *Ranking*. Orders of Users shall be ranked and maintained in the EDGX Book based on the following priority:

(1) – (7) (No change).

(8)   If the Upper (Lower) Price Band moves so that the price of a buy (sell) order resting on the EDGX Book would consequently be above (below) the Upper (Lower) Price Band, , such order will be re-priced and displayed at a price equal to the Upper (Lower) Price Band, provided a new time stamp, and prioritized based on its existing time stamp at the time the new Price Bands are established. If an order is resting on the Book at a price equal to the Upper (Lower) Price Band, such order will not be re-priced but will be provided a new time stamp and prioritized based on its existing time stamp at the time the new Price Bands are established.

(b) (No change).

Rule 11.9. Order Execution

(a)   Execution. Subject to the restrictions under these Exchange Rules or the Act and the rules and regulations thereunder, orders shall be matched for execution in accordance with this Rule 11.9.

(1)   Compliance with Regulation SHO. For any execution of a short sale order to occur on the Exchange when a short sale price test restriction under Rule 201 of Regulation SHO is in effect for the covered security, the price must be above the current NBB, unless the sell order was initially displayed by the System at a price above the then current NBB or is marked "short exempt" pursuant to Regulation SHO.

(2)   Compliance with Regulation NMS. For any execution to occur during Regular Trading Hours, the price must be equal to or better than the Protected NBBO, unless the order is marked ISO or unless the execution falls within another exception set forth in Rule 611(b) of Regulation NMS. For any execution to occur during the Pre-Opening Session or the Post-Closing Session, the price must be equal to or better than the highest bid or lowest offer. For purposes of this Rule 11.9, any order falling within the parameters of this paragraph shall be referred to as "executable." An order will be cancelled back to the User, if based on market conditions, User instructions, applicable Exchange Rules and /or the Act and the rules and regulations thereunder, such order is not executable, cannot be routed to another [t]Trading [c]Center pursuant to Rule 11.9(b)([2]1) below and cannot be posted to the EDGX Book.

(3)   Compliance with the requirements of the Plan. Except as provided in Section VI of the Plan, for any executions to occur during Regular Trading Hours, such executions must occur at a price that is greater than or equal to the Lower Price Band and less than or equal to the Upper Price Band, when such Price Bands are disseminated.

     (A) Where a non-routable buy (sell) order is entered into the System at a price less (greater) than or equal to the Upper (Lower) Price Band, such order will be posted to the EDGX Book or executed, unless (i) the order is an IOC Order, in which case it will be cancelled if not executed, or (ii) the User has entered instructions to cancel the order.

(B)   When a non-routable buy (sell) order arrives at a price greater (less) than the Upper (Lower) Price Band, the Exchange will re-price such order and display such buy (sell) order at the price of the Upper (Lower) Price Band. If the price of the Upper (Lower) Price Band moves above (below) a non-routable buy (sell) order's displayed posting price, such buy (sell) order will not be adjusted further and will remain posted at the original price at which it was posted to the EDGX Book. If the Upper (Lower) Price Band crosses a non-routable buy (sell) order resting on the EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

(C)   A description of the behavior of routable market and limit orders in response to the Plan is found in Rule 11.9(b)(1)(B).

(D)   Where a short sale order is entered into the System with a limit price below the Lower Price Band and a short sale price test restriction under Rule 201 of Regulation SHO is in effect for the covered security, the System will re-price such order to the Lower Price Band as long as the Lower Price Band is at a Permitted Price. When a short sale order is entered into the System with a limit price above the Lower Price Band and a short sale price test restriction under Rule 201 of Regulation SHO is in effect for the covered security, the System will re-price such order, if necessary, at a Permitted Price pursuant to Exchange Rule 11.5(c)(4).

(E) Pursuant to Section IV of the Plan, all Trading Centers in NMS Stocks, including those operated by Members of the Exchange, shall establish, maintain, and enforce written policies and procedures that are reasonably designed to comply with the requirements specified in Section VI of the Plan, and to comply with the Trading Pauses specified in Section VII of the Plan.

[(b) *Execution and Routing*.]

[(1)] (4) *Execution against EDGX Book.* An incoming order shall first attempt to be matched for execution against orders in the EDGX Book unless otherwise instructed by the User.

(A) – (B) (No change).

(b) Routing

(1) [2] *Routing to Away Trading Centers.* Unless the terms of the order direct the Exchange not to route such order away (*e.g.*, a EDGX Only Order), if a market or marketable limit order has not been executed in its entirety pursuant to paragraph (a)(4)[(b)(1)] above, the order shall be eligible for routing away pursuant to one or more of the routing options listed under paragraph (b)[(3)](2) below.

(A) Regulation SHO. An order marked "short" when a short sale price test restriction pursuant to Rule 201 of Regulation SHO is in effect is not eligible for routing by the Exchange. If an order is ineligible for routing due to the short sale price test

restriction [of Rule 201 of Regulation SHO] and such order is an IOC order, then the order will be cancelled. For any other order ineligible for routing due to a short sale price test restriction, the Exchange will post the unfilled balance of the order to the EDGX Book, treat the order as if it was an EDGX Only Order, and subject it to the short sale price adjust process, as described in Rule 11.5(c)(4).

(B) The Plan.

(i) In order to comply with the Plan, a routable buy (sell) market or routable marketable limit order will be routed by the Exchange only when the NBO (NBB) is or becomes executable according to the Plan, which would be when the NBO is less than or equal to the Upper Price Band (NBB is greater than or equal to the Lower Price Band). According to the Plan, the NBO (NBB) is or becomes non-executable when the NBO is greater than the Upper Price Band (the NBB is less than the Lower Price Band) ("Non-Executable").

Except for routing strategies SWPA, SWPB and SWPC, for purposes of the below subparagraphs, routing strategies that access all Protected Quotations include ROUT, ROUX, ROUC, ROUE and ROOC.   Routing strategies that do not access all Protected Quotations include all other routing strategies listed in Rule 11.9(b)(2), as described below.

(I) Routable Market Orders. For routing strategies that access all Protected Quotations, if the NBO (NBB) is Non-Executable and a buy (sell) market order is placed, the System will default to re-price such buy (sell) market order and display it at the price of the Upper (Lower) Price Band and will continue to re-price it to the price of the Upper (Lower) Price Band as the Upper (Lower) Price Band adjusts, so long as the buy (sell) market order does not move above (below) its market collar price, as defined in Rule 11.5(a)(2), or alternatively, such buy (sell) market order may be cancelled pursuant to User instruction. For all other routing strategies that do not access all Protected Quotations, routable market orders will not be re-priced and displayed at the price of the Upper (Lower) Price Band and will instead be cancelled if the NBO (NBB) is Non-Executable.

If the Upper (Lower) Price Band crosses a routable buy (sell) order resting on the EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

(II) Routable Limit Orders.   If the price of (i) a routable buy (sell) limit order that is entered into the System or (ii) the unfilled balance of such order that is returned from routing to away Trading Centers is greater (less) than the Upper (Lower) Price Band and is ineligible for routing as a result of the NBO (NBB) being or having become Non-Executable, then

the System will default to re-price such buy (sell) order and display it at the price of the Upper (Lower) Price Band, or alternatively, it may be cancelled pursuant to User instruction. For routing strategies that access all Protected Quotations, if the Upper (Lower) Price Band subsequently moves above (below) the routable buy (sell) order's posting price, such routable order will continue to be re-priced to the Upper (Lower) Price Band until the order reaches its limit price. For all other routing strategies that do not access all Protected Quotations, the routable order will not be re-priced to a price above (below) the original price at which it was posted to the EDGX Book.

If the Upper (Lower) Price Band crosses a routable buy (sell) order resting on the EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

(ii) Re-routing. For routing strategies that access all Protected Quotations, when the Upper (Lower) Price Band adjusts such that the NBO (NBB) becomes executable, a routable buy (sell) market or marketable limit order will be eligible to be re-routed by the Exchange.

(iii) Routing strategies SWPA, SWPB and SWPC (together, "SWP"), as described in Rule 11.9(b)(3), are eligible for routing in accordance with the Plan as follows: the System will immediately cancel orders utilizing an SWP routing strategy when an order to buy utilizing an SWP routing strategy has a limit price that is greater than the Upper Price Band or if a sell order utilizing an SWP routing strategy has a limit price that is less than the Lower Price Band.

(C) [(A)] Routing of Market Orders. With respect to an order that is eligible for routing, the System will designate market orders as IOC or ISO and will cause such orders to be routed for execution to one or more Trading Centers (as defined in Rule 2.11) for potential execution, per the entering User's instructions, in compliance with Rule 611 under Regulation NMS, Regulation SHO, and the Plan. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will process the balance of such order as follows. Depending on parameters set by the User when the incoming order was originally entered, the System will either: (i) process the unfilled balance of an order as a EDGX Only Order pursuant to Rule 11.5(c)(4), or (ii) repeat the process described in paragraph (a)(4)[(b)(1)] above and this paragraph (b)(1[2])(C[A]) by executing against the EDGX Book and/or routing orders to other market centers until the original, incoming order is executed in its entirety.

(D) [(B)] Routing of Marketable Limit Orders. With respect to an order that is eligible for routing, the System will designate marketable limit orders as IOC or ISO and will cause such orders to be routed for execution to one or more Trading

Centers (as defined in Rule 2.11) for potential execution, per the entering User's instructions, in compliance with Rule 611 under Regulation NMS, Regulation SHO, and the Plan. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will process the balance of such order as follows. Depending on parameters set by the User when the incoming order was originally entered, the System will either: (i) process the unfilled balance of an order as a EDGX Only Order pursuant to Rule 11.5(c)(4), or (ii) repeat the process described in paragraph (a)(4)[(b)(1)] above and this paragraph (b)(1[2])(D[B]) by executing against the EDGX Book and/or routing orders to other market centers until the original, incoming order is executed in its entirety or its limit price is reached. If the order's limit price is reached, the order will be posted in the EDGX Book.

(2) [3] *Routing Options*. (No change).

(c) – (g) (No change).

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Rule 11.14. Trading Halts Due to Extraordinary Market Volatility

(a)-(c) (No changes).

(d) If a primary listing market issues an individual stock trading pause in any NMS stock the Exchange will pause trading in that security until trading has resumed on the primary listing market. If, however, trading has not resumed on the primary listing market and ten minutes have passed since the individual stock trading pause message has been received from the responsible single plan processor, the Exchange may resume trading in such stock.

During Phase 1 of the Plan, an individual stock trading pause in Tier 1 NMS Stocks that are subject to the requirements of the Plan shall be subject to Section VII (Trading Pauses) of the Plan. Tier 1 NMS Stocks not yet subject to the requirements of the Plan and Tier 2 NMS Stocks shall be subject to the requirements set forth in this subsection of the Rule. Once the Plan has been fully implemented and all NMS stocks are subject to the Plan, this subsection of the Rule will no longer apply.

(e) (No changes).

Interpretations and Policies:

(No changes).