

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-66231; File No. SR-EDGA-2011-40)

January 24, 2012

Self-Regulatory Organizations; EDGA Exchange, Inc.; Order Granting Approval of Proposed Rule Change Amending EDGA Rule 11.9

On December 2, 2011, EDGA Exchange, Inc. (“Exchange” or “EDGA”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to amend certain existing routing options contained in Rule 11.9. The proposed rule change was published for comment in the Federal Register on December 14, 2011.³ The Commission has received no comments on the proposed rule change. This order approves the proposed rule change.

The Exchange proposes to amend several routing options contained in Rule 11.9(b)(3) to allow Users more discretion if shares remain unexecuted after routing. In particular, Rule 11.9(b)(3) will provide that Users may elect that any remainder of an order be posted to the EDGX Exchange, Inc. (“EDGX”) for any of the routing options listed in the rule, except those in paragraphs (a) and (n)-(q).⁴ The Exchange believes the proposed modification of the routing

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 65911 (December 8, 2011), 76 FR 77877 (“Notice”).

⁴ Routing options listed in Rules 11.9(b)(3)(a) and (n)-(q) are not altered as a result of this proposed rule change. The routing option in Rule 11.9(b)(3)(a) already posts to EDGX and no modification to the rule is needed as no discretion is provided to the User. The routing options in Rules 11.9(b)(3)(n)-(q) do not have the option to post the remainder of an order to EDGX. For a more detailed discussion of the specific proposed changes to the text of EDGA Rule 11.9 allowing Users to elect that any remainder of an order be posted to EDGX for any of the routing options listed in the rule, except those in paragraphs (a) and (n)-(q), see the Notice, supra note 3.

options will provide market participants with greater flexibility in routing orders without having to develop their own complicated routing strategies. In addition, the varied routing options allow Users to take primary advantage of EDGA's low cost fee structure to remove liquidity on EDGA and if applicable, other destinations, while retaining the option of posting the remainder of the order to EDGX.

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of Section 6 of the Act⁵ and the rules and regulations thereunder applicable to a national securities exchange.⁶ In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,⁷ which requires, among other things, that the Exchange's rules be 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 facilitating transactions 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. The Commission notes that the proposed change is intended to provide market participants with greater flexibility in routing orders, to provide additional clarity and specificity to the Exchange's rulebook regarding routing strategies, and to further enhance transparency with respect to Exchange routing offerings.

⁵ 15 U.S.C. 78f.

⁶ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁷ 15 U.S.C. 78f(b)(5).

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁸ that the proposed rule change (SR-EDGA-2011-40), be, and hereby is, approved.

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

Kevin M. O'Neill
Deputy Secretary

⁸ 15 U.S.C. 78s(b)(2).

⁹ 17 CFR 200.30-3(a)(12).