SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105333; File No. SR-NASDAQ-2026-004]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Order Instituting Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change To Adopt a New Continued Listing Requirement

April 28, 2026.

I. Introduction

On January 13, 2026, the Nasdaq Stock Market LLC ("Exchange" or "Nasdaq") 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 adopt a new Market Value of Listed Securities continued listing requirement of at least $5 million. The proposed rule change was published for comment in the Federal Register on January 29, 2026.[3] On March 11, 2026, the Commission designated a longer period within which to take action on the proposed rule change.[4] The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Act[5] to determine whether to approve or disapprove the proposed rule change.

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

2 17 CFR 240.19b-4.

3 See Securities Exchange Act Release No. 104688 (Jan. 26, 2026), 91 FR 3935 ("Notice"). Comments received on the proposed rule change are available at: https://www.sec.gov/rules-regulations/public-comments/sr-nasdaq-2026-004.

4 See Securities Exchange Act Release No. 104968, 91 FR 12631 (Mar. 16, 2026). The Commission designated April 29, 2026, as the date by which the Commission should approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change. See id.

5 15 U.S.C. 78s(b)(2)(B).

II. Description of the Proposed Rule Change[6]

Nasdaq Rules require companies listed on the Nasdaq Global Market ("NGM") and Nasdaq Capital Market ("NCM") to maintain certain minimum continued listing requirements.[7] Subject to certain conditions, a company that fails to meet continued listing requirements generally may submit a compliance plan or receive an automatic cure or compliance period.[8] The Nasdaq Rules also set forth specific circumstances in which a company's securities will be immediately subject to suspension and delisting.[9] A company that receives a Staff Delisting Determination may appeal this decision to a Nasdaq Listing Qualifications Hearings Panel ("Hearings Panel").[10] When the Hearings Panel review is of a deficiency related to continued listing requirements, the Hearings Panel may, where it deems appropriate, take certain actions, including, but not limited to, granting an exception to the continued listing requirements for a period not to exceed 180 days from the date of the Staff Delisting Determination to regain compliance, and finding the company has regained compliance with all applicable listing requirements.[11]

The Exchange states that the compliance periods provided to a company that has failed to maintain compliance with continued listing requirements are designed to allow time for a company facing temporary business issues, a temporary decrease in the value of its securities, or

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6 All capitalized terms not otherwise defined in this order shall have the meanings set forth in the Nasdaq Listing Rules.

7 See Nasdaq Rules 5450(a) (Continued Listing Requirements for Primary Equity Securities on NGM) and 5550(a) (Continued Listing Requirements for Primary Equity Securities on NCM).

8 See Nasdaq Rule 5810 (Notification of Deficiency by the Listing Qualifications Department).

9 See Nasdaq Rule 5810(c)(1) (Types of Deficiencies and Notifications).

10 See Nasdaq Rule 5815 (Review of Staff Determinations by Hearings Panel). A timely request for a hearing ordinarily stays the suspension of the company's security from trading pending the issuance of a written Hearings Panel decision. See Nasdaq Rule 5815(a)(1)(B).

11 See Nasdaq Rule 5815(c)(1)(A), (E). A company may appeal a Hearings Panel decision to the Nasdaq Listing and Hearing Review Council ("Listing Council"). See Nasdaq Rule 5820.

temporary market conditions to take action to come back into compliance.[12] However, the Exchange states that it has observed that some companies, typically those facing conditions related to financial distress or prolonged operational downturn, are unable regain compliance with the continued listing requirements for the long-term, and as a result the market may assign low market values to such companies.[13] The Exchange states that it believes when the market identifies significant problems in a company by assigning a very low market value, the company is no longer suitable for continued listing and trading on Nasdaq because the challenges facing such a company, generally, are not temporary and may be so severe that the company is unlikely to regain compliance within the compliance period or maintain compliance thereafter.[14]

Accordingly, the Exchange proposes to adopt Nasdaq Rules 5450(a)(3) and 5550(a)(6) to require that companies listed on the NGM and NCM, respectively, maintain a minimum Market Value of Listed Securities ("MVLS")[15] of at least $5 million.[16] The Exchange also proposes to modify Nasdaq Rule 5810(c)(1) to add an additional type of deficiency that would result in an immediate delisting and suspension from trading on Nasdaq of a company's securities. Specifically, proposed Nasdaq Rule 5810(c)(1) would provide that a Staff Delisting Determination will inform the company that its securities are immediately subject to suspension and delisting when the company fails to comply with the continued listing requirement for

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12 See Notice, supra note 3, at 3935.

13 See id.

14 See id. The Exchange also states that it is more difficult for market makers to make markets in these securities and for there to be a fair and orderly market. See id.

15 Nasdaq Rule 5005(a)(23) defines "Market Value" as the consolidated closing bid price multiplied by the measure to be valued. Nasdaq Rule 5005(a)(22) defines "Listed Securities" as securities listed on Nasdaq or another national securities exchange.

16 See proposed Nasdaq Rules 5450(a)(3) and 5550(a)(6). According to the Exchange, the concerns with MVLS of less than $5 million with these companies can be a leading indicator of other listing compliance concerns. See Notice, supra note 3, at 3936.

MVLS of at least $5 million under proposed Nasdaq Rules 5450(a)(3) or 5550(a)(6) for a period of 30 consecutive business days ("MVLS Requirement"). In addition, the Exchange proposes to amend Nasdaq Rule 5810(c)(3)(C) to provide that a company would not be entitled to any cure or compliance period if the company failed to comply with the MVLS Requirement and would immediately receive a Staff Delisting Determination.[17]

The Exchange also proposes to add to the list of circumstances in which a request for Hearings Panel review will not stay the suspension of a company's securities from trading. Specifically, the Exchange proposes to amend Nasdaq Rule 5815(a)(1)(B) to provide that a timely request for a hearing will not stay the suspension of the securities from trading pending the issuance of a written Hearings Panel decision where the company received a Staff Delisting Determination notice due to a failure to comply with the MVLS Requirement.[18] The Exchange states that, given the difficulties with maintaining fair and orderly markets in such low value companies, it believes it is not appropriate for these companies to continue trading on Nasdaq during the pendency of a Hearings Panel review for deficiencies under proposed Nasdaq Rules 5450(a)(3) or 5550(a)(6).[19]

Finally, the Exchange proposes to amend Nasdaq Rule 5815(c)(1)(H) to provide that in the case of a company that received a Staff Delisting Determination notice due to a failure to comply with the MVLS Requirement, the Hearings Panel may only reverse a delisting decision where the Hearings Panel determines that the Staff Delisting Determination letter was in error

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17 The Exchange also proposes to make non-substantive conforming changes to Nasdaq Rule 5810(c)(3)(C) regarding failure to meet continued listing requirements related to MVLS under Nasdaq Rules 5450(b)(2)(A) and 5550(b)(2).

18 See proposed Nasdaq Rule 5815(a)(1)(B)(ii)f. The Exchange states that when a company has its securities suspended during a Hearings Panel's review, its securities would generally trade in the over-the-counter ("OTC") market pending the issuance of a written Hearings Panel decision. See Notice, supra note 3, at 3936.

19 See Notice, supra note 3, at 3936.

and that the company never failed to satisfy the applicable requirement. In such cases, the Hearings Panel may not consider facts indicating that the company had regained compliance under Nasdaq Rule 5815(c)(1)(E), nor may the Hearings Panel grant an exception under Nasdaq Rule 5815(c)(1)(A) allowing the company additional time to regain compliance.[20] Nasdaq states that it believes it would enhance investor protection to limit the Hearings Panel's review of these issues to the question of whether Nasdaq staff made a factual error applying the applicable rule.[21]

III. Proceedings to Determine Whether to Approve or Disapprove SR-NASDAQ-2026-004 and Grounds for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Act[22] to determine whether the proposed rule change should be approved or disapproved. Institution of such proceedings is appropriate at this time in view of the legal and policy issues raised by the proposed rule change. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, as described below, the Commission seeks and encourages interested persons to provide additional comment on the proposed rule change to inform the Commission's analysis of whether to approve or disapprove the proposed rule change.

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20 See proposed Nasdaq Rule 5815(c)(1)(H).

21 See Notice, supra note 3, at 3936. Under current Nasdaq Rule 5815(c)(1)(H), the Hearings Panel is prevented from granting an exception or considering facts indicating that a company has regained compliance where a company whose business plan is to complete one or more acquisitions, as described in Nasdaq Rule IM-5101-2, fails to satisfy (i) the requirement set forth in Nasdaq Rule IM-5101-2(b) and Nasdaq Rule 5452(a)(3) to complete one or more business combinations within 36 months of the effectiveness of its initial public offering ("IPO") registration statement; or (ii) the requirements for initial listing immediately following a business combination as required by Nasdaq Rule IM-5101-2. In these situations, the Hearings Panel may only reverse a delisting decision where the Hearings Panel determines that the Staff Delisting Determination letter was in error and that the company never failed to satisfy the requirement. See Nasdaq Rule 5815(c)(1)(H).

22 15 U.S.C. 78s(b)(2)(B).

Pursuant to Section 19(b)(2)(B) of the Act,[23] the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of, and input from commenters with respect to, the proposed rule change's consistency with the Act, and in particular, Section 6(b)(5) of the Act, which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest, and not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers;[24] and Section 6(b)(7) of the Act, which requires, among other things, that the rules of an exchange provide fair procedure for the prohibition or limitation by the exchange of any person with respect to access to services offered by the exchange.[25]

The development and enforcement of meaningful listing standards[26] by an exchange is of critical importance to financial markets and the investing public. Among other things, such listing standards help ensure that exchange-listed companies will have sufficient public float, investor base, and trading interest to provide the depth and liquidity to promote fair and orderly markets. Meaningful listing standards are also important given investor expectations regarding the nature of securities that have achieved an exchange listing, and the role of an exchange in overseeing its market and assuring compliance with its listing standards.[27]

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23 Id.

24 15 U.S.C. 78f(b)(5).

25 15 U.S.C. 78f(b)(7).

26 This reference to "listing standards" refers to both initial and continued listing standards.

27 See, e.g., Securities Exchange Act Release Nos. 88716 (Apr. 21, 2020), 85 FR 23393 (Apr. 27, 2020) (SR-NASDAQ-2020-001) (Order Approving a Proposed Rule Change To Modify the Delisting Process for

As discussed above, the Exchange is proposing to adopt Nasdaq Rules 5450(a)(3) and 5550(a)(6) to require companies listed on the NGM and NCM, respectively, to maintain a minimum MVLS of at least $5 million. The Exchange is also proposing to amend Nasdaq Rule 5810(c)(1) to suspend trading and immediately delist from Nasdaq securities of companies that do not comply with the MVLS Requirement; and Nasdaq Rule 5810(c)(3)(C), to provide that such companies would not be entitled to a specified cure or compliance period. Furthermore, the Exchange is proposing to add Nasdaq Rule 5815(a)(1)(B)(ii)f., and to amend Nasdaq Rule 5815(c)(1)(H), to set forth the procedures for requesting a hearing before a Hearings Panel and the scope of the Hearings Panel's discretion for companies that do not comply with the MVLS Requirement.

Two commenters express general support for the proposal.[28] One commenter states that "highly speculative, low-priced securities have proliferated in recent years" and these securities "pose heightened risk to investors, including of fraud and manipulative trading schemes."[29] This

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Securities With a Bid Price at or Below $0.10 and for Securities That Have Had One or More Reverse Stock Splits With a Cumulative Ratio of 250 Shares or More to One Over the Prior Two-Year Period); 88389 (Mar. 16, 2020), 85 FR 16163 (Mar. 20, 2020) (SR-NASDAQ-2019-089) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Amend Rule 5815 To Preclude Stay During Hearing Panel Review of Staff Delisting Determinations in Certain Circumstances). See also Securities Exchange Act Release No. 81856 (Oct. 11, 2017), 82 FR 48296, 48298 (Oct. 17, 2017) (SR-NYSE-2017-31) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Amend the Listed Company Manual To Adopt Initial and Continued Listing Standards for Subscription Receipts) (stating that "[a]dequate standards are especially important given the expectations of investors regarding exchange trading and the imprimatur of listing on a particular market" and that "[o]nce a security has been approved for initial listing, maintenance criteria allow an exchange to monitor the status and trading characteristics of that issue … so that fair and orderly markets can be maintained").

28 See Letters from Katie Kolchin, CFA Managing Director, Head of Equity & Options Market Structure, and Gerald O'Hara Vice President & Assistant General Counsel, SIFMA, dated Feb. 20, 2026 ("SIFMA Letter"), at 3; Stephen John Berger, Managing Director, Global Head of Government and Regulatory Policy, Citadel Securities, dated Mar. 4, 2026 ("Citadel Letter"), at 1. These commenters also request that the Exchange consider whether using market capitalization measures that only consider publicly held shares (i.e., Market Value of Publicly Held Shares and Market Value of Unrestricted Publicly Held Shares) would be more appropriate to use in the proposed continued listing standard than MVLS. See SIFMA Letter at 3; Citadel Letter at 1-2.

29 Citadel Letter at 1.

commenter further states that the proposal "represents an important step towards strengthening investor protection and promoting market integrity by addressing the potential risks posed by low-priced securities."[30] Another commenter states that the proposal is "appropriately tailored to identify companies that are not sufficiently capitalized to warrant continued listing on a national securities exchange."[31] This commenter also states its agreement with Nasdaq's statement that the challenges facing companies with a very low market value are generally not temporary and may be so severe that the company is not likely to regain or sustain compliance.[32]

Other commenters raise concerns regarding the proposed rule change.[33] Specifically, several commenters state that the proposal does not provide empirical evidence in support of the

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30 Id.

31 SIFMA Letter at 3.

32 See id. (citing Notice, supra note 3, at 3935).

33 See Letters from Chase Newton, dated Feb. 6, 2026 ("Newton Letter"); Matthew Abenante, President, Strategic Investor Relations LLC, dated Feb. 7, 2026 ("Strategic Investor Relations Letter"); Muchun Zhu, Chief Executive Officer, Intercont (Cayman) Limited, dated Feb. 10, 2026 ("Intercont Letter I"); Qing Yuan Wang, Chief Financial Officer, Intercont (Cayman) Limited, dated Feb. 10, 2026 ("Intercont Letter II"); Brian L. Ross, Partner, Graubard Miller, dated Feb. 10, 2026 ("Graubard Miller Letter"); Tingting Zhang, CEO, Antelope Enterprise Holdings Limited, dated Feb. 11, 2026 ("Antelope Letter"); Siyu Yang, Chief Executive Officer, Baiya International Group Inc., dated Feb. 12, 2026 ("Baiya Letter"); Michael A. Adelstein, Partner, Kelley Drye & Warren LLP, dated Feb. 12, 2026 ("Kelley Drye & Warren Letter"); Fraser Atkinson, CEO, GreenPower Motor Company Inc., dated Feb. 16, 2026 ("GreenPower Letter"); Brian Glaspy, dated Feb. 12, 2026 ("Glaspy Letter"); Sullivan & Worcester LLP, dated Feb. 17, 2026 ("Sullivan & Worcester Letter"); Meeshanthini Dogan, Chief Executive Officer, Cardio Diagnostics Holdings, Inc., dated Feb. 17, 2026 ("Cardio Diagnostics Letter"); Bradley J. Wilhite, Co-Founder & Managing Partner, Ascendiant Capital Markets, LLC, dated Feb. 17, 2026 ("Ascendiant Letter"); Robert Mittman, Leslie Marlow, Melissa Palat Murawsky, and Brad Shiffman, Blank Rome LLP, dated Feb. 18, 2026 ("Blank Rome Letter"); Mark Reynolds, Chief Financial Officer, GeoVax Labs, Inc., dated Feb. 18, 2026 ("GeoVax Labs Letter"); Jeffrey Church, CFO, Imunon, Inc., dated Feb. 18, 2026 ("Imunon Letter"); Dr. Siaw Tung Yeng, Co-Founder and Co-CEO, Mobile-health Network Solutions, dated Feb. 18, 2026 ("Mobile-health Letter"); Adial Pharmaceuticals, Inc., dated Feb. 18, 2026 ("Adial Letter"); Justin Stiefel, CEO, IP Strategy Holdings, Inc., dated Feb. 18, 2026 ("IP Strategy Letter"); Marc Indeglia, Small Public Company Coalition, dated Feb. 19, 2026 ("Small Public Company Coalition Letter"); Steve Shum, CEO, INVO Fertility, Inc., dated Feb. 19, 2026 ("INVO Letter"); Sanjeev Luther, President and CEO, Ernexa Therapeutics Inc., dated Feb. 19, 2026 ("Ernexa Letter"); Rebecca Byan, CFO, HCW Biologics, Inc., dated Feb. 19, 2026 ("HCW Letter"); Michael Messinger, Chief Financial Officer, SeaStar Medical, dated Feb. 19, 2026 ("SeaStar Letter'); James E. Kras, Chairman & CEO, Edible Garden AG Incorporated, dated Feb. 19, 2026 ("Edible Garden Letter"); Dave A. Donohoe Jr., Donohoe Advisory Associates LLC, dated Feb. 19, 2026 ("Donohoe Letter"); Chris Kohler, SCWorx Corp. WORX, dated Feb. 19, 2026 ("SCWorx Letter"); Chip Patterson, General Counsel, MacKenzie Realty Capital, Inc., dated Feb. 19, 2026

proposed $5 million MVLS threshold, such as evidence demonstrating that issuers below the proposed threshold are financially distressed or pose heightened risks to investors that are not already addressed by existing Nasdaq and Commission requirements.[34] Additionally, several commenters state that the proposal overlaps with recently adopted continued listing rules (e.g., reverse stock split and bid price requirements) and Exchange proposals designed to the address the same low-valuation risk factors identified in the proposals.[35] Several commenters also state that the proposed $5 million MVLS threshold fails to consider sector-specific[36] and situational

("MacKenzie Realty Letter"); Brad Hauser, President and Chief Executive Officer, Autonomix Medical, Inc., dated Feb. 19, 2026 ("Autonomix Letter"); Andrew Simpson, CEO, Heart Sciences, dated Feb. 19, 2026 ("Heart Sciences Letter"); Neil Dey, President & CEO, Bluejay Diagnostics, Inc., dated Mar. 6, 2026 ("Bluejay Letter"); Marc Indeglia, Small Public Company Coalition, dated Mar. 19, 2026 ("Small Public Company Coalition Letter II"); Xin Zuo, dated Mar. 20, 2026 ("Zuo Letter").

34 See Blank Rome Letter at 5; Adial Letter at 4; IP Strategy Letter at 10-11; Small Public Company Coalition Letter at 2, 6-7, 13 and 28. One of the commenters cites a report by Professor Craig M. Lewis that presents an empirical study raising concerns that the proposal may prematurely delist firms that would otherwise regain compliance. See Small Public Company Coalition Letter at 3-4, 6-7, and 28-32 (stating that an empirical analysis indicates "many firms that previously fell below the $5 million threshold for 30 consecutive business days ultimately recovered and continued operating successfully").

35 See Cardio Diagnostics Letter at 2; Small Public Company Coalition Letter at 9-10; Small Public Company Coalition Letter II at 1-2; Mackenzie Realty Letter at 1; Donohoe Letter at 6-7; Bluejay Letter at 3. One commenter states that the Commission must consider the Exchange's proposal in conjunction with the "overlapping" continued listing proposals by the New York Stock Exchange and their impact together on "issuer choice, exchange competition, liquidity, capital formation, and market stability." Small Public Company Coalition Letter II at 1-2 (citing to File Nos. SR-NYSEAMER-2025-72 and SR-NYSEAMER-2026-17).

36 See Blank Rome Letter at 3-4; Adial Letter at 2; Imunon Letter; Donohoe Letter at 4; Mackenzie Realty Letter at 2. One commenter states that the proposal's disproportionate burden on small-cap issuers, emerging growth companies, and issuers operating in developing sectors is an unnecessary burden on competition under Section 6(b)(8) of the Act. See IP Strategy Letter at 4, 11-12. This commenter also states that the proposal's failure to distinguish a company's "temporary valuation volatility" and "materially different financial profiles" raises concerns under Sections 6(b)(4) and 6(b)(5) of the Act. See IP Strategy Letter at 2, 7.

factors[37] that may result in temporary declines in a company's valuation unrelated to its actual financial health.[38] Several commenters provided suggested alternatives to the proposal.[39]

Several commenters state that the proposal would impair issuers' ability to raise capital or obtain debt financing due to heightened delisting risk.[40] In particular, some commenters state that the proposal would have significant negative implications for debt financing because the risk of delisting may cause lenders to demand more restrictive covenants, higher pricing, or additional collateral, or may reduce financing availability altogether.[41] One commenter states

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37 See Strategic Investor Relations Letter at 2; Graubard Miller Letter at 1-3; Antelope Letter at 2; Baiya Letter at 1; Kelley Drye & Warren Letter at 2 and 6; Glaspy Letter; Sullivan & Worcester Letter at 2-3; Blank Rome Letter at 3; GeoVax Letter; Imunon Letter; Mobile-health Letter; Adial Letter at 2; INVO Letter at 2; Ernexa Letter at 2; SeaStar Letter at 2; Mackenzie Realty Letter at 2; Donohoe Letter at 2. One commenter states that incentivized "sustained downward price pressure" in proximity to the proposed threshold and amplification of "valuation compression in otherwise solvent issuers" implicates Section 3(f) of the Act and questions whether the proposal will promote efficiency, competition, and capital formation. See IP Strategy Letter at 5.

38 See Strategic Investor Relations Letter at 4; Intercont Letter I; Intercont Letter II; Blank Rome Letter at 2; HeartSciences Letter at 2; IP Strategy Letter at 9. One commenter states that "[m]arket-wide downturns, sector-specific market corrections, interest rate fluctuations and geopolitical events can materially impact market capitalization over short intervals." Sullivan & Worcester Letter at 2-3. See also Blank Rome Letter at 3-4; Adial Letter at 2; Donohoe Letter at 3; IP Strategy Letter at 4-5.

39 For example, commenters suggested (1) stricter initial listing guidelines; (2) use of other quantitative thresholds (e.g., involving cash and cash equivalents, net tangible assets, readily marketable securities or digital assets, or sufficient working capital); (3) expansion of the MVLS calculation to include securities that are not listed on the Exchange; (4) qualitative review on a case-by-case basis; (5) a compliance period to take corrective action for deficiencies under the proposal; (6) delay of the effective implementation date; (7) extension of the deficiency period; (8) use of an averaging methodology for measuring sustained non-compliance with the minimum $5 million MVLS standard; (9) a mechanism for considering sector-specific or situational and qualitative factors; (10) enhanced public disclosures once an issuer approaches the minimum $5 million MVLS threshold; (11) an enhanced monitoring mechanism for issuers approaching the threshold; and (12) additional Hearings Panel considerations before suspension. See Newton Letter; Bluejay Letter at 3; IP Strategy Letter at 13; Blank Rome Letter at 6; Adial Letter at 4; Strategic Investor Relations Letter at 5; Sullivan & Worcester Letter at 3; Blank Rome Letter at 5; Graubard Miller Letter 3; Autonomix Letter at 2; Small Public Company Coalition Letter at 15.

40 See Intercont Letter I; Intercont Letter II; Antelope Letter at 1; Baiya Letter at 1; Cardio Diagnostics Letter at 2; GeoVax Letter; Imunon Letter; Mobile-health Letter; Adial Letter at 3-4; Small Public Company Coalition Letter at 4; INVO Letter at 1-2; Ernexa Letter at 2; HCW Letter at 2; SeaStar Letter at 2; Edible Garden Letter at 2; Mackenzie Realty Letter at 2; HeartSciences Letter at 1-2; Donohoe Letter at 3-4; GreenPower Letter; Ascendiant Letter at 1.

41 See Intercont Letter I; Intercont Letter II; Antelope Letter at 1; Baiya Letter at 1; GeoVax Letter; Mobile-health Letter; Small Public Company Coalition Letter at 5-6, 15-16; INVO Letter at 1; Ernexa Letter at 1; HCW Letter at 2; SeaStar Letter at 2; Mackenzie Realty Letter at 2; HeartSciences Letter at 1-2; Donohoe Letter at 3-4; GreenPower Letter; Ascendiant Letter at 1; Bluejay Letter at 3. Two commenters express

that the proposal may incentivize smaller issuers to seek listing on less regulated venues, rely more heavily on private capital markets with reduced transparency, or delay or forgo public listing.[42] Another commenter states that the proposal may increase risk to investors by incentivizing companies "to engage in value-distorting actions," including "reverse stock splits, overly dilutive financings, excessive marketing campaigns or premature asset sales."[43]

Several commenters state that the rigid $5 million MVLS threshold, coupled with automatic suspension after 30 consecutive business days, could increase the potential for manipulative trading and market abuse in an effort to drive down the value of a company's stock, causing a company to be delisted.[44] One commenter states that the threat of delisting may contribute to and encourage further downward price pressure, and a company's stock may experience increased volatility and reduced liquidity in the period leading up to potential delisting.[45]

Finally, several commenters raise concerns regarding the removal of the automatic stay of suspension pending Hearings Panel review and the limitations on Hearings Panel discretion to review the delisting determination under the proposal.[46] One commenter states that the proposal

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concern that this impact may extend to companies above the proposed MVLS standard, such as those companies with under $20 million market value. See Ascendiant Letter at 1; Small Public Company Coalition Letter at 4.

42 See Blank Rome Letter at 5.

43 Adial Letter at 4.

44 See Small Public Company Coalition Letter at 4-5, 8; IP Strategy Letter at 3; Graubard Miller Letter at 1; Donohoe Letter at 2; Ascendiant Letter at 1-2.

45 See Graubard Miller Letter at 1-3. See also Donohoe Letter at 2; Small Public Company Coalition Letter at 4-5; IP Strategy Letter at 5; Ascendiant Letter at 1 (stating that the proposal "will allow short sellers to engage in coordinated short selling activities in order to drive the market value of smaller public companies below $5 million and then keep it below that threshold for 30 consecutive business days").

46 See Strategic Investor Relations Letter at 2-3, 5; Kelley Drye & Warren Letter at 5; Donohoe Letter at 2-3, 5-6; IP Strategy Letter at 7-8. One commenter states that the absence of an opportunity for a hearing without a stay before the Hearings Panel would violate issuers' rights to procedural due process and the fair procedure requirement under Section 6(b)(7) of the Act. See Donohoe Letter at 5-6. See also IP Strategy Letter at 7-8.

to amend Nasdaq Rule 5815(a)(1)(B)(ii) to provide that a hearing request shall not stay the suspension of trading when there is a deficiency relating to the MVLS Requirement renders appeal rights "largely illusory" and that a stay pending appeal is "a fundamental safeguard that ensures listed companies receive meaningful review before suffering the severe consequences of delisting."[47] This commenter also states that the proposal to amend Nasdaq Rule 5815(c)(1)(H) reduces the Hearings Panel to a "ministerial function" and suggests that Nasdaq should allow the Hearings Panel to have full discretion to consider evidence the company has regained compliance and grant exceptions to allow additional time.[48]

The Commission asks that commenters address the sufficiency of the Exchange's statements in support of the proposal, which are set forth in the Notice, in addition to any other comments they may wish to submit about the proposed rule change. In particular, the Commission seeks comment on whether the proposal includes sufficient analysis to support a conclusion that the proposal to immediately suspend and delist companies that fail to comply with the MVLS Requirement, to maintain the suspension of such companies' securities from trading during the pendency of an appeal to the Hearings Panel, and to limit the Hearings Panel's discretion to reverse a delisting decision to circumstances involving a factual error is designed to be consistent with the requirements of Section 6(b)(5) and Section 6(b)(7) of the Act[49] or raises any new or novel concerns not previously contemplated by the Commission.

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47 See Strategic Investor Relations Letter at 2-3. See also Kelly Drye & Warren Letter at 5; Donohoe Letter at 5-6.

48 See Strategic Investor Relations Letter at 3 and 5. See also Kelley Drye & Warren Letter at 5; IP Strategy Letter at 7-8; Donohoe Letter at 3. The Commission received many comment letters regarding changes to the index methodology for one of the indexes offered by Nasdaq Global Indexes. See, e.g., Letters from Farooq Chaudhry, dated Apr. 14, 2026; Girard Miller, dated Mar. 19, 2026; and Alex Audet, dated Mar. 16, 2026. These comments are not germane to the proposal.

49 15 U.S.C. 78f(b)(5) and (7).

IV. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their data, views, and arguments with respect to the issues identified above, including the issues raised by commenters and the Exchange's response, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written views of interested persons concerning whether the proposed rule change is consistent with Sections 6(b)(5), 6(b)(7) or any other provision of the Act, or the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of data, views, and arguments, the Commission will consider, pursuant to Rule 19b-4 under the Act,[50] any request for an opportunity to make an oral presentation.[51]

Interested persons are invited to submit written data, views, and arguments regarding whether the proposed rule change should be approved or disapproved by [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by [INSERT DATE 35 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. The Commission asks that commenters address the sufficiency of the Exchange's statements in support of the proposal, in addition to any other comments they may wish to submit about the proposed rule change.

Comments may be submitted by any of the following methods:

Electronic Comments:

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50 17 CFR 240.19b-4.

51 Section 19(b)(2) of the Act, as amended by the Securities Acts Amendments of 1975, Public Law 94-29 (June 4, 1975), grants to the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Acts Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

- Use the Commission's internet comment form (https://www.sec.gov/rules/sro.shtml); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NASDAQ-2026-004 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-NASDAQ-2026-004. This file number should be included on the subject line if email 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 website (https://www.sec.gov/rules/sro.shtml). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR-NASDAQ-2026-004 and should be submitted by [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Rebuttal comments should be submitted by [INSERT DATE 35 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[52]

Vanessa A. Countryman,

Secretary.

[52] 17 CFR 200.30-3(a)(57).