

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-61467; File No. SR-NASDAQ-2010-020)

February 2, 2010

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Modify Fees for Members Using the NASDAQ Market Center

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 1, 2010, The NASDAQ Stock Market LLC (“NASDAQ” or the “Exchange”) 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 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

NASDAQ proposes to modify pricing for NASDAQ members using the NASDAQ Market Center. NASDAQ will implement the proposed change on February 1, 2010. The text of the proposed rule change is available at <http://nasdaqomx.cchwallstreet.com/>, at NASDAQ’s principal office, and at the Commission’s Public Reference Room.

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

In its filing with the Commission, NASDAQ 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Item IV below. NASDAQ 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

NASDAQ is introducing pricing for its SAVE routing strategy, which was recently filed on an immediately effective basis in SR-NASDAQ-2010-018.³ In the SAVE strategy, at the option of the entering party, orders either route to NASDAQ OMX BX ("BX"), check the NASDAQ book, and then route to other destinations on the routing table for SAVE, or check the NASDAQ book first and then route to routing table destinations, which may include BX. For orders pursuing this routing approach, NASDAQ will pass through all fees assessed and rebates offered by BX, charge \$0.0010 per share executed for orders that execute at the New York Stock Exchange ("NYSE"), and charge \$0.0026 per share executed for orders that execute in other away venues. Orders that execute in the NASDAQ Market Center will be charged the normal NASDAQ execution charges.

NASDAQ is also amending its fee schedule to reflect recent modifications to Rule 4758, which governs order routing. NASDAQ amended that rule to describe various routing options with greater specificity than had previously been provided by the rule. Whereas the NASDAQ fee schedule contained in Rule 7018 had previously contained descriptive references to the routing parameters of particular routing options, the schedule is now being amended to refer to specific order routing options by the same name used in Rule 4758, such as SCAN, DOT, or TFTY. NASDAQ believes that this change will increase the clarity of both its routing rule and

³ Securities Exchange Act Release No. 34-61460 (February 1, 2010) (SR-NASDAQ-2010-018).

its fee schedule. The amended fee schedule also clarifies that TFTY, MOPP, SAVE, and directed orders are not counted for purposes of determining a member's shares of liquidity routed under provisions that base certain discounts on the number of shares of liquidity routed, removed and/or provided.

NASDAQ is also removing several unnecessary provisions from Rule 7018. Specifically, NASDAQ is deleting references to (i) orders in NASDAQ-listed securities that execute at BX prior to routing to NYSE or NYSE Amex, since neither venue trades NASDAQ-listed securities, and (ii) "other orders" that execute at BX without attempting to execute at NASDAQ, since all possible execution parameters for orders that execute at BX without checking the NASDAQ book are covered by other fee provisions.

2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁴ in general, and with Section 6(b)(4) of the Act,⁵ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which NASDAQ operates or controls. NASDAQ is introducing fees for the new SAVE routing option, under which members pay a low fee to route to the NYSE and other destinations to encourage members to make greater use of NASDAQ's routing services. The changes will result in a reduction of fees paid by members that make use of SAVE, as compared with currently available routing options offered by NASDAQ.

NASDAQ 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

⁴ 15 U.S.C. 78f.

⁵ 15 U.S.C. 78f(b)(4).

particular venue to be excessive. NASDAQ believes that the change will further enhance the competitiveness of its fees in comparison with those charged by other venues, and that its fees are reasonable and equitably allocated to members on the basis of whether they opt to direct orders to NASDAQ.

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

NASDAQ 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, as amended.

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.

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)(A)(ii) of the Act⁶ and subparagraph (f)(2) of Rule 19b-4 thereunder.⁷ At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate 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:

⁶ 15 U.S.C. 78s(b)(3)(a)(ii).

⁷ 17 CFR 240.19b-4(f)(2).

- 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-NASDAQ-2010-020 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-NASDAQ-2010-020. 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,⁸ 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, on official business days between the hours of 10:00 a.m. and 3:00 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

⁸ The text of the proposed rule change is available on the Commission's Web site at <http://www.sec.gov/rules/sro.shtml>.

make available publicly. All submissions should refer to File Number SR-NASDAQ-2010-020 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.⁹

Florence E. Harmon
Deputy Secretary

⁹ 17 CFR 200.30-3(a)(12).