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July 28, 2016

Brent J. Fields  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: **Partial Amendment No. 1 to SR-NASDAQ-2016-067**

Dear Mr. Fields:

The NASDAQ Stock Market LLC filed the above-referenced filing on this date

Sincerely,

A handwritten signature in black ink, appearing to read 'Angela S. Dunn', written in a cursive style.

Angela S. Dunn

*Required fields are shown with yellow backgrounds and asterisks.*

Filing by NASDAQ Stock Market  
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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

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

<b>Exhibit 2 Sent As Paper Document</b>	<b>Exhibit 3 Sent As Paper Document</b>
<input type="checkbox"/>	<input type="checkbox"/>

**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      

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 \***

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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 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**

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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**

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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**

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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**

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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.

**Partial Amendment No. 1 to SR-NASDAQ-2016-067**

The NASDAQ Stock Market LLC (“Nasdaq” or “Exchange”), 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> is filing with the Securities and Exchange Commission (“SEC” or “Commission”) this Partial Amendment No. 1 to make the following changes to the pending 19b-4, Exhibit 1, and Exhibit 5.

**Changes to the 19b-4 and Exhibit 1.**

1. The Exchange proposes to insert the following text and accompanying footnote to the 19b-4 in the first paragraph that begins on page 4 and to the Exhibit 1 in the third full paragraph on page 11 as the second sentence, “The Exchange intends to apply LOP system wide. The Exchange reserves the ability to temporarily disable LOP for certain securities in the event of extraordinary market conditions in a certain symbol.<sup>4</sup>” The new footnote 4 would state, “For example, LOP may cause a greater number of orders to be rejected in a very volatile market. In the event that the Exchange were to disable LOP in a particular symbol temporarily, the Exchange would immediately notify market participants by sending an alert via an Equities Trader Alert. The Exchange would enable LOP in that symbol as soon as is reasonably practicable and send an updated alert notifying participants that LOP was enabled.”
2. The Exchange proposes to amend the 19b-4 on the first paragraph beginning on page 5 and the Exhibit 1 in the first paragraph beginning on page 13 to amend the

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

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

first sentence as follows: “LOP would be operational each trading day, except for orders designated for opening, re-opening and closing crosses and initial public offerings.” The Exchange also proposes to amend footnote 7 to state:

The Nasdaq Rulebook provides specific rules for certain auction mechanisms, such as the opening, re-opening, closing and initial public offering process which contain their own protections with respect to the entry of Orders within those mechanisms and therefore are not subject to LOP. The Exchange does not apply LOP to these auction mechanisms as a result of the protections that currently are in place and supersede LOP. With respect to the open, Nasdaq has a process, namely the “Nasdaq Opening Cross,” which shall occur at the price that maximizes the number of shares. See Rule 4752(d)(2)(E). The Nasdaq Opening Cross would occur at a price that maximizes the number of shares of MOO, LOO, OIO, Early Market Hours orders, and executable quotes and orders in the Nasdaq Market Center; at prices which minimize any Imbalances; would cause the cross to occur at the entered price at which shares will remain unexecuted in the cross; and a price that minimizes the distance from bid-ask midpoint of the inside quotation. These specific conditions seek to protect the price at the opening. With respect to re-opening, a “Nasdaq Halt Cross” shall occur at the price which maximizes the number of shares of Eligible Interest in the Nasdaq Market Center to be executed. This acts as a price protection that results in price discovery to arrive at the best price. See Rule 4753(b)(2)(A). With respect to the close, Nasdaq has a process, namely the “Nasdaq Closing Cross,” for determining the price at which orders shall be executed at the close and for executing those orders. See Rule 4754(b)(2)(E). The Nasdaq Closing Cross would occur at a price that maximizes the number of shares of eligible Interest, minimizes any Imbalance, would cause the cross to occur at the entered price at which shares will remain unexecuted in the cross and a price that minimizes the distance from the System bid-ask midpoint at the time of the Nasdaq Closing Cross. With respect to initial public offerings, the Exchange may halt trading in a security that is the subject of an Initial Public Offering. See Rule 4120(a)(7). The Exchange’s rules do not permit aberrant trading in such IPO securities and require a security must pass the price validation. See Rule 4120(c)(8)(A).”

3. Footnote 8 would be amended to state, “For example, if there is a one-sided quote or if the NBB, when used as the LOP Reference Price, is equal to or less than \$0.50.”

**Changes to Exhibit 5.**

1. The Exchange proposes to amend Rule 4757(c)(i) to amend the third sentence as follows: “LOP is operational each trading day, except for orders designated for opening, reopening and closing crosses and initial public offerings.”
2. The Exchange proposes to amend Rule 4757(c)(i) to amend the last sentence as follows: “LOP would not apply in the event there is no established LOP Reference Price or the National Best Bid, when used as the LOP Reference Price, is equal to or less than \$0.50.”

The Exchange believes that the proposed amendments are consistent with the Act because the proposal offers protections for Limit Orders which should encourage price continuity and, in turn, protect investors and the public interest by reducing executions occurring at dislocated prices. LOP would be applied system-wide, which would assist with the maintenance of fair and orderly markets by mitigating the risks associated with errors resulting in executions at prices that are away from the Best Bid or Offer and potentially erroneous. Further the proposal protects investors from potentially receiving executions away from the prevailing prices at any given time with the exception of certain auction mechanisms which have their own price protections and involve certain price discovery features which are important in arriving at the best price. The Exchange proposes LOP to avoid a series of improperly priced aggressive orders transacting in the Order Book. The LOP Limit is appropriate because it seeks to capture improperly priced Limit Orders and reject them to reduce the risk of, and to potentially prevent, the automatic execution of Orders at prices that may be considered clearly erroneous.