

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-63227; File No. SR-EDGA-2010-17)

November 2, 2010

Self-Regulatory Organizations; EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Amendments to the EDGA 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 October 29, 2010, the EDGA Exchange, Inc. (the “Exchange” or the “EDGA”) 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 EDGA Rule 15.1(a) and (c) by making an amendment to its fee schedule.

All of the changes described herein are applicable to EDGA Members. The text of the proposed rule change is available on the Exchange’s Internet website at

<http://www.directedge.com>.

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

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.

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 Non-Displayed Orders, Members are charged \$0.0010 per share.

However, this rate is contingent upon a Member adding greater than 1,000,000 shares on a daily basis, measured monthly. Members not meeting this minimum are currently charged \$0.0030 per share.

First, the Exchange proposes to add clarifying language in footnote 2 to state that a Flag H would be yielded in this situation. Next, the Exchange proposes to add an additional way for Members to be charged the reduced rate of \$0.0010 per share. This additional method would allow Members to qualify for the reduced rate if they post on EDGA greater than 8,000,000 shares on a daily basis, measured monthly (yielding Flags B, V, Y, 3 or 4). The Exchange proposes to make a conforming amendment to change the word “this” to “either” in footnote 2 to clarify that a Member can receive the rate of \$0.0010 per share by satisfying either condition.

Finally, the Exchange proposes to provide a reduced rate for non-displayed (“Flag H”) executions for a non-aggregated MPID representing the volume of a Member and meeting certain criteria. For executions in stocks priced \$1.00 and over, if the average daily volume (“ADV”) of Flag H executions for a non-aggregated MPID is increased such that its ADV is 1,000,000 greater than its ADV of Flag H executions averaged across the month of October 2010, then the non-aggregated MPID would qualify for a rate of \$0.00025 per share. For executions in stocks priced below \$1.00, if the ADV of Flag H executions for a non-aggregated

MPID is increased such that its ADV is 1,000,000 greater than its ADV of Flag H executions averaged across the month of October 2010, then the non-aggregated MPID would qualify for a rate of .025% of the total dollar volume of the Flag H executions. The Exchange believes that these reduced rates for Flag H executions will incent Members to add liquidity to EDGA.

The Exchange believes that the above pricing is appropriate since lower rates for Flag H executions are directly correlated with more stringent criteria. The lowest rate of \$0.00025 per share for Flag H executions has the most stringent criteria associated with it and is a lower rate than the next best rate of \$0.0010 per share, which in turn is a better rate than the default rate of \$0.0030 per share for Flag H executions. For example, assuming an average ADV for the month of October 2010 of 500,000, a non-aggregated MPID would need 1.5 million in Flag H executions to qualify for the rate of \$0.00025 per share. In order to qualify for the next best rate of \$0.0010, a Member would have to add greater than 1 million shares or post greater than 8 million shares on a daily basis, measured monthly. If none of these criteria are met, the Member would receive the highest rate of \$0.0030 per share for Flag H executions. In addition, these lower rates for Flag H executions also result, in part, from lower administrative costs associated with higher volume.

EDGA Exchange proposes to implement these amendments to the Exchange fee schedule on November 1, 2010.

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

⁴ 15 U.S.C. 78f.

⁵ 15 U.S.C. 78f(b)(4).

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. In addition, the lower rates for Flag H executions also result, in part, from lower administrative costs associated with higher volume. Finally, the Exchange believes that the proposed rates are equitable in that they apply uniformly to all Members. 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.

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

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 19b-4(f)(2).

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-EDGA-2010-17 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-2010-17. 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

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 EDGA, and at the Commission's Public Reference Room.

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-2010-17 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

Florence E. Harmon
Deputy Secretary

⁹ 17 CFR 200.30-3(a)(12).