

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-62590; File No. SR-NASDAQ-2010-090)

July 29, 2010

Self-Regulatory Organizations; NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment Nos. 1 and 2 Thereto Relating to Fees for Routing to Away Markets

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 July 20, 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 Exchange submitted Amendment Nos. 1 and 2 to the proposed rule change on July 28, 2010.³ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of 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.

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

7050. NASDAQ Options Market

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Amendment Nos. 1 and 2 make technical corrections to the rule text.

The following charges shall apply to the use of the order execution and routing services of the NASDAQ Options Market 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 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
<u>ISE Select Symbols* of 100 or more contracts</u>	<u>\$0.26</u>	<u>\$0.55</u>	<u>\$0.55</u>
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 PHLX Select Symbols)	\$0.06	\$0.55	\$0.55
PHLX Select Symbols**	\$0.30	\$0.55	\$0.55

* These fees are applicable to orders routed to ISE that are subject to Rebates and Fees for Adding and Removing Liquidity in Select Symbols. See ISE’s Schedule of Fees for the complete list of symbols that are subject to these fees.

** These fees are applicable to orders routed to PHLX that are subject to Rebates and Fees for Adding and Removing Liquidity in Select Symbols. See PHLX’s Fee Schedule for the complete list of symbols that are subject to these fees.

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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 away markets (“routing fees”). The Exchange proposes to assess the following fees for orders routed to the International Securities Exchange LLC (“ISE”) in Select Symbols for orders of 100 or

more contracts: \$.26 per contract for customers and \$0.55 per contract for Firms⁴ and Market Makers.⁵ All other orders that are routed to ISE, including orders that are less than 100 contracts, will be assessed the rates labeled “ISE”.⁶

NASDAQ Options Services LLC (“NOS”), a member of the Exchange, is the Exchange’s exclusive order router. Each time NOS routes to away markets NOS is charged a \$0.06 clearing fee and, in the case of certain exchanges, a transaction fee is also charged in certain symbols, which are passed through to the Exchange. The Exchange is proposing to amend Rule 7050 to title these fees “ISE Select Symbols of 100 or more contracts.”

The Exchange is proposing this amendment in order to recoup clearing and transaction charges incurred by the Exchange when orders are routed to ISE in the ISE Select Symbols and the order is for 100 or more contracts. Each destination market’s transaction charge varies and there is a standard clearing charge for each transaction incurred by the Exchange. The Exchange proposes this fee change to account for an increase in cost for routing to ISE relative to the fees in the ISE Select Symbols.⁷

⁴ Firm is an order that clears as “Firm” with the Options Clearing Corporation (“OCC”). This fee of \$0.55 is a fixed routing fee for routing orders for the account(s) of Firms.

⁵ This fee of \$0.55 is a fixed routing fee for routing orders for the account(s) of Market Makers. The Exchange notes that some other options exchanges include Market Maker transaction and clearing fees as “broker-dealer” fees.

⁶ The current rates to route an order to ISE are \$.06 for customers and \$0.55 for Firms and Market Makers. This would not include ISE Select Symbols, which have different fees and are the subject of this filing.

⁷ ISE assesses a taker fee of \$0.20 for priority customer for orders for 100 or more contracts in its rebates and fees for adding and removing liquidity in select symbols. See Securities Exchange Act Release No. 61869 (April 7, 2010), 75 FR 19449 (April 14, 2010) (SR-ISE-2010-25).

2. Statutory Basis

NASDAQ believes that the proposed rule changes are consistent with the provisions of Section 6 of the Act,⁸ in general, and with Section 6(b)(4) of the Act,⁹ 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 that this fee is reasonable because it seeks to recoup costs that are incurred by the Exchange when routing customer orders to ISE in the select symbols of 100 or more contracts on behalf of its members. The Exchange also believes that the proposed fee change for customer orders routed to ISE in the select symbols is equitable because it will be uniformly applied to all customers with orders of 100 or more contracts.

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.

⁸ 15 U.S.C. 78f.

⁹ 15 U.S.C. 78f(b)(4).

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 Act¹⁰ and paragraph (f)(2) of Rule 19b-4¹¹ 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.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, 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-2010-090 on the subject line.

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

¹¹ 17 CFR 240.19b-4(f)(2).

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-2010-090. 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. Copies of the 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 available publicly. All submissions should refer to

File Number SR-NASDAQ-2010-090 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.¹²

Florence E. Harmon
Deputy Secretary

¹² 17 CFR 200.30-3(a)(12).