

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-63638; File No. SR-EDGX-2010-25)

January 4, 2011

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

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on December 28, 2010, the EDGX Exchange, Inc. (the “Exchange” or the “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 its fees and rebates applicable to Members³ of the Exchange pursuant to EDGX Rule 15.1(a) and (c).

All of the changes described herein are applicable to EDGX Members. The text of the proposed rule change is available on the Exchange’s Internet website at <http://www.directedge.com>.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.

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

1. Purpose

Currently, for orders routed to Nasdaq BX that remove liquidity, a rebate of \$0.0002 per share is provided to Members (yielding Flag “C”). The Exchange proposes to increase this rebate to \$0.0014 per share to reflect an increase in rebate provided by Nasdaq BX, effective January 3, 2011.

In addition, for orders routed or re-routed to NYSE that remove liquidity, a fee of \$0.0021 is charged to Members (yielding Flag “D”). The Exchange proposes to increase this fee to \$0.0023 to reflect an increase in fee assessed by NYSE, effective January 3, 2011. Similarly, for orders routed to NYSE that add liquidity, a rebate of \$0.0013 per share is provided to Members (yielding Flag “F”). The Exchange proposes to increase this rebate to \$0.0015 per share to reflect an increase in rebate provided by NYSE, effective January 3, 2011.

Currently, Members can qualify for the Mega Tier and be provided a rebate of \$0.0032 per share for all liquidity posted on EDGX if they add or route at least 5,000,000 shares of average daily volume prior to 9:30 AM or after 4:00 PM (includes all flags except 6) AND add a minimum of 25,000,000 shares of average daily volume on EDGX in total, including during both

market hours and pre and post-trading hours. The Exchange proposes to increase this rebate to \$0.0033 per share to incent Members to add liquidity to EDGX during both market hours and pre and post-trading hours. As fewer Members generally trade during pre and post-trading hours because of the time parameters associated with these trading sessions, the Exchanges believes that this proposed increase in rebate would incent liquidity during these trading sessions. The rebate associated with the other method to qualify for the Mega Tier (if the Member posts on a daily basis, measured monthly, 0.75% of the Total Consolidated Volume in average daily volume) remains unchanged at \$0.0032 per share.

The Exchange believes that the above pricing is appropriate since higher rebates are directly correlated with more stringent criteria. The Mega Tier rebate (proposed at \$0.0033 per share, otherwise set at \$0.0032 per share) has the most stringent criteria, and is \$0.0002/\$0.0001 greater than the Ultra Tier rebate (\$0.0031 per share) and \$0.0003/\$0.0002 greater than the Super Tier rebate (\$0.0030 per share). For example, based on average TCV for November 2010 (8.0 billion), in order for a Member to qualify for the proposed Mega Tier rebate of \$0.0033, the Member would have to add or route at least 5,000,000 shares of average daily volume prior to 9:30 AM or after 4:00 PM (includes all flags except 6) AND add a minimum of 25,000,000 shares of average daily volume on EDGX in total, including during both market hours and pre and post-trading hours. Another way a Member can qualify for the Mega Tier (with a rebate of \$0.0032 per share) would be to post 60 million shares on EDGX. In order to qualify for the Ultra Tier, which has less stringent criteria than the Mega Tier, the Member would have to post 40 million shares on EDGX. Finally, the Super Tier has the least stringent criteria. In order for a Member to qualify for this rebate, the Member would have to post 10

million shares on EDGX. In addition, these rebates also result, in part, from lower administrative costs associated with higher volume.

EDGX Exchange proposes to implement these amendments to the Exchange fee schedule on January 1, 2011.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,⁴ in general, and furthers the objectives of Section 6(b)(4),⁵ in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The proposed rule change reflects a competitive pricing structure designed to incent market participants to direct their order flow to the Exchange. The Exchange believes that the proposed rates are equitable in that they apply uniformly to all Members. In addition, the rebates provided result, in part, from lower administrative costs associated with higher volume. The Exchange believes the fees and credits remain competitive with those charged by other venues and therefore continue to be reasonable and equitably allocated to Members.

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

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

⁴ 15 U.S.C. 78f.

⁵ 15 U.S.C. 78f(b)(4).

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3) of the Act⁶ and Rule 19b-4(f)(2)⁷ thereunder. At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-EDGX-2010-25 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.

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 19b-4(f)(2).

All submissions should refer to File Number SR-EDGX-2010-25. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission,⁸ 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

⁸ The text of the proposed rule change is available on Exchange's website at <http://www.directedge.com>, on the Commission's website at <http://www.sec.gov>, at EDGX, and at the Commission's Public Reference Room.

to File Number SR-EDGX-2010-25 and should be submitted on or before [insert date 21 days after publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Elizabeth M. Murphy
Secretary

⁹ 17 CFR 200.30-3(a)(12).