

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-62176; File No. SR-NASDAQ-2010-063)

May 26, 2010

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Routing Fees

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹, and Rule 19b-4 thereunder,² notice is hereby given that on May 26, 2010, The NASDAQ Stock Market LLC ("NASDAQ" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. 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 the Substance of the Proposed Rule Change

The Exchange proposes to modify Rule 7050 governing pricing for NASDAQ members using the NASDAQ Options Market ("NOM"), NASDAQ's facility for executing and routing standardized equity and index options. Specifically, NOM proposes to expand the list of options that will be assessed routing fees of \$0.30 per contract for customer orders and \$0.55 per contract for Firm and Market Maker orders that are routed from NOM to NASDAQ OMX PHLX, Inc. ("Phlx").

While changes to the Fee Schedule pursuant to this proposal are effective upon filing, the Exchange has designated these changes to be operative for transactions on June 1, 2010.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

The text of the proposed rule change is set forth below. Proposed new text is underlined and deleted text is in brackets.

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7050. NASDAQ Options Market

The following charges shall apply to the use of the order execution and routing services of the NASDAQ Options Market by members for all securities.

- (1) - (3) No Change.
- (4) Fees for routing contracts to markets other than the NASDAQ Options Market shall be assessed as provided below. The current fees and a historical record of applicable fees related to orders routed to other exchanges shall be posted on the NasdaqTrader.com website.

Exchange	Customer	Firm	MM
BATS	\$0.36	\$0.55	\$0.55
BOX	\$0.06	\$0.55	\$0.55
CBOE	\$0.06	\$0.55	\$0.55
ISE	\$0.06	\$0.55	\$0.55
NYSE Arca Penny Pilot	\$0.50	\$0.55	\$0.55
NYSE Arca Non Penny Pilot	\$0.06	\$0.55	\$0.55
NYSE AMEX	\$0.06	\$0.55	\$0.55
PHLX (for all options other than the below listed options)	\$0.06	\$0.55	\$0.55
PHLX (for the following options only): AA, AAPL, <u>ABK</u> , <u>ABX</u> , AIG, ALL, AMD, AMR, AMZN, <u>ARIA</u> , <u>AXP</u> , BAC, BRCD, C, CAT, <u>CIEN</u> , <u>CIGX</u> , CSCO, DELL, DIA, <u>DNDN</u> , DRYS, <u>EBAY</u> , EK, F, FAS, FAZ, GDX, GE, GLD, <u>GLW</u> , GS, <u>HAL</u> , IBM, INTC, IWM, <u>IYR</u> , JPM, LVS, MGM, <u>MOT</u> , MSFT, MU, NEM, NOK, <u>NVDA</u> , <u>ONNN</u> , <u>ORCL</u> , PALM, PFE, POT, QCOM, <u>QID</u> , <u>QQQQ</u> , <u>RIG</u> , RIMM, <u>RMBS</u> , SBUX, <u>SDS</u> , SIRI, SKF, SLV, SMH, SNDK, SPY, T, <u>TBT</u> , TZA, UAU, UNG, USO, UYG, <u>V</u> , <u>VALE</u> , VZ, WYNN, X, <u>XHB</u> , <u>XLF</u> , <u>XRX</u> and <u>YHOO</u>	\$0.30	\$0.55	\$0.55

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The text of the proposed rule change is available on the Exchange's Web site at <http://www.nasdaqomx.cchwallstreet.com>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange 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. The Exchange 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 Rule 7050 governing the fees assessed for options orders entered into NOM but routed to and executed on Phlx. Specifically, NASDAQ is proposing to expand the number of options to which certain routing fees apply to reflect the expansion of Phlx's Fee Schedule for rebates for adding and fees for removing liquidity.³

NASDAQ currently assesses a \$0.30 per contract routing fee for customer orders, and a \$0.55 per contract routing fee for Firm and Market Maker orders routed from NOM to Phlx for options that are subject to rebates for adding and fees for removing liquidity as described in the Phlx Fee Schedule. To reflect the additions Phlx is making to its Fee Schedule, NASDAQ proposes to add the following twenty-five options to the table set forth in Rule 7050(4): Ambac

³ See SR-Phlx-2010-73 (May 20, 2010). For a description of the rebates for adding and fees for removing liquidity on Phlx's Fee Schedule, See Securities Exchange Act Release Nos. 61684 (March 10, 2010), 75 FR 13189 (March 18, 2010) (SR-Phlx-2010-33); 61961 (April 22, 2010), 75 FR 22881 (April 30, 2010) (SR-Phlx-2010-61).

Financial Group, Inc. (“ABK”), Barrick Gold Corporation (“ABX”), Ariad Pharmaceuticals, Inc. (“ARIA”), American Express Company (“AXP”), Ciena Corp. (“CIEN”), Star Scientific, Inc. (“CIGX”), Dendreon Corp. (“DNDN”), eBay Inc. (“EBAY”), Corning Inc. (“GLW”), Halliburton Company (“HAL”), iShares Dow Jones US Real Estate (“IYR”), Motorola, Inc., (“MOT”), NVIDIA Corporation (“NVDA”), ON Semiconductor Corp. (“ONNN”), Oracle Corp. (“ORCL”), ProShares UltraShort, QQQ (“QID”), Transocean Ltd. (“RIG”), Rambus, Inc. (“RMBS”), ProShares UltraShort S&P500 (“SDS”), ProShares UltraShort 20+ Year Treasury (“TBT”), Visa, Inc. (“V”), Vale S.A. (“VALE”), SPDR S&P Homebuilders (“XHB”), Xerox Corp. (“XRX”) and Yahoo! Inc. (“YHOO”).

The Exchange is proposing these fees to recoup the majority of transaction and clearing costs associated with routing orders to Phlx. As with all fees, the Exchange may adjust these routing fees by filing a new proposed rule change.

While changes to the Fee Schedule pursuant to this proposal are effective upon filing, the Exchange has designated these changes to be operative for transactions on June 1, 2010.

2. Statutory Basis

NASDAQ believes that the proposed rule changes are consistent with the provisions of Section 6 of the Act,⁴ in general, and with Section 6(b)(4) of the Act,⁵ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which NASDAQ operates or controls. The Exchange believes the proposed fee changes are equitable in that they apply uniformly to all similarly situated participants on NOM. The Exchange also believes that the proposed fee

⁴ 15 U.S.C. 78f.

⁵ 15 U.S.C. 78f(b)(4).

changes are reasonable because the Exchange is seeking to recoup the costs incurred for options orders entered into NOM but routed to and executed on Phlx.

NASDAQ is one of eight options market in the national market system for standardized options. Joining NASDAQ and electing to trade options is entirely voluntary. Under these circumstances, NASDAQ's fees must be competitive and low in order for NASDAQ to attract order flow, execute orders, and grow as a market. NASDAQ thus believes that its fees are fair and reasonable and consistent with the Exchange Act.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act⁶ and paragraph (f)(2) of Rule 19b-4⁷ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

⁷ 17 CFR 240.19b-4(f)(2).

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. Please include File Number SR-NASDAQ-2010-063 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-NASDAQ-2010-063. This file number should be included on the subject line if e-mail 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 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 Web site viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. 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 publicly available. All submissions should refer to File Number SR-NASDAQ-2010-063 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁸

Florence E. Harmon
Deputy Secretary

⁸ 17 CFR 200.30-3(a)(12).