

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-50845; File No. SR-NASD-2004-181)

December 13, 2004

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by National Association of Securities Dealers, Inc. Concerning Modifications to The Nasdaq Market Center Execution Service

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> notice is hereby given that on December 9, 2004, the National Association of Securities Dealers, Inc. (“NASD”), through its subsidiary, The Nasdaq Stock Market, Inc. (“Nasdaq”), 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 Nasdaq. 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 is filing a proposed rule change to address the time priority issue that has prevented Nasdaq from registering as an exchange under Section 6 of the Act.<sup>3</sup> Specifically, Nasdaq is proposing to eliminate: (1) the “internalization” exception to the time priority aspect of the Nasdaq Market Center execution service’s price/time priority execution algorithm, (2) Preferred Orders; and (3) the Directed Order functionality of the service.

Proposed new language is italicized; proposed deletions are in brackets.

---

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

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

<sup>3</sup> 15 U.S.C. 78f.

## **4700. NASDAQ MARKET CENTER - EXECUTION SERVICES**

### **4701. Definitions**

Unless stated otherwise, the terms described below shall have the following meaning:

(a) through (e) No changes

(f) Reserved [The term "Directed Order" shall mean an order in a Nasdaq-listed security that is entered into the system by a Nasdaq Market Center participant that is directed to a particular Quoting Market Participant at any price, through the Directed Order process described in Rule 4710(c). This term shall not include the "Preferred Order" described in subparagraph (aa) of this rule. Directed Orders shall not be available for ITS Securities.]

(g) through (o) No changes

(p) The term "Non-Directed Order" shall mean an order that is entered into the system by a Nasdaq Market Center Participant and is not directed to any particular Quoting Market Participant or ITS Exchange [, and shall also include Preferred Orders as described in subparagraph (aa) of this rule].

(q) Reserved [The term "Non-Liability Order" shall mean for Nasdaq listed securities an order that when delivered to a Quoting Market Participant imposes no obligation to respond to such order under the Firm Quote Rule. For ITS Securities, only orders preferred to an ITS exchange can be non-liability orders.]

(r) through (z) No changes

(aa) Reserved [The term "Preferred Order" shall mean an order that is entered into the Non-Directed Order Process and is designated to be delivered to or executed against a particular Quoting Market Participant's Attributable Quote/Order if the Quoting Market

Participant is at the best bid/best offer when the Preferred Order is the next in line to be executed or delivered. Preferred Orders shall be executed subject to the conditions set out in Rule 4710(b).]

(bb) through (uu) No changes

#### **4704. Opening Process For Nasdaq-Listed Securities**

(a) No change

(b) No change

(1) through (4) No changes

(5) Notwithstanding subparagraphs (1) through ([5] 4), if a Nasdaq Quoting Market Participant has entered a Locking/Crossing Quote/Order into the system that would become subject to the automated processing described above, the [system shall, before sending the order to any other Quoting Market Participant or Order Entry Firm, first attempt to match off the order against the locking/crossing Nasdaq Quoting Market Participant's own Quote/Order if that participant's Quote/Order is at the highest bid or lowest offer, as appropriate. A] Nasdaq Quoting Market Participant [may avoid this automatic matching through the] can use the [of] anti-internalization qualifier as set forth in Rule 4710(b)(1)(B)(ii)(a) to deviate from time priority. Order Entry Firms that enter locking/crossing Quotes/Orders also can use the anti-internalization qualifier [shall have those Quotes/Orders processed as set forth in subparagraphs (1) through (4), unless they voluntarily select a "Y" AIQ Value] as provided for in Rule 4710 (b)(1)(B)(ii)(a) to deviate from time priority.

(c) and (d) No changes

## **4706. Order Entry Parameters**

### (a) Non-Directed Orders - -

#### (1) No change

(A) No change

(B) No change

(i) through (vi) No change

(vii) An order may be designated as "Pegged," in which case the order will also automatically be designated as Day. [A Pegged Order may not be designated as a Preferred Order.] A Pegged Order (or unexecuted portion thereof) will be retained by the Nasdaq Market Center and its price adjusted in response to changes in the Nasdaq Market Center inside market. A Pegged Order (including a Discretionary Order that is pegged) will be cancelled if there is no displayable Quote/Order to which its price can be pegged. Starting at 7:30 a.m., until the 4:00 p.m. market close, Pegged Orders may be entered into the Nasdaq Market Center (or previously entered orders cancelled), but such orders entered prior to market open will not become available for execution until 9:30 a.m. Eastern Time. The initial price of Pegged Orders (including Discretionary Orders that are pegged) entered prior to market open will be established at 9:30 a.m. based on the Nasdaq inside bid or offer at that time. Pegged Orders shall not be available for ITS Securities.

To maintain the capacity and performance of the Nasdaq Market Center, Nasdaq may at any time suspend the entry of Pegged Orders

(including Discretionary Orders that are pegged) for all securities or for any security. Pegged Orders that are in the Nasdaq Market Center at the time of such suspension will continue to be available for adjustment and execution.

(viii) a. An order may be designated as "Discretionary", in which case the order will also automatically be designated as Day. [A Discretionary Order may not be designated as a Preferred Order.] The order (or unexecuted portion thereof) shall be displayed in the system, if appropriate, using the displayed price selected by the entering party, with the system also retaining a non-displayed discretionary price range within which the entering party is also willing to execute if necessary. If a Discretionary Order is pegged, its displayed price will be adjusted in response to changes in the Nasdaq inside market. Starting at 7:30 a.m., until the 4:00 p.m. market close, Discretionary Orders may be entered into the Nasdaq Market Center (or previously entered orders cancelled), but such orders entered prior to market open will not become available for execution until 9:30 a.m. Eastern Time. Discretionary Orders whose displayed price or discretionary price range does not lock or cross another Quote/Order will be available for execution at 9:30 a.m. All other Discretionary Orders will be added to the time-priority queue described in Rule 4706(a)(1)(F) and (a)(2)(B) and processed by the Nasdaq Market Center at market open.

b. A Discretionary Order in an ITS Security [may not be preferred to an ITS/CAES Market Maker or ITS Exchange,] shall not result in a quote that locks or crosses the national best bid and offer and

shall not be executed at a price that trades through the quotation of an ITS Exchange unless it is also designated as a Sweep Order. Starting at 7:30 a.m., until the 4:00 p.m. market close, Discretionary Orders in ITS Securities may be entered into the Nasdaq Market Center (or previously entered orders cancelled), but such orders entered prior to market open will not become available for execution until 9:30 a.m. Eastern Time.

Discretionary Orders whose displayed price or discretionary price range does not lock or cross another Quote/Order will be available for execution at 9:30 a.m. All other Discretionary Orders will be added to the time-priority queue described in Rule 4706(a)(1)(F) and (a)(2)(B) and processed by the Nasdaq Market Center at market open.

(ix) through (xiii) No changes

(C) through (F) No changes

(2) No change

(b) Reserved [Directed Orders in Nasdaq-listed Securities. A participant may enter a Directed Order in a Nasdaq-listed security into the Nasdaq Market Center to access a specific Attributable Quote/Order displayed in the system, subject to the following conditions and requirements:

(1) Unless the Quoting Market Participant to which a Directed Order is being sent has indicated that it wishes to receive Directed Orders that are Liability Orders, a Directed Order must be a Non-Liability Order, and as such, at the time of entry must be designated as:

(A) an "All-or-None" order ("AON") that is at least one normal unit of trading (e.g. 100 shares) in excess of the Attributable Quote/Order of the Quoting Market Participant to which the order is directed;

(B) a "Minimum Acceptable Quantity" order ("MAQ"), with a MAQ value of at least one normal unit of trading in excess of Attributable Quote/Order of the Quoting Market Participant to which the order is directed. Nasdaq will append an indicator to the quote of a Quoting Market Participant that has indicated to Nasdaq that it wishes to receive Directed Orders that are Liability Orders; or

(C) a Directed Order that is entered at a price that is inferior to the Attributable Quote/Order of the Quoting Market Participant to which the order is directed.

(2) A Directed Order may have a time in force of 3 to 99 minutes, or may be designated as "Day" order, or an "End of Day" order.

(3) Directed Orders shall be processed pursuant to Rule 4710(c).

(4) A Directed Order entered into the system may not be cancelled until a minimum of five seconds has elapsed after the time of entry. This five-second time period shall be measured by the Nasdaq Market Center.

(5) Directed Orders shall not be entered in ITS Securities.]

(c) through (e) No changes

#### **4710. Participant Obligations in the Nasdaq Market Center**

(a) Registration

No change

(b) Non-Directed Orders

(1) No change

(A) No change

(B) Processing of Non-Directed Orders - Upon entry of a Non-Directed Order into the system, the Nasdaq Market Center will ascertain who the next Quoting Market Participant or Order Entry Firm in queue to receive an order is and shall deliver an execution to Quoting Market Participants or Order Entry Firms that participate in the automatic-execution functionality of the system, or shall deliver a Liability Order to Quoting Market Participants that participate in the order-delivery functionality of the system. Non-Directed Orders entered into the Nasdaq Market Center system shall be delivered to or automatically executed against Quoting Market Participants' or Order Entry Firms' Displayed Quotes/Orders and Reserve Size, in strict price/time priority, as described in the algorithm contained in subparagraph (b)(B)(i) of this rule. The individual time priority of each Quote/Order submitted to the Nasdaq Market Center shall be assigned by the system based on the date and time such Quote/Order was received. Remainders of Quote/Orders reduced by execution, if retained by the system, shall retain the time priority of their original entry. For purposes of the execution algorithms described in paragraphs (i), (ii) and (iii) below, "Displayed Quotes/Orders" shall also include any odd-lot, odd-lot portion of a mixed-lot, or any odd-lot

remainder of a round-lot(s) reduced by execution, share amounts that while not displayed in the quotation montage of the Nasdaq Market Center, remain in system and available for execution.

(i) [Default] Execution Algorithm - Price/Time Priority -- The system will execute Quotes/Orders in [default to a] strict price/time priority within Nasdaq, and will attempt to access interest in the system in the following priority and order:

a. Displayed Quotes/Orders of Nasdaq Market Makers, ITS/CAES Market Makers, and Nasdaq ECNs, displayed Non-Attributable Quotes/Orders of NNMS Order Entry Firms, and displayed non-attributable agency Quotes/Orders of UTP Exchanges (as permitted by subparagraph (f) of this rule), in time priority [between] among such participants' Quotes/Orders;

b. Reserve Size of Nasdaq Quoting Market Participants and Order Entry Firms, in time priority [between] among such participants' Quotes/Orders; and

c. Principal Quotes/Orders of UTP Exchanges, in time priority [between] among such participants' Quotes/Orders.

(ii) Exceptions -- The following exceptions shall apply to the above execution parameters:

a. [If a Nasdaq Quoting Market Participant or Order Entry Firm enters a Non-Directed Order into the system,

before sending such Non-Directed Order to the next Quoting Market Participants in queue, the Nasdaq Market Center will first attempt to match off the order against the Nasdaq Quoting Market Participant's or Order Entry Firm's own Quote/Order if the participant is at the best bid/best offer in Nasdaq.] Nasdaq Quoting Market Participants and Order Entry Firms [may avoid any attempted automatic system matching permitted by this paragraph through the] can use [of an] the anti-internalization qualifier (AIQ) quote/order flag containing the [following values:] "Y" value to deviate from time priority as follows: [or "I", subject to the following restrictions:]

Y – [if] when the Y value is selected, the system will execute the flagged quote/order solely against attributable and non-attributable quotes/orders (displayed and reserve) of Quoting Market Participants and Order Entry Firms other than the party entering the AIQ "Y" flagged quote/order. If the only available trading interest is that of the same party that entered the AIQ "Y" flagged quote/order, the system will not execute at an inferior price level, and will instead return the latest entered of those interacting quote/orders (or unexecuted portions thereof) to the

entering party; provided, however, that in the case of a Discretionary Order interacting with a bid/offer entered by the system pursuant to Rule 4710(b)(5), the Discretionary Order (or unexecuted portions thereof) will be returned.

[I - if the I value is selected, the system will execute against all available trading interest, including the quote/orders of the Order Entry Firm or Nasdaq Quoting Market Participant that entered the AIQ "I" flagged order, based on the price/time execution algorithm.]

b. through g. No changes

(C) and (D) No changes

(2) No change

(3) No change

(A) No change

(B) No change

(i) Exception--The following exception shall apply to the above locked/crossed processing parameters:

If an ITS/CAES Market Maker has entered a Locking/Crossing Quote/Order into the system that would become subject to the automated processing described in subparagraph (B) above, the [system shall, before sending the order to any other ITS/CAES Market Maker or Order Entry

Firm, first attempt to match off the order against the locking/crossing ITS/CAES Market Maker's own Quote/Order if that participant's Quote/Order is at the highest bid or lowest offer, as appropriate. An] ITS/CAES Market Maker [may avoid this automatic matching through the] can use the [of] anti-internalization qualifier as set forth in Rule 4710(b)(1)(B)(ii)(a) to deviate from time priority. Order Entry Firms that enter locking/crossing Quotes/Orders also can use the anti-internalization qualifier [shall have those Quotes/Orders processed as set forth in subparagraph (B) above, unless they voluntarily select a "Y" AIQ Value] as provided for in Rule 4710(b)(1)(B)(ii)(a) to deviate from time priority.

(4) through (8) No changes

(c) Reserved [Directed Order Processing

A participant may enter a Directed Order in Nasdaq-listed securities into the Nasdaq Market Center to access a specific Quote/Order in the Nasdaq Quotation Montage and to begin the negotiation process with a particular Quoting Market Participant. The system will deliver an order (not an execution) to the Quoting Market Participant designated as the recipient of the order. Upon delivery, the Quoting Market Participant shall owe no liability under the Firm Quote Rule to that order, unless the Quoting Market Participant to which a Directed Order is being sent has indicated that it wishes to receive Directed Orders that are Liability Orders (as described in Rule 4706(b)). Additionally, upon delivery, the system will not decrement the receiving Quoting Market Participant's Quote/Order. This provision shall not apply to Preferred Orders.]

(d) No change

(e) UTP Exchanges

Participation in the Nasdaq Market Center by UTP Exchanges is voluntary. If a UTP Exchange does not participate in the Nasdaq Market Center, the UTP Exchange's quote will not be accessed through the Nasdaq Market Center, and the Nasdaq Market Center will not include the UTP Exchange's quotation for order processing and execution purposes.

A UTP Exchange may voluntarily participate in the Nasdaq Market Center if it executes a Nasdaq Workstation Subscriber Agreement, as amended, for UTP Exchanges, and complies with the terms of this subparagraph (f) of this rule. The terms and conditions of such access and participation, including available functionality and applicable rules and fees, shall be set forth in and governed by the Nasdaq Workstation Subscriber Agreement, as amended for UTP Exchanges. The Nasdaq Workstation Subscriber Agreement, as amended for UTP Exchanges may expand but shall not contract the rights and obligations set forth in these rules. Access to UTP Exchanges may be made available on terms that differ from the terms applicable to members but may not unreasonably discriminate among similarly situated UTP Exchanges. The following provisions shall apply to UTP Exchanges that choose to participate in the Nasdaq Market Center.

(1) Order Entry -- UTP Exchanges that elect to participate in the system shall be permitted to enter [Directed and] Non-Directed Orders into the system subject to the conditions and requirements of Rules 4706. [Directed and] Non-

Directed Orders entered by UTP Exchanges shall be processed (unless otherwise specified) as described subparagraphs (b) and (c) of this rule.

(2) and (3) No changes

(4) Reserved [Directed Order Processing -- UTP Exchanges that elect to participate in the system shall participate in the Directed Order processing as described in subparagraph (c) of this rule.]

(5) and (6) No changes

#### **4719. Anonymity**

(a) No change

(b) Full Anonymity

(1) through (4) No changes

(5)(A) No change

(B) In the situations described in paragraphs (b)(2) or (b)(4) of Rule 4719, [and solely with respect to the member that submits, and receives an execution of, a fully anonymous Non-Attributable Quote/Order that is a Preferred Order,] the member retains the obligation to comply with Rules 17a-3(a)(1) and 17a-4(a) because it possesses the identity of its contra party.

#### 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 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 proposing to modify the Nasdaq Market Center execution service (formerly known as SuperMontage) to eliminate certain functionality that deviates from the time priority aspect of the system's price/time priority execution algorithm. The changes are being proposed to eliminate the issue that has prevented Nasdaq from registering as an exchange.

Nasdaq has been working with Commission staff to resolve the open issues concerning its application to register as an exchange. The issue delaying Nasdaq's application concerns the Commission's policy that orders generally must be executed on an exchange in time priority at the best price displayed on the exchange. Nasdaq's current execution service does not follow strict time priority in all situations.

For example, the execution algorithm for Non-Directed Orders generally executes trades in strict time priority at the best price by matching an incoming order against the oldest order at the best price.<sup>4</sup> However, there is an internalization exception to strict time priority. When deciding against which orders an incoming order should be executed, the system first attempts to execute the incoming order against the member submitting the order – in effect internalizing the order through the system – but only if the member submitting the order is at the best price. The system will not internalize the order at a price inferior to the best price displayed on Nasdaq. Nasdaq is proposing to re-

---

<sup>4</sup> See NASD Rule 4710(b)(1)(B)(i). Time priority is maintained within three different categories: Displayed Quotes/Orders, Reserve Size of Nasdaq Quoting Participants, and Principal Quotes/Orders of UTP Exchanges.

program the system so that it does not deviate from time priority to internalize an order. With one exception, the system will execute in strict time priority at the best price.

The exception concerns Nasdaq's desire to continue to provide members the opportunity to deviate from time priority to avoid internalizing an order. For example, assume that, in the following time priority, members A, B, and C are displaying bids at \$10, and member A submits a sell order. The system, if member A has chosen the anti-internalization qualifier ("AIQ flag") for this order, will not execute member A's sell order against its bid, but instead will skip member A and execute against members B and C. The AIQ flag is designed to assist members in complying with regulatory and/or fiduciary obligations that govern their dealings with accounts managed by them or their affiliates.<sup>5</sup> Nasdaq believes it is appropriate to deviate from time priority in these circumstances because members are attempting to comply with regulatory and/or fiduciary obligations.

Nasdaq also is proposing to eliminate Preferred Orders. Preferred Orders are a type of Non-Directed Order and thus are processed in the same order queue and execution algorithm as other Non-Directed Orders. With a Preferred Order, however, the member submitting the order can specify that it only seeks to execute against a particular contra party – the "preferred" party. When a Preferred Order is next to be processed in the order queue, the system determines whether the preferred party is at the best price. If the preferred party is at the best price, the system will execute the

---

<sup>5</sup> For example, Section 17(a) of the Investment Company Act of 1940 ("Investment Company Act") limits self-dealing by generally prohibiting affiliated persons of an investment company or principal underwriters of a registered investment company's securities from, among other things, knowingly selling securities to, or knowingly buying securities from, the investment company unless the securities being sold or bought are issued by the investment company or the Commission grants an application for an exemption pursuant to Section 17(b) of the Investment Company Act.

order against the preferenced party – irrespective of whether the preferenced party has time priority.

Finally, Nasdaq also is proposing to eliminate the Directed Order process. The Directed Order process replicates the SelectNet functionality that existed prior to the implementation of SuperMontage and is not integrated with the Non-Directed Order execution algorithm – meaning that Directed Orders are processed independent of Non-Directed Orders. The Directed Order process allows members to negotiate transactions electronically, whereas the Non-Directed Order process automatically decrements quotes when an order is delivered against them.

For example, member A can send a Directed Order to sell to member B, who is displaying quotes in Nasdaq. Unless member B has expressly indicated it will accept liability orders through the Directed Order process, member B is not obligated to trade with the incoming order. Member B can reject the order, respond with a counter offer, or execute the order. Because the Directed Order process is used to negotiate trades, orders can be executed at prices inferior to the best prices displayed in Nasdaq. In addition, because Directed Orders are not integrated in Non-Directed Order execution algorithm, trades are executed without consideration of the time priority of orders in the Non - Directed Order process.

With the exception of the AIQ functionality, the changes described above eliminate certain elements of Nasdaq's execution service that deviate from time priority and thus, in Nasdaq's view, address the issue that has delayed Nasdaq's application to register as an exchange.<sup>6</sup> As previously discussed, Nasdaq believes the AIQ functionality

---

<sup>6</sup> Supra note 4. Time priority will maintained within the three categories listed in footnote 3, not in aggregate.

is necessary and thus not inconsistent with the standards for registering as an exchange – because it is designed to prevent internalization and assist members in complying with regulatory or fiduciary obligations.

2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 15A of the Act,<sup>7</sup> in general and with Section 15A(b)(6) of the Act,<sup>8</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, remove impediments to a free and open market and a national market system, and, in general, to protect investors and the public interest. The proposed changes are consistent with the obligations of Section 15A(b)(6) of the Act because they will provide for greater time priority protection in Nasdaq's execution service. In addition, because the obligations under Section 15A(b)(6) and Section 6(b)(5) are the same, the proposed changes also are consistent with the obligations applicable to registered exchanges.

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.

---

<sup>7</sup> 15 U.S.C. 78q-3.

<sup>8</sup> 15 U.S.C. 78q-3(b)(6).

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents,<sup>9</sup> the Commission will:

- A. by order approve such proposed rule change, or
- B. institute proceedings to determine whether the proposed rule change should be disapproved.

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:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NASD-2004-181 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609.

All submissions should refer to File Number SR-NASD-2004-181. This file number should be included on the subject line if e-mail is used. To help the Commission process

---

<sup>9</sup> Nasdaq has consented to an extension of the time period for Commission action.

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, 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 inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the NASD. 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 make available publicly. All submissions should refer to File Number SR-NASD-2004-181 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>10</sup>

Margaret H. McFarland  
Deputy Secretary

---

<sup>10</sup> 17 CFR 200.30-3(a)(12).