

Required fields are shown with yellow backgrounds and asterisks.

Filing by Investors' Exchange LLC
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
Date Expires * <input type="text"/>			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
	Section 3C(b)(2) * <input type="checkbox"/>

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Contact Information
Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Last Name *
 Title *
 E-mail *
 Telephone * Fax

Signature
Pursuant to the requirements of the Securities Exchange Act of 1934,
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.
(Title *)

Date Chief Regulatory Officer
 By
 (Name *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² Investors Exchange LLC (“IEX” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to correct several typographical errors in Rule 11.190(g)(1)(A) and in the Purpose Section of SR-IEX-2017-06 describing the changes to IEX Rule 11.190(g)(1)(A) proposed therein. The Exchange has designated this proposal as non-controversial and has satisfied the requirements of Rule 19b-4(f)(6)(iii) under the Act.³

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

(b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. No further action is required under the Exchange’s governing documents. Therefore, the Exchange’s internal procedures with respect to the proposed rule change are complete.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6)(iii).

The persons on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

Claudia Crowley
Chief Regulatory Officer
Investors Exchange LLC
646-343-2041

Sophia Lee
General Counsel
Investors Exchange LLC
646-343-2040

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

a. Purpose

The Exchange recently filed with the Commission an immediately effective proposed rule change to amend Rule 11.190(g) to modify the quote instability coefficients and quote instability threshold included in the quote instability calculation specified in subparagraph (g)(1) of Rule 11.190 for purposes of determining whether a crumbling quote exists. The rule filing was published on the Commission website on March 10, 2017.⁴ Thereafter the Exchange identified that the formula contained in Rule 11.190(g)(1)(A) (the "formula") contains several minor typographical errors. First, the numerical references to the Quote Stability Coefficients contained in the formula were each represented as regular text rather than as subscript, as they are specified in subparagraph (a) of Rule 11.190(g)(1)(A). Second, the Quote Stability Variables NC and FC are incorrectly represented as NC-1 and FC-1 respectively in the formula. Exhibit 5 to this filing corrects both of these typographical errors. In addition, Exhibit 5 to SR-IEX-2017-06 contains inconsistent notations on text marked for deletion and retention whereby the same phrase is marked for deletion and also marked as retained and

⁴ See Securities Exchange Act Release No. 34-80202; File No. SR-IEX-2017-06.

relocated in the following subparagraph. Specifically, the phrase “the quote instability factor result from the quote stability calculation is greater than the defined quote instability threshold” is not clearly shown as relocated. Exhibit 5 to this rule filing corrects this typographical error by showing the text of the relocated phrase as new text, notwithstanding that it was previously contained in the text of Rule 1.190(g)(1)(A) as amended by SR-IEX-2017-06.

In addition, the Purpose Section of the filing contains two sets of typographical errors which the Exchange proposes to correct with this filing. First, numbered paragraph 1, beginning on page 8, which describes one aspect of the proposed amendments to Rule 11.190(g) inadvertently omits the Nasdaq Stock Market in the list of exchanges for which protected quotations are included in the Crumbling Quote determination described in subparagraph (1) of Rule 11.190(g). This paragraph also uses the word “protection” rather than “protected” in the second sentence. The proposed rule text in Exhibit 5 to the rule filing is correct in this respect. Accordingly, IEX proposes to restate the relevant portion of the Purpose Section to read as follows:

“1. Rule 11.190(g) states that the Exchange utilizes real time relative quoting activity of Protected Quotations, not including IEX protected quotations, in the quote instability calculation. As proposed, the Exchange is proposing to include the protected quotations of the following exchanges in the quote instability calculation: New York Stock Exchange, NYSE Arca, Nasdaq Stock Market, Nasdaq BX, Bats BZX Exchange, Bats BYX Exchange, Bats EDGX Exchange, and Bats EDGA Exchange. In connection with our analysis of market data, as described above, the Exchange considered several different

permutations of which exchanges to include in the model. The research identified that using the Protected Quotations of these specific eight exchanges in the aggregate resulted in the greatest predictive power of all permutations of exchanges assessed for determining a crumbling quote.”

Second, the description in the Purpose Section of the filing in the first and third sentences of numbered paragraph 3 on page 10, which reference the quote stability variables to be retired, incorrectly format N_{-1} and F_{-1} in regular text, when the numeral 1 and preceding minus sign in each should be subscript. Accordingly, IEX proposes to restate the first three sentences of the paragraph to read as follows:

“The Exchange proposes to revise the quote stability variables currently specified in subparagraph (1)(D)(i)(b) of Rule 11.190(g) by adding seven (7) new variables (NC, FC, Delta, EPos, ENeg, EPosPrev, and ENegPrev) and retiring four (4) variables (N_{-1} , F_{-1} , E, and D). Specifically, based on our analysis of market data, as described above, the Exchange identified that considering the maximum change over the course of the previous millisecond up to the most recent Protected NBBO change was a more accurate indicator of a crumbling quote than simply looking at the absolute state of the market one millisecond previously. The replacement of N_{-1} , F_{-1} , and D with NC, FC, and Delta, respectively, reflects this finding.” (internal footnote omitted)

b. Statutory Basis

IEX believes that the proposed rule change is consistent with Section 6(b)⁵ of the

⁵

15 U.S.C. 78f.

Act in general, and furthers the objectives of Section 6(b)(5) of the Act,⁶ 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, 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. Specifically, the correction of inadvertent typographical errors in IEX Rule 11.190(g)(1)(A) and in SR-IEX-2017-06 describing the changes to IEX Rule 11.190(g)(1)(A) proposed therein will serve the goals of the Act by having rule text accurately reflect system functionality and avoid the potential for market participant confusion.

4. Self-Regulatory Organization's Statement on Burden on Competition

IEX does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed correction does not impact competition in any respect since it is designed to correct typographical errors.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The Exchange has designated this rule filing as non-controversial under Section

⁶ 15 U.S.C. 78f(b)(5).

19(b)(3)(A) of the Act⁷ and paragraph (f)(6) of Rule 19b-4 thereunder.⁸ The Exchange asserts that the proposed rule change: (1) will not significantly affect the protection of investors or the public interest, (2) will not impose any significant burden on competition, (3) and will not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange believes that the proposed rule change meets the criteria of subparagraph (f)(6) of Rule 19b-4⁹ because it would not significantly affect the protection of investors or the public interest. Rather, the proposed rule change neither significantly affects the protection of investors or the public interest, nor does it impose any burden on competition in that the purpose of the rule change is merely to correct inadvertent typographical errors in IEX Rule 11.190(g)(1)(A) and in SR-IEX-2017-06 describing the rule change proposed therein without changing the substance of Rule 11.190(g)(1)(A). Accordingly, the Exchange believes that the proposed rule change is noncontroversial and satisfies the requirements of Rule 19b-4(f)(6)¹⁰.

Furthermore, 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. The Exchange has satisfied this requirement.¹¹

The Exchange respectfully requests that the Commission waive the 30-day

⁷ 15 U.S.C. 78s(b)(3)(A).
⁸ 17 CFR 240.19b-4(f)(6).
⁹ 17 CFR 240.19b-4(f)(6).
¹⁰ 17 CFR 240.19b-4(f)(6).
¹¹ 17 CFR 240.19b-4(f)(6)(iii).

operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. The proposed rule change will correct typographical errors in SR-IEX-2017-06 describing the rule change proposed therein. Waiver of the operative delay is, therefore, consistent with the protection of investors and the public interest because it will allow the Exchange to implement the proposed rule change upon effectiveness of the proposed rule change, thus avoiding any potential confusion that may otherwise occur.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

8. Proposed Rule Change Based on the Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. Security-Based Swap Submissions Filed Pursuant to Section 3 C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 – Form of Notice of the Proposed Rule Change for Publication in the Federal Register.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34 -); File No. SR-IEX-2017-08)

Self-Regulatory Organizations: Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Correct Typographical Errors in SR-IEX-2017-06.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on (date), the Investors Exchange LLC (“IEX” or the “Exchange”) filed with the Securities and Exchange Commission (the “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

Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”),⁴ and Rule 19b-4 thereunder,⁵ Investors Exchange LLC (“IEX” or “Exchange”) is filing with the Commission a proposed rule change to correct several typographical errors in Rule 11.190(g)(1)(A) and in the Purpose Section of SR-IEX-2017-06 describing the changes to IEX Rule 11.190(g)(1)(A) proposed therein. The Exchange has designated this proposal as non-controversial and has satisfied the

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ 15 U.S.C. 78s(b)(1).

⁵ 17 CFR 240.19b-4.

requirements of Rule 19b-4(f)(6)(iii) under the Act.⁶

The text of the proposed rule change is available at the Exchange's website at www.iextrading.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

1. Purpose

The Exchange recently filed with the Commission an immediately effective proposed rule change to amend Rule 11.190(g) to modify the quote instability coefficients and quote instability threshold included in the quote instability calculation specified in subparagraph (g)(1) of Rule 11.190 for purposes of determining whether a crumbling quote exists. The rule filing was published on the Commission website on March 10, 2017.⁷ Thereafter the Exchange identified that the formula contained in Rule 11.190(g)(1)(A) (the "formula") contains several minor typographical errors. First, the numerical references to the Quote Stability Coefficients contained in the formula were

⁶ 17 CFR 240.19b-4(f)(6)(iii).

⁷ See Securities Exchange Act Release No. 34-80202; File No. SR-IEX-2017-06.

each represented as regular text rather than as subscript, as they are specified in subparagraph (a) of Rule 11.190(g)(1)(A). Second, the Quote Stability Variables NC and FC are incorrectly represented as NC-1 and FC-1 respectively in the formula. Exhibit 5 to this filing corrects both of these typographical errors. In addition, Exhibit 5 to SR-IEX-2017-06 contains inconsistent notations on text marked for deletion and retention whereby the same phrase is marked for deletion and also marked as retained and relocated in the following subparagraph. Specifically, the phrase “the quote instability factor result from the quote stability calculation is greater than the defined quote instability threshold” is not clearly shown as relocated. Exhibit 5 to this rule filing corrects this typographical error by showing the text of the relocated phrase as new text, notwithstanding that it was previously contained in the text of Rule 1.190(g)(1)(A) as amended by SR-IEX-2017-06.

In addition, the Purpose Section of the filing contains two sets of typographical errors which the Exchange proposes to correct with this filing. First, numbered paragraph 1, beginning on page 8, which describes one aspect of the proposed amendments to Rule 11.190(g) inadvertently omits the Nasdaq Stock Market in the list of exchanges for which protected quotations are included in the Crumbling Quote determination described in subparagraph (1) of Rule 11.190(g). This paragraph also uses the word “protection” rather than “protected” in the second sentence. The proposed rule text in Exhibit 5 to the rule filing is correct in this respect. Accordingly, IEX proposes to restate the relevant portion of the Purpose Section to read as follows:

“1. Rule 11.190(g) states that the Exchange utilizes real time relative quoting activity of Protected Quotations, not including IEX protected quotations, in the

quote instability calculation. As proposed, the Exchange is proposing to include the protected quotations of the following exchanges in the quote instability calculation: New York Stock Exchange, NYSE Arca, Nasdaq Stock Market, Nasdaq BX, Bats BZX Exchange, Bats BYX Exchange, Bats EDGX Exchange, and Bats EDGA Exchange. In connection with our analysis of market data, as described above, the Exchange considered several different permutations of which exchanges to include in the model. The research identified that using the Protected Quotations of these specific eight exchanges in the aggregate resulted in the greatest predictive power of all permutations of exchanges assessed for determining a crumbling quote.”

Second, the description in the Purpose Section of the filing in the first and third sentences of numbered paragraph 3 on page 10, which reference the quote stability variables to be retired, incorrectly format N_{-1} and F_{-1} in regular text, when the numeral 1 and preceding minus sign in each should be subscript. Accordingly, IEX proposes to restate the first three sentences of the paragraph to read as follows:

“The Exchange proposes to revise the quote stability variables currently specified in subparagraph (1)(D)(i)(b) of Rule 11.190(g) by adding seven (7) new variables (NC, FC, Delta, EPos, ENeg, EPosPrev, and ENegPrev) and retiring four (4) variables (N_{-1} , F_{-1} , E, and D). Specifically, based on our analysis of market data, as described above, the Exchange identified that considering the maximum change over the course of the previous millisecond up to the most recent Protected NBBO change was a more accurate indicator of a crumbling quote than simply looking at the absolute state of the market one millisecond previously.

The replacement of N-1, F-1, and D with NC, FC, and Delta, respectively, reflects this finding.” (internal footnote omitted)

2. Statutory Basis

IEX believes that the proposed rule change is consistent with Section 6(b)⁸ of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act,⁹ 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, 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. Specifically, the correction of inadvertent typographical errors in IEX Rule 11.190(g)(1)(A) and in SR-IEX-2017-06 describing the changes to IEX Rule 11.190(g)(1)(A) proposed therein will serve the goals of the Act by having rule text accurately reflect system functionality and avoid the potential for market participant confusion.

B. Self-Regulatory Organization’s Statement on Burden on Competition

IEX does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed correction does not impact competition in any respect since it is designed to correct typographical errors.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

⁸ 15 U.S.C. 78f.

⁹ 15 U.S.C. 78f(b)(5).

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

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A)¹⁰ of the Act and Rule 19b-4(f)(6)¹¹ thereunder. Because the 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, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)¹² normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹³ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay to the extent necessary so that the proposal may become operative at the time of the launch of its operation as a national securities exchange.

At any time within 60 days of the filing of the 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. If the Commission takes such action, the Commission shall institute proceedings under Section

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

¹² 17 CFR 240.19b-4(f)(6).

¹³ 17 CFR 240.19b-4(f)(6)(iii).

19(b)(2)(B)¹⁴ of the Act to determine whether the proposed rule change should be approved or 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. Please include File Number SR-IEX-2017-08 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-IEX-2017-08. This file number should be included in 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 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

¹⁴ 15 U.S.C. 78s(b)(2)(B).

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 Section, 100 F Street, NE, Washington, DC 20549-1090. Copies of the filing will also be available for inspection and copying at the IEX's principal office and on its Internet website at www.iextrading.com. 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-IEX-2017-08 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.¹⁵

¹⁵ 17 CFR 200.30-3(a)(12).

Exhibit 5 – Text of Proposed Rule Change

Proposed new language is underlined; proposed deletions are in brackets.

Rule 11.190. Orders and Modifiers

(a) through (f) No change

(g) Quote Stability. The Exchange utilizes real time relative quoting activity of Protected Quotations and a proprietary mathematical calculation (the “quote instability calculation”) to assess the probability of an imminent change to the current Protected NBB to a lower price or Protected NBO to a higher price for a particular security (“quote instability factor”). When the quoting activity meets predefined criteria and the quote instability factor calculated is greater than the Exchange’s defined threshold (“quote instability threshold”), the System treats the quote as not stable (“quote instability” or a “crumbling quote”). During all other times, the quote is considered stable (“quote stability”). The System independently assesses the stability of the Protected NBB and Protected NBO for each security. References in this Rule to “Protected Quotations”, “Protected NBB”, “Protected NBO” and “Protected NBBO” herein include quotations from the following exchanges: XNYS, ARCX, XNGS, XBOS, BATS, BATY, EDGX, EDGA.

(1) Crumbling Quote. When the System determines a quote, either the Protected NBB or the Protected NBO, is unstable, the determination remains in effect at that price level for two (2) milliseconds. The System will only treat one side of the Protected NBBO as unstable in a particular security at any given time. Quote instability or a crumbling quote is determined by the System when:

(A) The quote instability factor result from the quote stability calculation is greater than the defined quote instability threshold.

(i) Quote Instability Factor. The Exchange’s proprietary quote stability calculation used to determine the current quote instability factor is defined by the following formula that utilizes the quote stability coefficients and quote stability variables defined below:

$$1 / (1 + e^{-(C[0]_0 + C[1]_1 * N + C[2]_2 * F + C[3]_3 * NC[-1] + C[4]_4 * FC[-1] + C[5]_5 * EPos + C[6]_6 * ENeg + C[7]_7 * EPosPrev + C[8]_8 * ENegPrev + C[9]_9 * Delta)})$$

(a) – (b) No Change.

(ii) – (iii) No Change.
