

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-64466; File No. SR-EDGA-2011-16)

May 11, 2011

Self-Regulatory Organizations; EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule to Amend EDGA Rule 11.9 to Introduce Additional Routing Options to the Rule

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 May 5, 2011, 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 and II 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 introduce additional routing options to Rule 11.9 and amend existing routing options. The text of the proposed rule change is available on the Exchange's website at www.directedge.com, at the Exchange's principal office, and at the Commission's Public Reference Room.

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 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 Exchange's current list of routing options are codified in Rule 11.9(b)(3). In this filing, the Exchange proposes to amend Rule 11.9(b)(3) to add three new additional strategies and amend other ones.

In Rule 11.9(b)(3), the Exchange describes that its system ("System") provides a variety of routing options. Routing options may be combined with all available order types and times-in-force, with the exception of order types and times-in-force whose terms are inconsistent with the terms of a particular routing option. The System will consider the quotations only of accessible markets. The term "System routing table" refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. The Exchange reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The new System routing options are described in more detail below.

The Exchange proposes to introduce the ROBB and ROCO routing strategies and add them to Rules 11.9(b)(3)(c)(vi)-(vii). ROBB/ROCO are routing options under which an order checks the System for available shares and then are sent to destinations on the System routing table. If shares remain unexecuted after routing, they are posted on the

book, unless otherwise instructed by the User.³ The difference between the latter two strategies lies in the difference in the System routing tables for the ROBB/ROCO strategies.

The Exchange also proposes to amend the descriptions in Rules 11.9(b)(3)(b) (ROUD), 11.9(b)(3)(l) (IOCX), 11.9(b)(3)(m) (IOCT), 11.9(b)(3)(r), as proposed to be re-lettered as described below (IOCM), 11.9(b)(3)(s), as proposed to be re-lettered as described below (ICMT), to modify the routing strategies such that if shares remain unexecuted after routing, they are posted on the book, unless otherwise instructed by the User. The Exchange proposes to amend the description of the routing strategies listed in Rule 11.9(b)(3)(c) to state that if shares remain unexecuted after routing, they are posted on the book, unless otherwise instructed by the User.

The same revision is also proposed to other routing strategies that currently cancel back to the User if shares remain unexecuted after routing. These include Rules 11.9(b)(3)(e) (ROBA), 11.9(b)(3)(f) (ROBX), 11.9(b)(3)(g) (ROBY) and 11.9(b)(3)(k) (ROPA).

The Exchange also proposes to amend the descriptions of the IOCX and IOCT routing strategies in Rules 11.9(b)(3)(l)-(m) to describe that for each strategy, routed orders are sent, as an immediate or cancel (IOC) order, to EDGX. The IOC designation pertains only to the routed order. If shares remain unexecuted after routing, the order returns to its original parent order without the IOC designation and it posts to the book, unless otherwise instructed by the User. The Exchange also proposes to amend Rules 11.9(b)(3)(e) (ROBA), (b)(3)(f) (ROBX), (b)(3)(g) (ROBY), (b)(3)(k) (ROPA), (b)(3)(l)-

³ As defined in Rule 1.5 (cc).

(m) (IOCX/IOCT), and (b)(3)(r)-(s)(IOCM/ICMT), as proposed to be re-lettered as described below, to move the placement of the text of “immediate or cancel order” within these descriptions to clarify this point.

The Exchange also proposes to introduce the SWPC routing strategy and add it to proposed Rule 11.9(b)(3)(q). SWPC is a routing option under which an order checks the System for available shares and then is sent to only Protected Quotations and only for displayed size. To the extent that any portion of the order is unexecuted, the remainder is posted on the book at the order’s limit price. The entire SWPC order will not be cancelled back to the User immediately if at the time of entry there is an insufficient share quantity in the SWPC order to fulfill the displayed size of all Protected Quotations. The Exchange believes that the proposed introduction of the SWPC routing option will provide market participants with greater flexibility in routing orders consistent with Regulation NMS. This proposed rule change is similar to NASDAQ Rule 4758(a)(1)(A)(vi) (“NASDAQ’s “MOPP” strategy) and BATS Exchange, Inc. Rule 11.13(a)(3)(D) (“Parallel T”).⁴

As a result of the insertion of the SWPC routing strategy into Rule 11.9(b)(3)(r), the Exchange also proposes to move the existing descriptions of IOCM and ICMT from Rules 11.9(b)(3)(c)(q)-(r) into Rules 11.9(b)(3)(c)(r)-(s), respectively.

The Exchange believes that the proposed introduction of these routing options, described above, will provide market participants with greater flexibility in routing orders, without having to develop their own complicated routing strategies.

⁴ See, e.g., NASDAQ Rule 4758, BATS Rule 11.13(a)(3)(D).

2. Statutory 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 national market system and, in general, to protect investors and the public interest. The proposed change to introduce the routing options described above will provide market participants with greater flexibility in routing orders without developing complicated order routing strategies on their own.

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,

⁵ 15 U.S.C. 78f(b)(5).

or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act⁶ and Rule 19b-4(f)(6)(iii) thereunder.⁷

A proposed rule change filed under Rule 19b-4(f)(6) normally may not become operative prior to 30 days after the date of filing.⁸ 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 requested that the Commission waive the 30-day operative delay so that the proposal may become operative upon filing, as the Exchange would like to make the additional strategies available on or about May 23, 2011. The Exchange notes that waiver of this requirement will allow the Exchange to immediately offer Exchange users new routing strategies, and the inability to immediately offer the new routing strategies would put the Exchange at a competitive disadvantage. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because such waiver would allow the new routing strategies to become immediately available to Exchange users. For this reason, the Commission designates the proposed rule change to be operative upon filing with the Commission.¹⁰

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

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(6)(iii). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. EDGA has satisfied this requirement.

⁸ 17 CFR 240.19b-4(f)(6)(iii).

⁹ Id.

¹⁰ For the 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).

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-EDGA-2011-16 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-2011-16. 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 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-2011-16 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.¹¹

Cathy H. Ahn
Deputy Secretary

¹¹ 17 CFR 200.30-3(a)(12).