

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-56477; File No. SR-NASDAQ-2007-056)

September 20, 2007

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Order Granting Approval of Proposed Rule Change and Amendment No. 2 Thereto, To Retroactively Modify Pricing for Nasdaq Members Using the Nasdaq Market Center

On June 1, 2007, The NASDAQ Stock Market LLC (“Nasdaq”) 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 make retroactive to February 12, 2007, certain modifications to Nasdaq’s fee schedule to address transition issues arising from its commencing operations as a national securities exchange. On July 27, 2007, Nasdaq filed Amendment No. 1. On August 6, 2007, Nasdaq withdrew Amendment No. 1 and filed Amendment No. 2, which replaced the text of the original filing in its entirety. The proposed rule change was published for notice and comment in the Federal Register on August 15, 2007.<sup>3</sup> The Commission received no comments on the proposal.

The Commission has carefully reviewed the proposed rule change and finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange<sup>4</sup> and, in particular, the requirements of Section 6(b)(4) of the Act,<sup>5</sup> which requires that Nasdaq’s rules provide

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<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. 56228 (August 8, 2007), 72 FR 45848.

<sup>4</sup> In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>5</sup> 15 U.S.C. 78f(b)(4).

for the equitable allocation of reasonable dues, fees and other charges among its members and issuers and other persons using its facilities. With respect to Rule 7013, the Commission believes it is appropriate to eliminate Tape A revenue sharing for Nasdaq members trading non-Nasdaq securities because this change restores the status quo with respect to Tape A revenue sharing that existed prior to Nasdaq's transition to exchange operation on February 12, 2007. With respect to Rule 7014, the Commission believes that it is appropriate to delete the rule in its entirety because Nasdaq began trading all securities, including non-Nasdaq securities, on a single trading platform on February 12, 2007; thus, a pricing distinction for trading non-Nasdaq securities is not appropriate. The Commission also believes that the remainder of Rule 7014 can be eliminated because the rule references obsolete practices or is duplicative of other Nasdaq rules.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,<sup>6</sup> that the proposed rule change (SR-NASDAQ-2007-056) be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>7</sup>

Florence E. Harmon  
Deputy Secretary

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<sup>6</sup> 15 U.S.C. 78s(b)(2).

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