

41.25 and a match volume of 3000 shares and will not publish an Imbalance.

(B) *If an Indicative Match Price does not exist, the Archipelago Exchange shall indicate via electronic means that an Indicative Match Price does not exist.* [Beginning at 5:00 am (Pacific Time), and various times thereafter as determined from time to time by the Corporation, the market order Imbalance associated with the Market Order Auction, if any, shall be published via electronic means as determined from time to time by the Corporation.]

(C) If the difference between the Indicative Match Price and the closing price of the previous trading day's normal market hours, as determined by the Consolidated Tape, is equal to or greater than a pre-determined amount, as determined from time to time by the Corporation, the Archipelago Exchange will assign a "SIG" designator to such Indicative Match Price and publish such designator via electronic means as determined from time to time by the Corporation.

[Example:

- (1) Market order to buy 5000 shares;
- (2) Auction-Only Limit Order to sell 1000 at 50;
- (3) Limit order to sell 1000 at 50.50; and
- (4) Limit order to sell 500 at 50.75.

The Archipelago Exchange will publish an Indicative Match Price of 50.75, a volume of 2500 shares, and a buy Imbalance of 2500 shares.]

[Example:

- (1) Market order to buy 3000 shares;
- (2) Market order to sell 1000;
- (3) Limit order to sell 1000 at 41.00; and
- (4) Limit order to sell 1000 at 41.25.

The Archipelago Exchange will publish an Indicative Match Price of 41.25 and a volume of 3000 shares and will not publish an Imbalance.]

(2)–(3)—(No change).

(d) Re-Opening After Trading Halts. To re-open trading in a security following a trading halt in that security, the Archipelago Exchange shall conduct a Trading Halt Auction, as described below:

(1)—(No change).

(2) Publication of Indicative Match Price and Imbalances.

(A) Immediately after trading is halted in a security, and *updated real-time thereafter* [various times thereafter as determined from time to time by the Corporation], the Indicative Match Price of the Trading Halt Auction and the volume available to trade at such price, shall be published via electronic means [as determined from time to time by the

Corporation]. If such a price does not exist [(i.e., there is an Imbalance of market orders)], the Archipelago Exchange shall indicate via electronic means that an Indicative Match Price does not exist.

(B) Immediately after trading is halted in a security, and [various times thereafter as determined from time to time by the Corporation] *updated real-time thereafter*, the [m]Market [order] and Total Imbalance associated with the Trading Halt Auction, if any, shall be published via electronic means [as determined from time to time by the Corporation]. *Market orders shall be included for purposes of calculating the Total Imbalance and Market Imbalance. Limit orders shall only be included in the Total Imbalance calculations.*

(C)—(No change).

(3)–(6)—(No change).

(e)–(f)—(No change).

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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 PCX included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it had received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The PCX 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

As part of its continuing efforts to enhance participation on ArcaEx, the PCX is proposing to add a new imbalance indicator to its Market Order Auction and Trading Halt Auction display to reflect the total net imbalance of market and limit orders at the indicative match price. This imbalance indicator will be in addition to the already existing market imbalance indicator that displays the imbalance of unmatched market orders. The PCX believes that the display of the new total imbalance indicator will provide ETP Holders and Sponsored Participants (collectively "Users") with more information regarding auction imbalances. Furthermore, the PCX proposes to add the terms "Total Imbalance" and "Market Imbalance" to PCXE Rule 1.1(q). The PCX is also

proposing to amend PCXE Rule 7.35(c) and (d) to clarify that the published Total Imbalance or Market Imbalance (if any exist) may contain market and/or limit orders.

Currently, PCXE Rule 1.1(q) refers to the term "Imbalance." The PCX proposes to amend PCXE Rule 1.1(q) to define the terms "Total Imbalance" and "Market Imbalance" for clarity. Total Imbalance shall mean the net imbalance of buy (sell) orders at the Indicative Match Price for all orders that are eligible for execution during the applicable auction. The term "Market Imbalance" shall mean the imbalance of any remaining buy (sell) Market Orders that are not matched for execution during the applicable auction.

The PCXE's current rules governing the publication of imbalances associated with its Market Order Auction and Trading Halt Auction are set forth in PCXE Rule 7.35. The PCX now proposes to add to PCXE Rule 7.35(c) and (d) a Total Imbalance indicator. The current rule only refers to publishing a Market Imbalance. In order to provide more information about the auction imbalance during the Market Order Auction and Trading Halt Auction, the PCX proposes to also publish the Total Imbalance, if any exists, to reflect the fact that the total size of the order imbalance includes both market and limit orders. The dissemination of this new imbalance indicator does not impact the operation of the existing Market Order Auction or Trading Halt Auction processes as described in PCXE Rule 7.35(c) and (d), respectively.

The PCX believes that the dissemination of the aforementioned imbalance indicators would provide Users with additional information with which to make trading decisions during the auction process. Accordingly, this would facilitate enhanced order interaction and foster price competition. The PCX believes that the proposed rule change, as amended, would provide a more efficient and effective market operation, and would enhance the information available to investors.

2. Statutory Basis

The PCX believes that the proposed rule change, as amended, is consistent with Section 6(b)⁴ of the Act, in general, and further the objectives of Section 6(b)(5),⁵ in particular, because it is designed 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 and perfect

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).