SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-63685; File No. SR-NASDAQ-2010-074)

January 10, 2011

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Designation of Longer Period for Commission Action on Proceedings to Determine Whether to Disapprove Proposed Rule Change, as Modified by Amendment No. 1, to Adopt Rule 4753(c) as a Six Month Pilot in 100 NASDAQ-Listed Securities

I. Introduction

On June 18, 2010, The NASDAQ Stock Market LLC ("Nasdaq" or the "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] a proposed rule change to implement, on a six-month pilot basis, a volatility-based trading pause in 100 Nasdaq-listed securities ("Volatility Guard"). On June 25, 2010, Nasdaq filed Amendment No. 1 to the proposed rule change. The proposed rule change, as amended, was published for comment in the Federal Register on July 15, 2010.[3] The Commission received four comment letters on the proposal.[4] Nasdaq responded to these comments on August 12, 2010.[5] The Commission subsequently extended the time period in which to either approve the proposed rule change, or to

1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 See Securities Exchange Act Release No. 62468 (July 7, 2010), 75 FR 41258.

4 See Letter from Joe Ratterman, Chairman and Chief Executive Officer, BATS Global Markets, Inc., to Hon. Mary Schapiro, Chairman, Commission, dated July 1, 2010 ("BATS Letter"); Letter from Jose Marques, Managing Director, Deutsche Bank Securities Inc., to Elizabeth M. Murphy, Secretary, Commission, dated July 21, 2010 ("Deutsche Bank Letter"); Letter from Janet M. Kissane, Senior Vice President, Legal and Corporate Secretary, NYSE Euronext, to Elizabeth Murphy, Secretary, Commission, dated August 3, 2010 ("NYSE Letter"); Letter from Ann L. Vlcek, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, to Elizabeth M. Murphy, Secretary, Commission, dated June 25, 2010 ("SIFMA Letter").

5 See Letter from T. Sean Bennett, Assistant General Counsel, Nasdaq, to Elizabeth M. Murphy, Secretary, Commission ("Nasdaq response").

institute proceedings to determine whether to disapprove the proposed rule change, to October 13, 2010.[6] On October 13, 2010, the Commission issued an order instituting disapproval proceedings.[7] The Commission thereafter received one comment letter, which requested that the proposed rule change be disapproved.[8]

Section 19(b)(2) of the Act[9] provides that, after initiating dispproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of the filing of the proposed rule change. 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. The proposed rule change was published for notice and comment in the Federal Register on July 15, 2010. January 11, 2011 is 180 days from that date, and March 12, 2011, is an additional 60 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 this proposed rule change and the issues raised in the comment letters that have been submitted in connection with this filing. Specifically, the Commission believes the proposal raises issues as to whether the Volatility Guard, by halting trading on Nasdaq when the price of a security moves quickly over a short period of time, will exacerbate the volatility of trading in that security on the other exchanges and over-the-counter trading centers that remain open. In

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6 See Securities Exchange Act Release No. 62740 (August 18, 2010), 75 FR 52049 (August 24, 2010).

7 See Securities Exchange Act Release No. 63098, 75 FR 64384 (October 19, 2010).

8 See Letter from Timothy Quast, Managing Director, ModernIR, to Elizabeth M. Murphy, Secretary, Commission, dated November 11, 2010.

9 15 U.S.C. 78s(b)(2).

addition, because the thresholds for triggering the Volatility Guard, and the length of the trading halt that results, differ from those of the recently approved, market-wide single-stock circuit breakers, the Commission believes the proposal raises issues as to whether the operation of the Volatility Guard will interfere with, or otherwise limit the effectiveness of, the circuit breakers, the goal of which is to prevent potentially destabilizing price volatility across the U.S. securities markets. Extending the time within which to approve or disapprove this proposed rule change will enable the Commission to more fully consider these issues.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,[10] designates March 11, 2011, as the date by which the Commission should either approve or disapprove the proposed rule change.[11]

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[12]

Elizabeth M. Murphy
Secretary

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[10] 15 U.S.C. 78s(b)(2).

[11] The Comission notes that it is extending the time period in which to issue an approval or disapproval order to March 11, 2011, since the full 60-day extension would expire on Saturday, March 12, 2011.

[12] 17 CFR 200.30-3(a)(57).