

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="6"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2013"/> - * <input type="text" value="066"/> Amendment No. (req. for Amendments *) <input type="text" value="1"/>
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Filing by **BATS Exchange**  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/> Section 806(e)(2) * <input type="checkbox"/>	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>
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Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**  
Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

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

First Name *	<input type="text" value="Anders"/>	Last Name *	<input type="text" value="Franzon"/>
Title *	<input type="text" value="VP, Associate General Counsel"/>		
E-mail *	<input type="text" value="afranzon@bats.com"/>		
Telephone *	<input type="text" value="(913) 815-7154"/>	Fax	<input type="text" value="(913) 815-7119"/>

**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	<input type="text" value="01/15/2014"/>	<input type="text" value="VP, Associate General Counsel"/>
By	<input type="text" value="Anders Franzon"/>	<input type="text" value=""/>

(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.

Persona Not Validated - 1364234628553,

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

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

**Exhibit 1 - Notice of Proposed Rule Change \***

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

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

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

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

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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.

BATS Exchange, Inc. (the “Exchange” or “BATS”) is filing this Partial Amendment No. 1 to SR-BATS-2013-066 (the “Filing”), which was originally submitted on December 19, 2013. The purpose of this Amendment No. 1 is to amend proposed Rule 11.23(e) in order to make clear that where a halt occurs before 3:50 p.m. Eastern Time and the Quote-Only Period for the associated Halt Auction would be extended between 3:50 p.m. and 4:00 p.m. Eastern Time such Halt Auction will, instead of being extended, immediately become a Volatility Closing Auction. The Exchange also proposes to amend the definition of “Quote-Only Period” as defined in Rule 11.23(a)(17) to include Volatility Closing Auctions. Specifically, the Exchange is proposing to make the following changes to the pending 19b-4, Exhibit 1, and Exhibit 5:

(1) Replace the first sentence of the second full paragraph on page 6 of 31 and the first full paragraph on page 20 of 31 of the filing with the following:

The Exchange proposes to add new paragraph (e) to Rule 11.23 to govern the operation of Volatility Closing Auctions on the Exchange, which will be auctions of Exchange-listed securities that are halted during the last 10 minutes of Regular Trading Hours or where the Quote-Only Period<sup>1</sup> of a Halt Auction would be extended during the last 10 minutes of Regular Trading Hours.

(2) Replace the first sentence of the first full paragraph on page 7 of 31 and the first sentence of the second full paragraph on page 20 of 31 of the filing with the following:

Similar to a Halt Auction on the Exchange, a Volatility Closing Auction will have a Quote-Only Period, a period of time that orders are accepted for participation in such auction during which no trading is occurring on the Exchange. The Exchange is proposing to amend Rule 11.23(a)(17) to

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<sup>1</sup> Quote-Only Period is defined in Exchange Rule 11.23(a)(17) and currently means a designated period of time prior to a Halt Auction or an IPO Auction during which Users may submit orders to the Exchange for participation in the auction. The Exchange is proposing to amend the definition of Quote-Only Period to include Volatility Closing Auctions.

include Volatility Closing Auctions in the definition of Quote-Only Period.

(3) Replace the fourth sentence in the first full paragraph on page 12 of 31 and the first full sentence on page 26 of 31 of the filing with the following:

Specifically, the proposed Volatility Closing Auction will address situations where a security is halted in the last 10 minutes of the trading day or where the Quote-Only Period of a Halt Auction would be extended during the last 10 minutes of Regular Trading Hours.

(4) Replace the sixth full sentence on page 13 of 31 and the last sentence beginning on page 26 of 31 and ending on page 27 of 31 with the following:

The Exchange further believes that its proposal to allow participants to cancel orders specifically designated for a Closing Auction up to the time of the Volatility Closing Auction is appropriate because the halt or extension of the Quote-Only Period of a Halt Auction in the last 10 minutes of the trading day necessitating a Volatility Closing Auction may be indicative of price dislocation in a security and because such orders may have been entered well before such halt occurred.

(5) Replace the last sentence of the first full paragraph on page 14 of 31 and the last sentence on page 27 of 31 with the following:

Specifically, the proposed Volatility Closing Auction will address situations where a security is halted or the Quote-Only Period of a Halt Auction is extended in the last 10 minutes of the trading day in order to hold a single auction at the end of Regular Trading Hours.

(6) Replace the second sentence of the first full paragraph on page 15 of 31 with the following:

Further, the proposal will ensure that the Exchange is able to conduct a single closing auction at the end of the trading day in the event there is a halt or the extension of the Quote-Only Period of a Halt Auction in the last 10 minutes of the trading day when the Plan is fully operational during Regular Trading Hours.

(7) Replace the proposed amendments to Rule 11.23, in their entirety, with the following:

Rule 11.23. Auctions

## (a) Definitions

(1)-(16) (No changes.)

(17) The term “Quote-Only Period” shall mean a designated period of time prior to a Halt Auction, a Volatility Closing Auction, or an IPO Auction during which Users may submit orders to the Exchange for participation in the auction.

(18)-(24) (No changes.)

(b)-(d) (No changes.)

(e) Volatility Closing Auction. Where a security is halted between 3:50 p.m. and 4:00 p.m. pursuant to Rule 11.18 or the Quote-Only Period of a Halt Auction for a security halted before 3:50 p.m. pursuant to Rule 11.18 would otherwise be extended by the Exchange after 3:50 p.m., no Closing Auction or Halt Auction for the security will occur. Instead, the Exchange will conduct a Volatility Closing Auction at 4:00 p.m. as described below.

(1) Order Entry and Cancellation Before a Volatility Closing Auction.

(A) The Quote-Only Period with respect to a Volatility Closing Auction shall commence at the time a security is halted between 3:50 p.m. and 4:00 p.m. and will end at 4:00 p.m. During the Quote-Only Period of a Volatility Closing Auction the Exchange will accept limit and market orders as well as any Eligible Auction Orders applicable to a Closing Auction on the Exchange.

(B) Eligible Auction Orders associated with a Volatility Closing Auction may be cancelled at any time prior to execution.

(2) Volatility Closing Auction Process.

(A) Publication of BATS Auction Information. Coinciding with the beginning of the Quote-Only Period for a security and updated every five seconds thereafter, the Reference Price, Indicative Price, Auction Only Price, and the lesser of Reference Buy Shares and Reference Sell Shares associated with the Volatility Closing Auction will be disseminated via electronic means.

(B) Determination of Closing Price. Orders will be executed at the price level within the Collar Price Range that maximizes the number of shares executed in the auction. In the event of a volume based tie at multiple price levels, the price level closest to the Final Last Sale Eligible Trade will be used for Volatility Closing Auctions. Where no limit orders from one or both sides (the buy side, the sell side, or both the buy and sell

side) would participate in a Volatility Closing Auction, the Volatility Closing Auction will occur at the price of the Final Last Sale Eligible Trade. The Volatility Closing Auction price will be the BATS Official Closing Price.

(C) Execution Priority. Market orders have priority over all other Volatility Closing Auction Eligible Orders. To the extent there is executable contra side interest, such market orders will be executed at the BATS Official Closing Price according to time priority. After the execution of all market orders, the remaining orders priced at or more aggressively than the BATS Official Closing Price will be executed on the basis of price/time priority.

(3) Transition to After Hours Trading Session.

(A) Limit order shares that are not executed in the Volatility Closing Auction will remain on the Continuous Book during the After Hours Trading Session, subject to paragraph (B) below and the User's instructions.

(B) RHO, LOC, LLOC, MOC and market order shares that are not executed in the Volatility Closing Auction will be cancelled at the conclusion of the Volatility Closing Auction.

(f)[(g)] Whenever, in the judgment of the Exchange, the interests of a fair and orderly market so require, the Exchange may adjust the timing of or suspend the auctions set forth in this Rule with prior notice to Users.

(g)[(h)] For purposes of Rule 611(b)(3) of Regulation NMS, orders executed pursuant to the Opening Auction, Closing Auction, [and] Halt Auction, and Volatility Closing Auction may trade-through any other Trading Center's Manual or Protected Quotations if the transaction that constituted the trade-through was a single-priced opening, reopening, or closing transaction by the trading center.

(h)[(i)] For purposes of this Rule, all references to a.m. and p.m. times shall refer to Eastern Time.