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 April 18, 2012, The NASDAQ Stock Market LLC ("NASDAQ" or "Exchange") 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**

The Exchange proposes to modify Chapter XV, Options Pricing, Section 3, as well as to add an account fee ("Account Fee") via Section 9, of the Options Rules portion of the NASDAQ Rulebook governing pricing for NASDAQ members using The NASDAQ Options Market ("NOM"), NASDAQ’s facility for executing and routing standardized equity and index options.

While fee changes pursuant to this proposal are effective upon filing, the Exchange has designated these changes to be operative on May 1, 2012.

The text of the proposed rule change is available on the Exchange’s website at [http://www.nasdaq.cchwallstreet.com](http://www.nasdaq.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

The purpose of this filing is to recoup some of the costs associated with SQF and BONO ports, as well as to assess a new fee to recoup some of the monthly billing and processing costs associated with participant accounts.

With respect to the proposed SQF port fee (“SQF Port Fee”), initially for which there was no charge,\(^3\) the Exchange believes that it is now reasonable to assess the proposed fee because the Exchange is no longer seeking to specifically incentivize market makers to connect to NOM 2.0. Additionally, the proposed SQF Port Fee is less than the range of port fees that are assessed today by NOM,\(^4\) as well as within the range of Port Fees currently charged by NASDAQ OMX PHLX LLC (“PHLX”).\(^5\)

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\(^4\) See Chapter XV, Options Pricing, Section 3(b) of the Options Rules portion of the NASDAQ Rulebook.

\(^5\) See NASDAQ OMX PHLX LLC Pricing Schedule, Section VII B (Port Fees).
With respect to the BONO\textsuperscript{6} port fee (“BONO Port Fee”), initially for which there was no charge, this port fee is priced identically to the fee currently being charged for the NASDAQ ITCH to Trade Options (“ITTO”)\textsuperscript{7} port, which is the other market data port. The increase will assist the Exchange in recouping costs associated with maintaining the BONO port.

The Exchange also proposes to assess a monthly $50 Account Fee for each member account, which would allow the Exchange to recoup costs associated with monthly billing and processing. The Account Fee would cover any month, or any part of a month, during which an account is maintained by a member. The proposed rule change would also encourage members to discontinue holding trading accounts, which the Exchange believes should, in turn, eliminate the need to expend resources to create additional account fields. As a result, the staff time allocated to maintaining account records would be reduced, which would allow for a more efficient use of staff resources. The proposed Account Fee is substantially similar to the monthly account fee that the PHLX currently charges.\textsuperscript{8}

Members currently have the option to request an unlimited number of trading accounts through the Exchange’s Membership Department. In many instances, multiple accounts are assigned at the member’s request to allow them to track their own activity using the Exchange’s account numbers.\textsuperscript{9} Often, however, accounts are not released back to the Exchange when they are no longer required by the member or when a member may have requested more accounts

\textsuperscript{6} BONO is an option feed designed to provide the NASDAQ Best Bid and Offer and last sale information directly to NOM participant firms.

\textsuperscript{7} ITTO is designed to provide full quote and order depth using the standard ITCH format. ITTO uses a series of messages to track the life of a quote or order through the NOM. ITTO supports NOM last sale data as well as Net Order Imbalance data for the opening auction.

\textsuperscript{8} See PHLX Pricing Schedule, Section VI A (Membership Fees).

\textsuperscript{9} The proposed rule change does not limit the number of accounts a member organization may request.
than needed. This practice limits the number of available accounts and adds to increased staff time to maintain accurate records of active accounts and the retiring of inactive accounts.

While fee changes pursuant to this proposal are effective upon filing, the Exchange has designated these changes to be operative on May 1, 2012.

2. **Statutory Basis**

NASDAQ believes that its proposal to amend its schedule of fees is consistent with Section 6(b) of the Act\textsuperscript{10} in general, and furthers the objectives of Section 6(b)(4) of the Act\textsuperscript{11} in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members and other persons using any facility or system which NASDAQ operates or controls.

The Exchange believes that the new SQF and BONO Port Fees (collectively, the “Port Fees”) are reasonable because each will assist in recouping costs incurred by the Exchange for connectivity to NOM. Additionally, the proposed SQF Port Fee is reasonable because the fee is lower than the range of port fees that are assessed today by NOM, as well as within the range of port fees currently charged by PHLX.\textsuperscript{12} The BONO Port Fee is reasonable because it is the same as the fee currently being charged for ITTO, which is the other market data port. The Exchange believes that the Port Fees, for which the Exchange will assess NOM participants as of May 1, 2012, are equitable and not unfairly discriminatory because they are uniformly applied to all NOM participants that utilize these ports.

The Exchange also believes that the Account Fee is reasonable because it seeks to recoup costs incurred by the Exchange. Further, the Exchange is seeking to incentivize members to

\begin{itemize}
    \item \textsuperscript{10} 15 U.S.C. 78f(b).
    \item \textsuperscript{11} 15 U.S.C. 78f(b)(4).
    \item \textsuperscript{12} \textit{Supra} note 4.
\end{itemize}
discontinue such inactive trading accounts. The Exchange also believes that the proposed Account Fee is equitable and not unfairly discriminatory because it would be uniformly applied to all members.

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 Act and paragraph (f)(2) of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend 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 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

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• Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2012-052 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-2012-052. 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 website (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 website 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 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-2012-052 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. 15

Kevin M. O’Neill  
Deputy Secretary