

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-67299; File No. SR-EDGA-2012-25)

June 28, 2012

Self-Regulatory Organizations; EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to New Simultaneous Routing Functionality

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 June 19, 2012, 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 Substance of the Proposed Rule Change

EDGA proposes to modify existing routing options contained in EDGA Rule 11.9(b)(3) to provide Users³ with new simultaneous routing functionality as a means by which Members' orders may be routed to certain destinations on the System routing table. 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.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ As defined in Rule 1.5(ee).

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

The Exchange’s current list of routing options is codified in Rule 11.9(b)(3). In this filing, the Exchange proposes to amend paragraph (3) of Rule 11.9(b) to indicate that the Exchange reserves the right to route orders both sequentially and simultaneously. This amendment allows for simultaneous routing to certain destinations on the System routing table. With respect to Rules 11.9(b)(3)(a), (b), (h), (m), and (t), specifically, the Exchange currently sends orders to certain destinations on the System routing table only in a sequential manner. For example, if an order cannot be filled after checking for available shares on the Exchange’s book, the Exchange will route such order to certain destinations on the System routing table one at a time until all such destinations are exhausted, the order is cancelled, or the order is filled. As a result of the proposed change in functionality, which would allow such orders to be sent either sequentially or simultaneously, language in paragraph (3) of Rule 11.9(b) will be amended to account for the fact that the Exchange reserves the right to “route orders simultaneously or sequentially”. Other routing strategies in Rule 11.9(b) are already written broadly enough to allow for both sequential or simultaneous routing of orders, which the Exchange operates in a discretionary manner depending on the type of venues with which the order flow is routed to.⁴

⁴ Regarding simultaneous routing, the Exchange may, for example, use a pro-rata mechanism to allocate the number of shares from the parent order (i.e.,

Therefore, this amendment simply deletes the word “sequentially” from Rules 11.9(b)(3)(a), (b), (h), (m), and (t) so that the Exchange has the discretion to do simultaneous or sequential routing as to these strategies.

Simultaneous routing is an improvement on the current sequential manner in which orders are filled because it allows an order to be broken up into child orders to be sent to multiple destinations at one time instead of to one venue after another. Doing so has the potential to improve an order’s fill rate, as well as reduce latency. The Exchange believes that the proposed introduction of this functionality will provide Users with increased access to multiple sources of liquidity and greater flexibility in routing orders, without having to develop their own complicated routing strategies. The Exchange also believes the proposed modification will provide additional specificity to the Exchange’s rulebook regarding routing strategies and will further enhance transparency with respect to Exchange routing offerings.

The Exchange will notify its Members in an information circular of (a) the exact implementation date of this rule change, which will be no later than July 31, 2012; and (b) the manner in which certain routing options may function (*i.e.*, sequentially or simultaneously), in an effort to afford Members with transparency regarding the same.

2. Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,⁵ 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

a child order) among multiple dark pools where each applicable venue will be assigned a relative weight based on a variety of factors including, but not limited to, latency, liquidity and transaction costs.

⁵ 15 U.S.C. 78f(b)(5).

national market system and, in general, to protect investors and the public interest. More specifically, the Exchange believes that the proposed rule change will improve an order's fill rate as well as reduce latency. The proposed rule change will thus contribute to perfecting the mechanism of a free and open market and a national market system, and is also consistent with the protection of investors and the public interest. The proposed rule change and resulting information circulars that the Exchange will issue will afford Members transparency into how various routing options may function (whether simultaneous or sequential).

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.

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

Because the 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 if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁶ and Rule 19b-4(f)(6) thereunder.⁷

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(6). As required under Rule 19b-4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change along with a brief description and the text of the proposed rule change, at least five business

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act⁸ normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)⁹ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing, noting that similar functionality is already offered by other market centers.¹⁰ The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission designates the proposal operative upon filing.¹¹

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:

days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

⁸ 17 CFR 240.19b-4(f)(6).

⁹ 17 CFR 240.19b-4(f)(6).

¹⁰ See BATS Rule 11.13(a)(3)(B)-(D) (routing strategies listed in these rules may be routed simultaneously).

¹¹ For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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-EDGA-2012-25 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.

All submissions should refer to File Number SR-EDGA-2012-25. 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, 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-EDGA-2012-25 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.¹²

Kevin M. O'Neill
Deputy Secretary

Action as set forth or recommended herein
APPROVED pursuant to authority delegated by the
Commission under Public Law 87-592.

For the Division of Trading and Markets

by: _____
David R. Dimitriou

date: _____

¹² 17 CFR 200.30-3(a)(12).