## III. Conclusion

*It is therefore ordered,* pursuant to Section 19(b)(2) of the Act,[13] that the proposed rule change (SR–CBOE–2011–039) is hereby approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[14]

**Elizabeth M. Murphy,**

*Secretary.*

[FR Doc. 2011–19748 Filed 8–3–11; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34–64989; File No. SR–EDGA–2011–23]**

## 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

July 29, 2011.

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 July 27, 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, 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 Members[3] of the Exchange pursuant to EDGA Rule 15.1(a) and (c). 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 Web site 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 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

With respect to the category of securities priced at or above $1.00, when Members add liquidity, they are currently assessed a charge of $0.00025 per share. Alternatively, when Members remove liquidity, they are currently rebated in the amount of $0.00015 per share. The Exchange proposes to amend the fee structure (and related Flags) set forth in the fee schedule to instead provide a rebate for Members in the amount of $0.0005 per share when adding liquidity and assess a $0.0006 per share charge when removing liquidity.

The Exchange proposes to make conforming changes to the relevant flags, as described below, for adding and removing liquidity from the EDGA book. Specifically, the Exchange proposes to: (a) Discontinue the $0.00025 per share charge for adding liquidity to EDGA book in Tape B securities (Flag B) and instead offer a rebate of $0.0005 per share; (b) discontinue the rebate of $0.00015 per share for removing liquidity from the EDGA book in Tapes B and C securities (Flag N) and instead assess a $0.0006 per share charge; (c) discontinue the $0.00025 per share charge for adding liquidity to the EDGA book in Tape A securities (Flag V) and instead offer a rebate of $0.0005 per share; (d) discontinue the rebate of $0.00015 per share for removing liquidity from the EDGA book in Tape A securities (Flag W) and instead assess a $0.0006 per share charge; (e) discontinue the $0.00025 per share charge for adding liquidity to the EDGA book in Tape C securities (Flag Y) and instead offer a rebate of $0.0005 per share; (f) discontinue the $0.00025 per share charge for adding liquidity in the pre- and post-market trading sessions in Tapes A and C securities (Flag 3) and instead offer a rebate of $0.0005 per share; (g) discontinue the $0.00025 per share charge for adding liquidity in the pre- and post-market trading sessions in Tape B securities (Flag 4) and instead offer a rebate of $0.0005 per share; and (h) discontinue the rebate of $0.00015 per share for removing liquidity in the pre- and post-market trading sessions in securities on all Tapes (Flag 6) and instead assess a $0.0006 per share charge.

The Exchange also proposes to delete, in its entirety, footnote 12, which describes a tiered rate ($0.00005 per share) if Members, measured monthly, post 0.9% of the Total Consolidated Volume (''TCV'') in average daily volume to EDGA. As a result of the deletion of footnote 12, current footnotes 13–14 have been re-numbered as footnotes 12–13.

Currently, the BY flag is yielded when an order is routed to BATS BYX Exchange and removes liquidity using order types ROUC, ROBY, ROBB, or ROCO, as defined in Exchange Rules 11.9(b)(3)(a), (c), and (g). The Exchange proposes to decrease the rebate from $0.0004 to $0.0002 when an order is routed to BATS BYX Exchange and removes liquidity.

The Exchange also proposes to eliminate the text in footnote 7, which describes the INET tier, and replace it with the words ''intentionally omitted.'' This tier provides that ''Members routing an average daily volume (''ADV''): (i) Less than 5,000,000 shares will be charged $0.0030 per share, as described in the schedule; (ii) equal to or greater than 5,000,000 shares but less than 20,000,000 shares will be charged Nasdaq's best removal tier rate per share; (iii) equal to or greater than 20,000,000 shares but less than 30,000,001 shares will be charged Nasdaq's best removal tier rate—$0.0001 per share; and (iv) equal to or greater than 30,000,001 shares will be charged Nasdaq's best removal tier rate—$0.0002 per share. The rates, in all cases, are calculated for shares removed from Nasdaq.'' Conforming changes have been made to eliminate the references to footnotes 7 and a on Flags 2 and L, as they are no longer applicable.

The Exchange proposes to implement these amendments to its fee schedule on August 1, 2011.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Exchange Act,[4] in general, and furthers

[13] 15 U.S.C. 78s(b)(2).

[14] 17 CFR 200.30–3(a)(12).

[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.

[4] 15 U.S.C. 78f.

the objectives of Section 6(b)(4),[5] in particular, as 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's proposal to provide a rebate of $0.0005 per share for adding liquidity and assess a charge of $0.0006 per share for removing liquidity is designed to allow the Exchange to compete with other market centers, and at the same time preserve its current spread of $0.0001 per share. Because the Exchange's spread remains at $0.0001 per share under the proposed rate, the Exchange believes the proposed maker/taker fee spread to be reasonable. The proposed maker/taker spread is competitive with other market centers maker/taker spreads (BATS BZX Exchange, $0.0001 per share), Nasdaq ($.001—($.00045) per share), and NYSE Arca ($0.0009—($0.0002) per share). The Exchange believes that the proposed rate is non-discriminatory in that it applies uniformly to all Members.

Currently, the Exchange has a taker/maker fee structure whereby the Exchange assesses a fee of $0.00025 per share to add liquidity and provides a rebate of $0.00015 per share to remove liquidity. By changing its fee structure to the proposed maker/taker model, the Exchange will make it less expensive for Members to post liquidity to EDGA. As a result, EDGA expects to gain market share and see its order volume increase. Such increased volume increases potential revenue to the Exchange, and would allow the Exchange to spread its administrative and infrastructure costs over a greater number of shares, leading to lower per share costs. These lower per share costs would allow the Exchange to pass on the savings to Members in the form a rebate. The increased liquidity also benefits all investors by deepening EDGA's liquidity pool, supporting the quality of price discovery, promoting market transparency and improving investor protection.

The elimination of the tier described in footnote 12 (posting 0.9% of the TCV in average daily volume to EDGA) results from discussions with the Exchange's customers whereby the Exchange has concluded that the tier is not effective at incenting liquidity.

The Exchange believes that the proposed decrease in rebate associated with the BY flag (from $0.0004 per share to $0.0002 per share) represents an equitable allocation of reasonable dues, fees, and other charges since it reflects a pass through of the BATS fee for removing liquidity. EDGA believes that it is reasonable and equitable to pass on these fees to its members. The Exchange believes that the proposed decrease in rebate is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed elimination of the INET tier in footnote 7 represents an equitable allocation of reasonable dues, fees, and other charges as the INET tier is not used by any Members and therefore, its elimination will not impact any Members. The proposed elimination of the tier also provides more simplicity to the fee schedule.

The Exchange also 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. The Exchange believes that the proposed rates are equitable and non-discriminatory 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 Act[6] 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 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–2011–23 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–2011–23. 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 Web site (*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 Web site 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 a.m. and 3 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–2011–23 and should be submitted on or before August 25, 2011.

[5] 15 U.S.C. 78f(b)(4).

[6] 15 U.S.C. 78s(b)(3)(A).

[7] 17 CFR 19b–4(f)(2).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[8]

**Elizabeth M. Murphy,**

*Secretary.*

[FR Doc. 2011–19740 Filed 8–3–11; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34–64990; File No. SR–EDGX–2011–22]**

## Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Amendments to the EDGX Exchange, Inc. Fee Schedule

July 29, 2011.

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 July 27, 2011, the EDGX Exchange, Inc. (the ''Exchange'' or the ''EDGX'') 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 Members[3] of the Exchange pursuant to EDGX Rule 15.1(a) and (c). All of the changes described herein are applicable to EDGX Members. The text of the proposed rule change is available on the Exchange's Internet Web site 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 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, the BY flag is yielded when an order is routed to BATS BYX Exchange and removes liquidity using order types ROUC and ROBY, as defined in Exchange Rules 11.9(b)(3)(a) and (g). The Exchange proposes to decrease the rebate from $0.0004 to $0.0002 when an order is routed to BATS BYX Exchange and removes liquidity.

The Exchange also proposes to eliminate the text in footnote 7, which describes the INET tier, and replace it with the words ''intentionally omitted.'' This tier provides that ''Members routing an average daily volume (''ADV''): (i) Less than 5,000,000 shares will be charged $0.0030 per share, as described in the schedule; (ii) equal to or greater than 5,000,000 shares but less than 20,000,000 shares will be charged Nasdaq's best removal tier rate per share; (iii) equal to or greater than 20,000,000 shares but less than 30,000,001 shares will be charged Nasdaq's best removal tier rate—$0.0001 per share; and (iv) equal to or greater than 30,000,001 shares will be charged Nasdaq's best removal tier rate—$0.0002 per share. The rates, in all cases, are calculated for shares removed from Nasdaq.'' Conforming changes have been made to eliminate the references to footnotes 7 and a on Flags 2 and L, as they are no longer applicable.

The Exchange proposes to implement these amendments to its fee schedule on August 1, 2011.

2. Statutory Basis

The Exchange believes that the proposed rule changes are consistent with the objectives of Section 6 of the Exchange Act,[4] in general, and furthers the objectives of Section 6(b)(4),[5] in particular, as 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 believes that the proposed decrease in rebate associated with the BY flag (from $0.0004 per share to $0.0002 per share) represents an equitable allocation of reasonable dues, fees, and other charges since it reflects a pass through of the BATS fee for removing liquidity. EDGA believes that it is reasonable and equitable to pass on these fees to its members. The Exchange believes that the proposed decrease in rebate is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed elimination of the INET tier in footnote 7 represents an equitable allocation of reasonable dues, fees, and other charges as the INET tier is not used by any Members and therefore, its elimination will not impact any Members. The proposed elimination of the tier also provides more simplicity to the fee schedule.

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 changes reflect a competitive pricing structure designed to incent market participants to direct their order flow to the Exchange. The Exchange believes that the proposed rates are non-discriminatory 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 Act[6] 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 the Commission that such

[8] 17 CFR 200.30–3(a)(12).

[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.

[4] 15 U.S.C. 78f.

[5] 15 U.S.C. 78f(b)(4).

[6] 15 U.S.C. 78s(b)(3)(A).

[7] 17 CFR 19b–4(f)(2).