

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-68707; File No. SR-NASDAQ-2012-090)

January 23, 2013

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Designation of Longer Period for Commission Action on Proceedings to Determine Whether to Approve or Disapprove Proposed Rule Change to Amend Rule 4626—Limitation of Liability

I. Introduction

On July 23, 2012, The NASDAQ Stock Market LLC (“Nasdaq” or “Exchange”) 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 amend Exchange Rule 4626—Limitation of Liability (“accommodation proposal”).

The proposed rule change was published for comment in the Federal Register on August 1, 2012.<sup>3</sup> The Commission received 11 comment letters on the accommodation proposal<sup>4</sup> and a

---

<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. 67507 (July 26, 2012), 77 FR 45706 (“Notice”).

<sup>4</sup> See letters to Elizabeth M. Murphy, Secretary, Commission, from Sis DeMarco, Chief Compliance Officer, Triad Securities Corp., dated August 20, 2012 (“Triad Letter”); Eugene P. Torpey, Chief Compliance Officer, Vandham Securities Corp., dated August 21, 2012 (“Vandham Letter”); John C. Nagel, Managing Director and General Counsel, Citadel LLC, dated August 21, 2012 (“Citadel Letter”); Benjamin Bram, Watermill Institutional Trading LLC, dated August 22, 2012 (“Bram Letter”); Daniel Keegan, Managing Director, Citigroup Global Markets Inc., dated August 22, 2012 (“Citi Letter”); Theodore R. Lazo, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated August 22, 2012 (“SIFMA Letter I”); Mark Shelton, Group Managing Director and General Counsel, UBS Securities LLC, dated August 22, 2012 (“UBS Letter I”); Andrew J. Entwistle and Vincent R. Cappucci, Entwistle & Cappucci LLP, dated August 22, 2012 (“Entwistle Letter”); Douglas G. Thompson, Michael G. McLellan, and Robert O. Wilson, Finkelstein Thompson LLP, Christopher Lovell, Victor E. Stewart, and Fred T. Isquith, Lovell Stewart Halebian Jacobson LLP, Jacob H. Zamansky and Edward H. Glenn, Zamansky & Associates LLC, dated August 22, 2012 (“Thompson Letter I”); James J. Angel, Associate Professor of Finance, Georgetown University, McDonough School of

response letter from Nasdaq.<sup>5</sup> On September 12, 2012, the Commission extended the time period in which to either approve the accommodation proposal, disapprove the accommodation proposal, or to institute proceedings to determine whether to approve or disapprove the accommodation proposal, to October 30, 2012.<sup>6</sup> On October 26, 2012, the Commission instituted proceedings to determine whether to approve or disapprove the accommodation proposal.<sup>7</sup> The Commission subsequently received six additional comment letters on the accommodation proposal<sup>8</sup> and a second response letter from Nasdaq.<sup>9</sup>

Section 19(b)(2) of the Act<sup>10</sup> provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later

---

Business, dated August 23, 2012 (“Angel Letter”); and Leonard J. Amoruso, General Counsel, Knight Capital Group, Inc., dated August 29, 2012 (“Knight Letter”).

<sup>5</sup> See letter to Elizabeth M. Murphy, Secretary, Commission, from Joan C. Conley, Senior Vice President and Corporate Secretary, The NASDAQ Stock Market LLC, dated September 17, 2012 (“Nasdaq Letter I”).

<sup>6</sup> See Securities Exchange Act Release No. 67842 (September 12, 2012), 77 FR 57171 (September 17, 2012).

<sup>7</sup> See Securities Exchange Act Release No. 68115 (October 26, 2012), 77 FR 66197 (November 2, 2012) (“Order Instituting Proceedings”).

<sup>8</sup> See letters to Elizabeth M. Murphy, Secretary, Commission, from John Robinson dated November 13, 2012 (“Robinson Letter”); Theodore R. Lazo, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated November 20, 2012 (“SIFMA Letter II”); Jeremy Abelson, MJA Capital, dated November 21, 2012 (“Abelson Letter”); Douglas G. Thompson, Michael G. McLellan, and Robert O. Wilson, Finkelstein Thompson LLP, Christopher Lovell, Victor E. Stewart, and Fred T. Isquith, Lovell Stewart Halebian Jacobson LLP, Jacob H. Zamansky and Edward H. Glenn, Zamansky & Associates LLC, dated November 23, 2012 (“Thompson Letter II”); Tim Mann dated November 23, 2012 (“Mann Letter”); Mark Shelton, Group Managing Director and General Counsel, UBS Securities LLC, dated November 23, 2012 (“UBS Letter II”).

<sup>9</sup> See letter to Elizabeth M. Murphy, Secretary, Commission, from Joan C. Conley, Senior Vice President and Corporate Secretary, The NASDAQ Stock Market LLC, dated December 7, 2012 (“Nasdaq Letter II”).

<sup>10</sup> 15 U.S.C. 78s(b)(2).

than 180 days after the date of publication of notice of filing of the proposed rule change.<sup>11</sup> The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination.<sup>12</sup> The proposed rule change was published for notice and comment in the Federal Register on August 1, 2012. January 28, 2013, is 180 days from that date, and March 29, 2013, is 240 days from that date.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider the accommodation proposal, the issues raised in the comment letters that have been submitted in response to the accommodation proposal, including comment letters submitted in response to the Order Instituting Proceedings, and the Exchange's responses to such comments.

---

<sup>11</sup> 15 U.S.C. 78s(b)(2)(B)(ii)(I).

<sup>12</sup> 15 U.S.C. 78s(b)(2)(B)(ii)(II).

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>13</sup> designates March 29, 2013 as the date by which the Commission shall either approve or disapprove the proposed rule change (File No. SR-NASDAQ-2012-090).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

Kevin M. O'Neill  
Deputy Secretary

---

<sup>13</sup> 15 U.S.C. 78s(b)(2).

<sup>14</sup> 17 CFR 200.30-3(a)(57).