

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-64792; File No. SR-EDGA-2011-19)

July 1, 2011

Self-Regulatory Organizations; EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Make Available Without Charge the EDGA Book Feed and to Add a Description of the EDGA Book Feed to New Rule 13.8

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June 29, 2011, EDGA Exchange, Inc. (the "Exchange" or "EDGA") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which items have been prepared by the Exchange. 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 the Substance of the Proposed Rule Change

The Exchange proposes to make available without charge the EDGA book feed ("EDGA Book Feed"), an EDGA data feed that displays depth of book information. The Exchange also proposes to add a description of the EDGA Book Feed to new Rule 13.8. The text of the proposed rule change is attached as Exhibit 5 and is available on the Exchange's website at [www.directedge.com](http://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 Exchange included statements concerning

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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

The purpose of the proposed rule change is to describe the availability of the EDGA Book Feed, a data feed that contains all orders for securities trading on the Exchange. The EDGA Book Feed is available to all EDGA members equally at no charge, and offers all firms real-time data concerning EDGA's depth of book. EDGA makes the EDGA Book Feed available to all market participants via subscription through an established connection to EDGA through extranets, direct connection, and service bureaus. The EDGA Book Feed is available in multicast and unicast formats.

The EDGA Book Feed contains the following data elements: all displayed orders for listed securities trading on EDGA, order executions, order cancellations, order modifications, order identification numbers, and administrative messages.

By making the EDGA Book Feed data available, EDGA enhances market transparency and fosters competition among orders and markets. Member firms may use the EDGA Book Feed to more accurately price their orders based on EDGA's view of the depth of book information, such as all displayed limit orders at any point in time. Additionally, Members can track their own orders from order entry to execution.

The Exchange proposes to add the definition of EDGA Book Feed to new Rule 13.8(a). In addition, the Exchange proposes to add to Rule 13.8(b) the process by which a Member can obfuscate their unique order identification number on the EDGA Book Feed for subsequent replenishments of reserve orders per Market Participant Identifier (“MPID”) for all logical ports or specific logical ports, as designated by the Member. In order to do so, and have a randomly generated order identification number applied to the replenishment of Member’s reserve orders, the Member would contact Member Services via email or phone. Such feature would be enabled the next trading day by the Exchange for the Member-selected MPID for all logical ports or specific logical ports until further instructions are received by Member Services from the Member. The Exchange believes that the random order identification number would help deter other market participants from being able to trace the life of a specific order, including short-term price movements and trading patterns.

At this time, EDGA does not have plans to charge an additional fee associated with the receipt of the EDGA Book Feed. Should EDGA determine to charge fees associated with the EDGA Book Feed, EDGA will submit a proposed rule change to the Commission in order to implement those fees.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,<sup>3</sup> in general, and furthers the objectives of Section 6(b)(5),<sup>4</sup> in particular, as it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions

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<sup>3</sup> 15 U.S.C. 78f.

<sup>4</sup> 15 U.S.C. 78f(b)(5).

in securities, 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. EDGA believes that this proposal is in keeping with those principles by promoting increased transparency through the dissemination of the EDGA Book Feed and by codifying its availability.

In addition, EDGA is making a voluntary decision to make this data available. EDGA is not required by the Act in the first instance to make the data available, unlike the best bid and offer which must be made available under the Act. EDGA chooses to make the data available as proposed in order to improve market quality, to attract order flow, and to increase transparency. Once this filing becomes effective, EDGA will be required to continue making the data available until such time as EDGA changes its rule.

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

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

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

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

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time

as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>5</sup> and Rule 19b-4(f)(6)(iii) thereunder.<sup>6</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>7</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>8</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked that the Commission waive the 30-day pre-operative waiting period contained in Rule 19b-4(f)(6)(iii).<sup>9</sup> The Exchange has requested such waiver because it believes that such waiver is consistent with the protection of investors and the public interest because it would permit EDGA to immediately provide the information regarding the EDGA Book Feed access requirements to market participants. Specifically, the Exchange believes that, because the EDGA Book Feed is already available, strictly voluntary, and free to receive, waiver is consistent with the protection of investors and the public interest. For these reasons, the Commission sees no reason to delay implementation of the proposed rule change. The Commission believes it is consistent with the protection of investors and the public interest to waive the 30-day operative delay, and hereby grants such waiver.<sup>10</sup>

At any time within 60 days of the filing of the proposed rule change, the

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<sup>5</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>6</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>7</sup> 17 CFR 240.19b-4(f)(6).

<sup>8</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>9</sup> Id.

<sup>10</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule change's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

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](mailto:rule-comments@sec.gov). Please include File Number SR-EDGA-2011-19 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-EDGA-2011-19. 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, 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 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-EDGA-2011-19, 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.<sup>11</sup>

Cathy H. Ahn  
Deputy Secretary

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<sup>11</sup> 17 CFR 200.30-3(a)(12).