

applicable.<sup>4</sup> Third, the Exchange proposes to clarify within Rule 1600(b)(2)(D) that NYBX orders are defined within Rule 1600(c)(2), not only within Rule 1600(c)(2)(A) as is currently reflected.

The Exchange proposes to announce via Trader Update the implementation date of this proposed rule change, which will be no later than 30 days after the publication of the approval order in the **Federal Register**.

## 2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the "Act"),<sup>5</sup> in general, and furthers the objectives of Section 6(b)(5),<sup>6</sup> in particular, in that it is 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, and to remove impediments to and perfect the mechanism of a free and open market and a national market system. Specifically, the proposed rule change would improve the quality of the market by providing NYBX Users with greater control over and flexibility with respect to their orders by allowing for the entry of IOC orders in the NYBX Facility that would execute exclusively against contra-side liquidity in the DBK and the NYBX Facility.

### 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

No written comments were solicited or received with respect to the proposed rule change.

## III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to

90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove the proposed rule change, or
- (B) Institute proceedings to determine whether the proposed rule change should be disapproved.

## 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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2012-01 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-NYSE-2012-01. This file number should be included on the subject line if email 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 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-NYSE-2012-01 and should be submitted on or before February 21, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66231; File No. SR-EDGA-2011-40]

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

January 24, 2012.

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")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> 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.<sup>3</sup> 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).<sup>4</sup> The

<sup>7</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 65911 (December 8, 2011), 76 FR 77877 ("Notice").

<sup>4</sup> 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

Continued

<sup>4</sup> See Securities Exchange Act Release No. 60356 (July 21, 2009), 74 FR 37281 (July 28, 2009) (SR-NYSE-2009-08) (Rescinding Rules 110 and 107A, which established the roles of Competitive Traders and Registered Competitive Market Makers).

<sup>5</sup> 15 U.S.C. 78f(b).

<sup>6</sup> 15 U.S.C. 78f(b)(5).

Exchange believes the proposed modification of the routing 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 Act<sup>5</sup> and the rules and regulations thereunder applicable to a national securities exchange.<sup>6</sup> In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>7</sup> 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.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,<sup>8</sup> 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.<sup>9</sup>

**Kevin M. O'Neill,**  
*Deputy Secretary.*

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those in paragraphs (a) and (n)-(q), see the Notice, *supra* note 3.

<sup>5</sup> 15 U.S.C. 78f.

<sup>6</sup> 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).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

<sup>8</sup> 15 U.S.C. 78s(b)(2).

<sup>9</sup> 17 CFR 200.30-3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66228; File No. SR-EDGX-2012-01]

### Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend EDGX Rule 11.14 To Extend the Operation of the Single Stock Circuit Breaker Pilot Program Until July 31, 2012

January 24, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on January 11, 2012, the EDGX Exchange, Inc. (the "Exchange" or "EDGX") 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

The Exchange proposes to amend EDGX Rule 11.14 to extend the operation of the single stock circuit breaker pilot program (the "Pilot") pursuant to the Rule until July 31, 2012. The text of the proposed rule change is available on the Exchange's Web site at [www.directedge.com](http://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 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 Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

#### A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The Exchange proposes to amend EDGX Rule 11.14 to extend the operation of a Pilot that allows the Exchange to provide for uniform market-wide trading pause standards for NMS stocks through July 31, 2012.

##### Background

Pursuant to Rule 11.14, the Exchange is allowed to pause trading in any NMS stock when the primary listing market for such stock issues a trading pause in such NMS stock. The Exchange will pause trading in such security until trading has resumed on the primary listing market.

EDGX Rule 11.14 was approved by the Commission on June 10, 2010 on a Pilot basis to end on December 10, 2010.<sup>3</sup> The Pilot was subsequently extended until April 11, 2011.<sup>4</sup> The Pilot was then further extended through the earlier of August 11, 2011 or the date on which a limit up/limit down mechanism to address extraordinary market volatility, if adopted, applies.<sup>5</sup> The Pilot was then extended through January 31, 2012.<sup>6</sup>

In its initial filing to adopt EDGX Rule 11.14, the Exchange stated that the original Pilot list of securities was all securities included in the S&P 500<sup>®</sup> Index ("S&P 500"). The Exchange also noted in that filing that it would continue to assess whether additional securities needed to be added or removed from the Pilot list and whether the parameters of the rule needed to be modified to accommodate trading characteristics of different securities. As noted in comment letters to the initial filing to adopt EDGX Rule 11.14, concerns were raised that including only securities in the S&P 500 in the Pilot rule was too narrow. In particular, commenters noted that securities that experienced volatility on May 6, 2010, including ETFs, should be included in the Pilot.

In response to these concerns, various exchanges and national securities associations collectively determined to

<sup>3</sup> See Securities Exchange Act Release No. 62252 (June 10, 2010) (SR-EDGX-2010-01), 75 FR 34186 (June 16, 2010).

<sup>4</sup> See Securities Exchange Act Release No. 63507 (December 9, 2010) (SR-EDGX-2010-22), 75 FR 78787 (December 16, 2010).

<sup>5</sup> See Securities Exchange Act Release No. 64205 (April 6, 2011) (SR-EDGX-2011-10), 76 FR 20417 (April 12, 2011).

<sup>6</sup> See Securities Exchange Act Release No. 65092 (August 10, 2011) (SR-EDGX-2011-23), 76 FR 50786 (August 16, 2011).