Nasdaq Stock Market Rules, Regulation, 0111., Nasdaq, Adoption of Rules

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The following provisions are adopted pursuant to the By-Laws of Nasdaq.


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Nasdaq Stock Market Rules, Regulation, 0112., Nasdaq, Effective Date

The Rules shall become effective as provided in the By-Laws.


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Nasdaq Stock Market Rules, Regulation, 0113., Nasdaq, Interpretation

The Rules shall be interpreted in such manner as will aid in effectuating the purposes and business of Nasdaq, and so as to require that all practices in connection with the investment banking and securities business shall be just, reasonable and not unfairly discriminatory.


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Nasdaq Stock Market Rules, Regulation, 0114., Nasdaq, Reserved

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Nasdaq Stock Market Rules, Regulation, 0115., Nasdaq, Applicability

(a) These Rules shall apply to all members and persons associated with a member. Persons associated with a member shall have the same duties and obligations as a member under these Rules.

(b) A member or person associated with a member, who has been expelled, canceled or revoked from membership or from registration or who has been barred from being associated with all members, shall cease to have any privileges of membership or registration. A member or person associated with a member who has been suspended from membership or registration shall also cease to have any privileges of membership or registration other than those under the Code of Procedure as set forth in the Rule 9000 Series. In neither case shall such a member or person associated with a member be entitled to recover any admission fees, dues, assessments or other charges paid to Nasdaq.

(c) A member or person associated with a member who has been suspended from membership or from registration shall be considered as a non-member during the period of suspension for purposes of applying the provisions of these Rules which govern dealings between members and non-members. However, such member or person associated with a member shall have all of the obligations imposed by the rules of Nasdaq.

Nasdaq Stock Market Rules, Regulation, Nasdaq, Definitions

When used in these Rules, unless the context otherwise requires:

(a) "Act"

(b) "FINRA" or "NASD"
The terms "Association" and "NASD" mean, collectively, the Financial Industry Regulatory Authority and its subsidiaries.

(c) "By-Laws"
The term "By-Laws" means the By-Laws of Nasdaq.

(d) "Code of Procedure"
The term "Code of Procedure" means the procedural rules contained in the Rule 9000 Series.

(e) "Commission" or "SEC"
The terms "Commission" or "SEC" mean the Securities and Exchange Commission (SEC), established pursuant to the Act.

(f) "Regulatory Contract"
The term "Regulatory Contract" means the regulatory services agreement between Nasdaq and FINRA pursuant to which FINRA has agreed to perform certain regulatory functions on behalf of Nasdaq.

(g) "Customer"
The term "customer" shall not include a broker or dealer.

(h) "Security"
Unless the context requires otherwise, the term "security" shall mean a security listed on Nasdaq or traded on Nasdaq pursuant to unlisted trading privileges.

(i) "Member" or "Nasdaq Member"
The terms "member" or "Nasdaq Member" mean any registered broker or dealer that has been admitted to membership in Nasdaq. A Nasdaq Member is not a member of Nasdaq within the meaning of the Delaware Limited Liability Company Act by reason of being admitted to membership in Nasdaq.

(j) "Nasdaq Regulation"
The term "Nasdaq Regulation" means the Department of Nasdaq that supervises and administers the regulatory functions of Nasdaq, including the administration of any regulatory services agreements with another self-regulatory organization to which Nasdaq is a party.

(k) "Nasdaq"
The term "Nasdaq" means The Nasdaq Stock Market LLC.

(l) "NASD Regulation"
The term "NASD Regulation" means NASD Regulation, Inc.

(m) "Nasdaq Review Council"
The term "Nasdaq Review Council" means the committee authorized and directed to act for the Board of Directors of Nasdaq in a manner consistent with the Rules and By-Laws of Nasdaq with respect to (1) an appeal or review of a disciplinary proceeding; (2) a statutory disqualification decision; (3) a review of a membership proceeding; (4) a review of an offer of settlement, a letter of acceptance, waiver, and consent, and a minor rule violation plan letter; (5) the exercise of exemptive authority; (6) an appeal of proceedings involving Exchange Rules 4612, 4619, 4620, and 11890, and Exchange Options Rules Chapter V Section 6; and (7) such other proceedings or actions authorized by the Rules of Nasdaq.

(n) "Person"
The term "person" shall include any natural person, partnership, corporation, association, or other legal entity.

(o) "Rules" or "Rules of Nasdaq"
The term "Rules" or "Rules of Nasdaq" means the numbered rules set forth in the Nasdaq Manual beginning with the Rule 0100 Series, as adopted by the Nasdaq Board of Directors pursuant to the By-Laws of the Nasdaq, as hereafter amended or supplemented, and also includes the By-Laws and the Limited Liability Company Agreement of The Nasdaq Stock Market LLC.


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Nasdaq Stock Market Rules, Regulation, 0121., Nasdaq, Definitions in Nasdaq By-Laws

Unless the context otherwise requires, or unless otherwise defined in these Rules, terms used in the Rules and interpretive material, if defined in the Nasdaq By-Laws, shall have the meaning as defined in the Nasdaq By-Laws.


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Nasdaq and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions described in these Rules on behalf of Nasdaq. Nasdaq Rules that refer to Nasdaq Regulation, Nasdaq Regulation staff, Nasdaq staff, and Nasdaq departments should be understood as also referring to FINRA staff and FINRA departments acting on behalf of Nasdaq pursuant to the Regulatory Contract.

Notwithstanding the fact that Nasdaq has entered into the Regulatory Contract with FINRA to perform some of Nasdaq's functions, Nasdaq shall retain ultimate legal responsibility for, and control of, such functions.

In addition, Nasdaq has incorporated by reference certain NASD rules. Nasdaq members shall comply with these rules and interpretations as if such rules and interpretations were part of Nasdaq's rules.

Nasdaq Stock Market Rules, Regulation, 0140., Nasdaq, Fingerprint-Based Background Checks of Employees and Independent Contractors

(a) In order to enhance the physical security of the facilities, systems, data, and information of Nasdaq and its affiliates (collectively, the "Nasdaq Entities"), it shall be the policy of the Nasdaq Entities to conduct a fingerprint-based criminal records check of (i) all prospective and current employees of the Nasdaq Entities, (ii) all prospective and current independent contractors who have or are anticipated to have access to facilities of the Nasdaq Entities for ten business days or longer, and (iii) all prospective and current temporary employees who have or are anticipated to have access to facilities of the Nasdaq Entities for ten business days or longer. The Nasdaq Entities shall apply this policy in all circumstances where permitted by applicable law.

(b) The Nasdaq Entities shall submit fingerprint cards obtained pursuant to the foregoing policy to the Attorney General of the United States or his or her designee for identification and processing. The Nasdaq Entities shall at all times maintain the security of fingerprint cards and information received from the Attorney General or his or her designee.

(c) The Nasdaq Entities shall evaluate information received from the Attorney General or his or her designee in accordance with the terms of a written fingerprint policy and provisions of applicable law. A felony or serious misdemeanor conviction will be a factor in considering whether to hire a prospective employee, take adverse employment action with respect to a current employee, or deny prospective or current independent contractors or temporary employees access to facilities of the Nasdaq Entities.

(d) A prospective employee who refuses to submit to fingerprinting shall be denied employment by the Nasdaq Entities, and a prospective independent contractor or temporary employee who refuses to submit to fingerprinting shall be denied access to facilities of the Nasdaq Entities. A current employee, independent contractor, or temporary employee who refuses to submit to fingerprinting will be terminated following notice and being given three opportunities to submit.


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Nasdaq Stock Market Rules, Regulation 0150, Nasdaq, Regulatory Independence

In furtherance of the independence of Nasdaq's regulatory functions from its commercial operations, Nasdaq shall ensure that, unless it obtains prior Commission approval, the regulatory functions subject to the Regulatory Contract as in effect at the time when Nasdaq begins to operate as a national securities exchange shall at all times continue to be performed by NASD or an affiliate thereof or by another independent self-regulatory organization.


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The Exchange and FINRA are parties to the Regulatory Contract, pursuant to which FINRA has agreed to perform certain functions described in the Rule 1000 Series and the General 4, Section 1.1200 Series on behalf of the Exchange. Exchange Rules that refer to the Exchange’s Regulation Department, Nasdaq Regulation Department staff, Exchange staff, and Exchange departments should be understood as also referring to FINRA staff and FINRA departments acting on behalf of the Exchange pursuant to the Regulatory Contract.

Notwithstanding the fact that the Exchange has entered into the Regulatory Contract with FINRA to perform some of the Exchange’s functions, the Exchange shall retain ultimate legal responsibility for, and control of, such functions. In addition, the Exchange has incorporated by reference certain FINRA rules. Members shall comply with these rules and interpretations as if such rules and interpretations were part of the Exchange’s Rules.


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(a) Persons Eligible to Become Members and Associated Persons.

   (1) Any registered broker or dealer shall be eligible for membership in the Exchange, except such registered brokers or dealers as are excluded under paragraph (b).

   (2) Any person shall be eligible to become an Associated Person of a Member, except such persons as are excluded under paragraph (b).

(b) Ineligibility of Certain Persons for Membership or Association

   (1) Subject to such exceptions as may be explicitly provided elsewhere in the Rules, no registered broker or dealer shall be admitted to membership, and no Member shall be continued in membership, if such broker, dealer, or Member fails or ceases to satisfy the qualification requirements established by the Rules, or if such broker, dealer, or Member is or becomes subject to a statutory disqualification, or if such broker, dealer, or Member fails to file such forms as may be required in accordance with such process as the Exchange may prescribe.

   (2) Subject to such exceptions as may be explicitly provided elsewhere in the Rules, no person shall become associated with a Member, continue to be associated with a Member, or transfer association to another Member, if such person fails or ceases to satisfy the qualification requirements established by the Rules, or if such person is or becomes subject to a statutory disqualification; and no broker or dealer shall be admitted to membership, and no Member shall be continued in membership, if any person associated with it is ineligible to be an Associated Person under this subsection.

(c) Membership in a Registered Securities Association or Another Registered Exchange.

As a condition to maintaining membership in the Exchange, Members shall at all times maintain membership in a registered securities association that is not registered solely under Section 15A(k) of the Securities Exchange Act of 1934, or another registered exchange that is not registered solely under Section 6(g) of the Securities Exchange Act of 1934. Members that transact business with customers shall at all times be members of FINRA.

(d) Registration of Branch Offices and Designation of Office of Supervisory Jurisdiction

   (1) Each branch office of a Member shall be registered with the Exchange.

   (2) Each Member must designate to the Exchange those offices of supervisory jurisdiction, including the main office in accordance with the standards set forth in Exchange Rule 3010.

   (3) Each Member shall promptly advise the Exchange, via electronic means or such other means as the Exchange may prescribe, of the opening, closing, relocation, change in designated supervisor, or change in designated activities of any branch office of such Member not later than 30 days after the effective date of such change.

      (A) Members that are also FINRA members shall be deemed to have complied with this provision if they are in compliance with FINRA rules by keeping current Form BR.

      (B) Members that are not FINRA members shall promptly advise the Exchange by submitting to the Exchange a Branch Office Disclosure Form.

Adopted Jan. 13, 2006 (SEC Release 34-53128); amended June 13, 2008 (SR-NASDAQ-2008-054); amended Dec. 8, 2010 (SR-
Nasdaq Stock Market Rules, Regulation, 1011., Nasdaq, Definitions

Unless otherwise provided, terms used in the Rule 1000 Series and the General 4, Section 1.1200 Series shall have the meaning as defined in Rule 0120.

(a) "Applicant"
The term "Applicant" means a person that applies for membership in the Exchange under Rule 1013 or a Member that files an application for approval of a change in ownership, control, or business operations under Rule 1017.

(b) "Associated Person"
The term "Associated Person" means any partner, officer, director, or branch manager of a Member or Applicant (or person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with such Member or Applicant, or any employee of such Member or Applicant, except that any person associated with a Member or Applicant whose functions are solely clerical or ministerial shall not be included in the meaning of such term for purposes of the Rules.

(c) "Department"
The term "Department" means the Exchange’s Membership Department located within the Exchange’s Regulation Department.

(d) "Director"
The term "Director" means a member of the Exchange Board.

(e) "Interested Staff"
The term "Interested Staff" means an employee who directly participates in a decision under Rule 1014 or 1017, an employee who directly supervises an employee with respect to such decision, an employee who conducted an investigation or examination of a member that files an application under Rule 1017, and the head of the Department.

(f) "Securities business"
The term "securities business" means the business of purchasing securities and offering the same for sale as a dealer, or of purchasing and selling securities upon the order and for the account of others.

(g) Reserved.

(h) "Exchange Board"
The term "Exchange Board" means the Board of Directors of the Exchange.

(i) "principal place of business"
The term "principal place of business" means the executive office from which the sole proprietor or the officers, partners, or managers of the Applicant direct, control, and coordinate the activities of the Applicant, unless the Department determines that the principal place of business is where: (1) the largest number of Associated Persons of the Applicant are located; or (2) the books and records necessary to provide information and data to operate the business and comply with applicable rules are located.

(j) "registered broker or dealer"
The term "registered broker or dealer" means any broker or dealer, as defined in Section 3(a)(48) of the Act, that is registered with the Commission under the Act.
(k) "Representative"
The term "Representative" shall have the meaning assigned to it in General 4, Section 1.1220(b)(1). All Representatives of the Exchange Members are required to be registered with the Exchange, and Representatives that are so registered are referred to herein as "Registered Representatives."

(l) "sales practice event"
The term "sales practice event" means any customer complaint, arbitration, or civil litigation that has been reported to the Central Registration Depository, currently is required to be reported to the Central Registration Depository, or otherwise has been reported to the Exchange.

(m) "Subcommittee"
The term "Subcommittee" means a subcommittee of the Exchange Review Council that is constituted pursuant to Rule 1015 to conduct a review of a Department decision issued under the Rule 1010 Series.

(n) "statutory disqualification"
The term "statutory disqualification" shall have the meaning set forth in Section 3(a)(39) of the Act.

(o) "Proprietary Trading Firm"
The term "proprietary trading firm" means an Applicant or Member with the following characteristics:

1. the Applicant or Member is not required by Section 15(b)(8) of the Act to become a FINRA member but is a member of another registered securities exchange not registered solely under Section 6(g) of the Act;

2. all funds used by the Applicant or Member or proposed to be used by the Applicant or Member for trading are the Applicant's or Member's own capital, traded through the Applicant's or Member's own accounts;

3. the Applicant or Member does not, and will not have "customers," as that term is defined in Exchange Rule 0120(g); and

4. all Principals and Representatives of the Applicant or Member acting or to be acting in the capacity of a trader must be owners of, employees of, or contractors to the Applicant.


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(a) Instructions for Filing Application Materials with the Exchange and Requirements for Service of Documents by the Exchange;

(1) An Applicant or Member may file an application or any document or information requested under the Rule 1010 Series by first-class mail, overnight courier, hand delivery, or by electronic means. If the Department and the Applicant or Member agree, the Applicant or Member also may file a requested document or information by facsimile.

(2) The Exchange shall serve a notice or decision issued under the Rule 1010 Series by first-class mail or electronic means on the Applicant or Member or its counsel, unless a Rule specifies a different method of service.

(3) Service by the Exchange or filing by an Applicant or Member shall be deemed complete as follows:

(A) Service or filing by first-class mail shall be deemed complete on the date of postmark;

(B) Service or filing by overnight courier shall be deemed complete on the date of delivery to the overnight courier as specified in the airbill;

(C) Service or filing by hand delivery shall be deemed complete on the date of receipt as evidenced by a date stamp;

(D) Service or filing by facsimile shall be deemed complete on the date specified in the document and on the written confirmation of transmission; and

(E) Service or filing by electronic means shall be deemed complete on the date of transmission, except that service or filing shall not be deemed to have occurred if, subsequent to transmission, the serving or filing party receives notice that its attempted transmission was unsuccessful.

(b) Computation of Time

(1) Calendar Day
In the Rule 1010 Series, "day" means calendar day, unless otherwise specified.

(2) Formula
In computing a period of time under the Rule 1010 Series, the day of the act, event, default, or lapse from which the period of time designated begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday, or Federal holiday, in which event the period runs until the end of the next day that is not a Saturday, Sunday, or Federal holiday. Intermediate Saturdays, Sundays, and Federal holidays shall be excluded from the computation when the period prescribed is ten days or less or when the term “business day” is used.

(c) Duty to Ensure the Accuracy, Completeness, and Current Nature of Membership Information Filed with the Exchange

(1) Each Applicant, Member, and Associated Person shall ensure that all membership information they file with the Exchange, including but not limited to their application forms and all information they file in support of
their applications under Rules 1013 and 1017, is accurate, complete, and current at the time of filing.

(2) Each Applicant, Member, and Associated Person shall ensure that their membership applications and supporting materials filed with the Exchange remain accurate, complete, and current at all times by filing supplementary amendments with the Department, as necessary. Such amendments to the application shall be filed with the Department not later than 15 business days after the Applicant, Member, or Associated Person learns of the facts or circumstances giving rise to the need for the amendment. The Applicant, Member, and Associated Person shall promptly notify the Department in writing of any material adverse change in its financial condition.


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Nasdaq Stock Market Rules, Regulation, 1013., Nasdaq, New Member Application

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(a) Filing of Application

(1) Where to File; Contents
An Applicant for membership shall file its application with the Department in accordance with this Rule. An Applicant shall submit an application that includes:

(A) a copy of the Applicant's current Form BD, if not otherwise available to the Exchange electronically through the Central Registration Depository;

(B) an original Exchange-approved fingerprint card for each Associated Person who will be subject to SEC Rule 17f-2 and for whom a fingerprint card has not been filed with another self-regulatory organization, if such fingerprints are not otherwise available electronically to the Exchange through the Central Registration Depository;

(C) payment for such fee as may be required under the Rules;

(D) a description of the Applicant’s proposed trading activities on the Exchange, such as the types of securities it will trade, whether it will be a market maker, or an order entry firm, and/or engage in block trading activities, and the extent to which the Applicant is conducting such activities as a member of other SRO(s);

(E) a copy of the Applicant’s most recent audited financial statements and a description of any material changes in the Applicant’s financial condition since the date of the financial statements;

(F) an organizational chart;

(G) the intended location of the Applicant's principal place of business and all other branch offices, if any, and the names of the persons who will be in charge of each office;

(H) a description of the communications and operational systems the Applicant will employ to conduct business and the plans and procedures the Applicant will employ to ensure business continuity, including: system capacity to handle the anticipated level of usage; contingency plans in the event of systems or other technological or communications problems or failures; system redundancies; disaster recovery plans; and system security;

(I) a copy of any decision or order by a federal or state authority or self-regulatory organization taking permanent or temporary adverse action with respect to a registration or licensing determination regarding the Applicant or an Associated Person;

(J) a statement indicating whether the Applicant or any person listed on Schedule A of the Applicant's Form BD is currently, or has been in the last ten years, the subject of any investigation or disciplinary proceeding conducted by any self-regulatory organization, the foreign equivalent of a self-regulatory organization, a foreign or international securities exchange, a contract market designated pursuant to the Commodity Exchange Act or any substantially equivalent foreign statute or regulation, a futures association registered under the Commodity Exchange Act or any substantially similar foreign statute or regulation, the Commission or any other “appropriate regulatory agency” (as defined in the Act), the Commodity Futures Trading Commission, or any state financial regulatory agency regarding the Applicant’s activities that has not been reported to the Central Registration Depository, together with all relevant details, including any sanctions imposed;

(K) a statement indicating whether any person listed on Schedule A of the Applicant's Form BD is
currently, or has been in the last ten years, the subject of any investigation or disciplinary proceeding conducted by any self-regulatory organization, the foreign equivalent of a self-regulatory organization, a contract market designated pursuant to the Commodity Exchange Act or any substantially equivalent foreign statute or regulation, a futures association registered under the Commodity Exchange Act or any substantially similar foreign statute or regulation, the Commission or any other “appropriate regulatory agency”, the Commodity Futures Trading Commission, or any state financial regulatory agency regarding the Applicant’s activities that has not been reported to the Central Registration Depository, together with all relevant details, including any sanctions imposed;

(L) a copy of any contract or agreement with another brokerdealer, a bank, a clearing entity, a service bureau or a similar entity to provide the Applicant with services regarding the execution or clearance and settlement of transactions effected on the Exchange;

(M) if the Applicant proposes to make markets on the Exchange, a description of the source and amount of Applicant’s capital to support its market making activities on the Exchange, and the source of any additional capital that may become necessary;

(N) a description of the financial controls to be employed by the Applicant with respect to anti-money laundering compliance rules as set forth in Rule 3011;

(O) a copy of the Applicant’s written supervisory procedures with respect to the activities identified in paragraph (a)(1)(D);

(P) a list of the persons conducting the Applicant’s market making and other trading activities, and a list of the persons responsible for such persons’ supervision, together with the CRD numbers;

(Q) Reserved.

(R) a copy of the Applicant's most recent "FOCUS Report" (Form X-17A-5) filed with the SEC pursuant to SEC Rule 17a-5 (the most current Parts I, II, and III, as applicable);

(S) all examination reports and corresponding responses regarding the Applicant for the previous two years from the self-regulatory organizations of which it is a member;

(T) a copy of the Exchange’s Membership Agreement, duly executed by the Applicant, which includes, among other things:

1) an agreement to comply with the federal securities laws, the rules and regulations thereunder, the Rules, and all rulings, orders, directions, and decisions issued and sanctions imposed under the Rules;

2) an agreement to pay such dues, assessments, and other charges in the manner and amount as from time to time shall be fixed pursuant to the Rules; and

(U) such other reasonable information with respect to the Applicant as the Exchange may require.

(2) When an Application is Deemed to be Filed

The Department will deem an application to be filed on the date when it is substantially complete, meaning the date on which the Department receives from the Applicant all material documentation and information required under this Rule. The Exchange will notify the Applicant in writing when the Exchange deems the Applicant’s application to be substantially complete.

(3) Incomplete Applications

(A) Lapse of Applications that are not Substantially Complete

If an application that was initiated under this Rule is not deemed to be substantially complete by the Department within 90 calendar days after an Applicant initiates it, then absent a showing of good cause by the Applicant, the Department may, at its discretion, deem the application to have lapsed without filing,
and the Department will take no action in furtherance of the application. If the Department deems an application to have lapsed, then the Department shall serve a written notice of that determination on the Applicant. If an Applicant still wishes to apply for membership on the Exchange after receiving notice of a lapse in its application, then the Applicant will be required to submit a new application pursuant to these Rules and pay a new application fee for doing so, if applicable. The Department will refund fees that an Applicant has paid to the Exchange in connection with a lapsed application, in accordance with its Rules regarding fees, provided that the Exchange has not proceeded to process the application at the time it lapses. For purposes of this paragraph, the Department will deem an application to be not “substantially complete” if the Applicant fails to submit to the Department materially important information or documentation that is required or requested under these Rules.

(B) Rejection of Filed Applications that Remain or Become Incomplete After Filing

If an application that was initiated under this Rule is substantially complete and thus is deemed to be filed with the Exchange under paragraph (a)(2) of this Rule, but the application nevertheless remains or becomes incomplete with respect to any required or requested information or documentation, then the Department shall serve written notice to the Applicant of such incompleteness and describe the missing information or documentation. If the Applicant fails to submit to the Exchange the missing information or documentation within a reasonable period after it receives a notice of incompleteness, then absent a showing of good cause by the Applicant, the Department may, at its discretion, reject the application. If the Department rejects an application on the basis of incompleteness, then the Department shall serve a written notice on the Applicant of the Department's determination and the reasons therefor. The Exchange shall not refund the application fees that an Applicant has paid to the Exchange in connection with an application that the Exchange rejects. If the Applicant determines to continue to seek membership on the Exchange, then the Applicant shall submit a new application and pay a new application fee in accordance with the Rules.

(4) Requests by the Department for Additional Documents or Information from the Applicant or from Third Parties

(A) At any time before the Department serves its decision as to an application for new membership in the Exchange, the Department may serve a written request for additional information or documentation, from the Applicant or from a third party, if the Department deems such information or documentation to be necessary to clarify, verify, or supplement the application materials. The Department may, at its discretion, request that the Applicant or the third party provide the requested information or documentation in writing or through an in-person or telephonic interview. In the written request, the Department shall afford the Applicant or the third party a reasonable period of time within which to respond to the request.

(B) In the event that the Department obtains information or documentation about an Applicant from a third party that the Department reasonably believes could adversely impact its decision on an application, then the Department shall promptly inform the Applicant in writing and provide the Applicant with a description of the information or a copy of the documentation that the Department obtained, where appropriate under the circumstances. Prior to rendering an application decision on the basis of information or documentation obtained from a third party source, the Department shall afford the Applicant with a reasonable opportunity to discuss or to otherwise address the information or documentation that the Department obtained from the third party.

(b) Special Application Procedures

(1) Special Application Procedures for Applicants that are FINRA Members

(A) An Applicant that is a FINRA member shall have the option to waive-in to become a Member and to register with the Exchange all persons associated with the Applicant whose registrations with the Applicant are approved with FINRA in categories recognized by the Exchange’s Rules. For purposes of this provision, the term “waive-in” means that the Department will rely substantially upon FINRA’s determination to approve the Applicant for FINRA membership when the Department evaluates the
Applicant for Exchange membership.

(B) Waive-in membership that is granted pursuant to this provision shall terminate in the event that the Applicant ceases to be a FINRA member and otherwise fails to comply with Rule 1002(c).

(C) In lieu of submitting an application as set forth in paragraph (a), an Applicant may waive-in to Exchange membership as provided in subparagraph (b)(1) by filing with the Exchange a waive-in application form and an executed Exchange Membership Agreement.

(D) The Department will act upon a duly submitted application to waive-into Exchange membership under paragraph (b)(1) by serving upon the Applicant a written notification of its decision within a reasonable time frame not to exceed 20 days of submission of the application, unless the Department and the Applicant agree that the Department may issue its decision at a later date. A failure of the Department to issue a decision within this time frame shall be subject to Rule 1014(c)(3). The Department will normally grant a duly submitted application to waive-into Exchange membership, provided that the Applicant submits the required materials, the Department verifies that the Applicant is a FINRA member, and that the Department is not otherwise aware of any basis to deny or condition approval of the application, as set forth in Rule 1014. A decision issued under this provision shall have the same effectiveness as set forth in Rule 1014 and shall be subject to review as set forth in Rules 1015 and 1016.

(2) Special Application Procedures Applicable to Applicants that are Already Members of an Affiliated Exchange

(A) An Applicant that is a member of an exchange that is affiliated with the Exchange shall have the option to waive-in to become a Member of the Exchange and to register with the Exchange all persons associated with the Applicant whose registrations with the Applicant are approved with the other affiliated exchange in categories recognized by the Rules. For purposes of this provision, the term “waive-in” means that the Department will rely substantially upon an affiliated exchange’s determination to approve the Applicant for exchange membership when the Department evaluates the Applicant for membership.

(B) In lieu of submitting an application as set forth in paragraph (a), an Applicant may waive-into Exchange membership as provided in subparagraph (b)(2) by filing with the Department a waive-in application form. As part of this form, the Applicant must attest to the fact that it has made no unapproved material changes to its brokerdealer business subsequent to its approval as a member of an affiliated exchange.

(C) The Department will act upon a duly submitted application to waive-into Exchange membership under paragraph (b)(2) by serving upon the Applicant a written notification of its decision within a reasonable time frame not to exceed 20 days of submission of the application, unless the Department and the Applicant agree that the Department may issue its decision at a later date. A failure of the Department to issue a decision within this time frame shall be subject to Rule 1014(c)(3). The Department will normally grant a duly submitted application to waive-into Exchange membership, provided that the Applicant submits the required materials, the Department verifies that the Applicant is a member of an exchange affiliated with the Exchange, and that the Department is not otherwise aware of any basis to deny or condition approval of the application, as set forth in Rule 1014. A decision issued under this provision shall have the same effectiveness as set forth in Rule 1014 and shall be subject to review as set forth in Rules 1015 and 1016.

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Nasdaq Stock Market Rules, Regulation, 1014., Nasdaq, Department Decision

(a) Authority of Department to Approve, Approve with Restrictions, or Deny an Application

After evaluating an application for membership on the basis of the criteria set forth in paragraph (b) below, the Department shall issue one of the following decisions:

1. approve the application;
2. approve the application, subject to one or more restrictions:
   - (A) that are reasonably designed to address a specific financial, operational, supervisory, disciplinary, investor protection, or other regulatory concern; or
   - (B) that have been imposed by FINRA or by an affiliated exchange in their applicable membership determinations concerning the Applicant, in instances where the Applicant has applied for Exchange membership pursuant to Rule 1013(b); or
3. deny the application.

(b) Bases for Approval, Conditional Approval, or Denial

After considering the completed application, other information and documents provided by the Applicant, other information and documents obtained by the Department, and the public interest and the protection of investors, the Department shall approve an application under Rules 1013 or 1017 by an Applicant that is not, and is not required to become, a FINRA member unless the Department determines that such information or documents provide a basis for denial of membership:

1. The Department may deny (or condition) approval of an Applicant for the same reasons that the Commission may deny or revoke a broker or dealer registration and for those reasons required or allowed under the Act;
2. Without limiting the generality of the foregoing, the Department may deny (or condition) approval of an Applicant when the Applicant directly or indirectly:
   - (A) is unable to satisfactorily demonstrate its present capacity to adhere to all applicable Exchange and Commission policies, rules, and regulations, including, without limitation, those concerning recordkeeping, reporting, finance, and trading procedures;
   - (B) has previously violated, and there is a reasonable likelihood such Applicant will again engage in acts or practices violative of, any applicable Exchange or Commission policies, rules and regulations, including, without limitation, those concerning record-keeping, reporting, finance and trading procedures or those rules of other self-regulatory organizations of which such Applicant is or was a member;
   - (C) has engaged, and there is a reasonable likelihood such Applicant will again engage, in acts or practices inconsistent with just and equitable principles of trade;
   - (D) is not in compliance with the Commission’s net capital rule (17.C.F.R. 240.15c3-1), or has financial difficulties involving an amount that is more than 5% of the Applicant's net worth;
   - (E) has been itself, or is the successor to an entity which has been subject to any bankruptcy proceeding, receivership or arrangement for the benefit of creditors within the past three years;
   - (F) has engaged in an established pattern of failure to pay just debts;
   - (G) does not have such licenses and registrations as are required by governmental authorities and self-regulatory organizations; or
(H) is unable satisfactorily to demonstrate reasonably adequate systems capacity and capability.

(3) The Department will not approve an Applicant unless the Applicant is a member of another registered securities exchange or association that is not registered solely under Section 6(g) or Section 15A(k) of the Securities Exchange Act of 1934. An Applicant that will transact business with the public must be a member of FINRA.

(c) Decision

(1) Time

The Department shall serve a written decision on the membership application within a reasonable time period, not to exceed 45 days after the Applicant files and provides to the Exchange all required and requested information or documents in connection with the Applicant's application, unless the Department and the Applicant agree that the Department may issue its decision at a later date.

(2) Content

If the Department denies the application or grants the application subject to restrictions, the decision shall explain in detail the reason for denial or restriction, referencing the applicable bases in paragraph (a).

(3) Failure to Serve Decision

If the Department fails to serve a decision within the time frame set forth in subparagraph (c)(1) of this Rule, the Applicant may file a written request with the Exchange Board requesting that the Exchange Board direct the Department to serve a decision. Within seven days after the filing of such a request, the Exchange Board shall direct the Department to serve its written decision immediately or to show good cause for an extension of time. If the Department shows good cause for an extension of time, the Exchange Board may grant an extension of not more than 45 days thereafter.

(d) Reserved

(e) Service and Effectiveness of Decision

The Department shall serve its decision on the Applicant in accordance with Rule 1012. The decision shall become effective upon service and shall remain in effect during the pendency of any review until a decision constituting final action of the Exchange is issued under Rule 1015 or 1016, unless otherwise directed by the Exchange Review Council, the Exchange Board, or the Commission.

(f) Effectiveness of Restriction

A restriction imposed under this Rule shall remain in effect and bind the Applicant and all successors to the ownership or control of the Applicant unless:

   (1) removed or modified by a decision constituting final action of the Exchange issued under Rule 1015, 1016, or 1017; or

   (2) stayed by the Exchange Review Council, the Exchange Board, or the Commission.

(g) Final Action

Unless the Applicant files a written request for a review under Rule 1015, the Department's decision shall constitute final action by the Exchange.

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(a) Initiation of Review by Applicant
Within 25 days after service of a decision under Rule 1014 or 1017, an Applicant may file a written request for review with the Exchange Review Council. A request for review shall state with specificity why the Applicant believes that the Department's decision is inconsistent with the bases for denial set forth in Rule 1014, or otherwise should be set aside, and state whether a hearing is requested. The Applicant simultaneously shall file a copy of the request with the Department.

(b) Transmission of Documents
Within ten days after the filing of a request for review, the Department shall:

1) transmit to the Exchange Review Council copies of all documents that were considered in connection with the Department's decision and an index to the documents; and

2) serve on the Applicant a copy of such documents (other than those documents originally submitted by Applicant) and a copy of the index.

(c) Membership Application Docket
The Department shall promptly record in the Exchange's membership application docket each request for review filed with the Exchange Review Council under this Rule and each material subsequent event, filing, and change in the status of a membership proceeding.

(d) Appointment of Subcommittee
The Exchange Review Council or the Review Subcommittee defined in Rule 9120 shall appoint a Subcommittee to participate in the review. The Subcommittee shall be composed of two or more persons who shall be current or past members of the Exchange Review Council or former Directors.

(e) Powers of Subcommittee
If a hearing is requested, the Subcommittee shall conduct the hearing. If a hearing is not requested, the Subcommittee may serve a notice directing that a hearing be held. If a hearing is not requested or directed, the Subcommittee shall conduct its review on the basis of the record developed before the Department and any written submissions made by the Applicant or the Department in connection with the request for review.

(f) Hearing

1) Notice
If a hearing is requested or directed, the hearing shall be held within 45 days after the filing of the request with the Exchange Review Council or service of the notice by the Subcommittee. The Exchange Review Council shall serve written notice of the date and time of the hearing to the Applicant by facsimile or overnight courier not later than 14 days before the hearing.

2) Counsel
The Applicant and the Department may be represented by counsel at a hearing conducted pursuant to this Rule.

3) Evidence
Formal rules of evidence shall not apply to a hearing under this Rule. Not later than five days before the
hearing, the Applicant and the Department shall exchange copies of their proposed hearing exhibits and witness lists and provide copies of the same to the Exchange Review Council. If the Applicant or the Department fails to provide copies of its proposed hearing exhibits or witness list within such time, the Subcommittee shall exclude the evidence or witnesses from the proceeding, unless the Subcommittee determines that good cause is shown for failure to comply with the production date set forth in this subparagraph.

(4) Transcript

The hearing shall be recorded and a transcript prepared by a court reporter. A transcript of the hearing shall be available for purchase from the court reporter at prescribed rates. The Applicant, the Department, or a witness may seek to correct the transcript. A proposed correction of the transcript shall be submitted to the Subcommittee within a reasonable period of time prescribed by the Subcommittee. Upon notice to the Applicant and the Department, the Subcommittee may direct the correction to the transcript as requested or sua sponte.

(g) Additional Information, Briefs

At any time during its consideration, the Subcommittee or the Exchange Review Council may direct the Applicant or the Department to file additional information or briefs. Any additional information or brief filed shall be provided to all parties before the Exchange Review Council renders its decision.

(h) Abandonment of Request for Review

If an Applicant fails to specify the grounds for its request for review under Rule 1015(a)(1), appear at a hearing for which it has notice, or file information or briefs as directed, the Exchange Review Council or the Review Subcommittee may dismiss the request for review as abandoned, and the decision of the Department shall become the final action of the Exchange. Upon a showing of good cause, the Exchange Review Council or the Review Subcommittee may withdraw a dismissal entered pursuant to this paragraph.

(i) Subcommittee Recommendation

The Subcommittee shall present a recommended decision in writing to the Exchange Review Council within 60 days after the date of the hearing held pursuant to paragraph (f), and not later than seven days before the meeting of the Exchange Review Council at which the membership proceeding shall be considered.

(j) Decision

(1) Proposed Written Decision

After considering all matters presented in the review and the Subcommittee's recommended written decision, the Exchange Review Council may affirm, modify, or reverse the Department's decision or remand the membership proceeding with instructions. The Exchange Review Council shall prepare a proposed written decision pursuant to subparagraph (2).

(2) Contents

The decision shall include:

(A) a description of the Department's decision, including its rationale;

(B) a description of the principal issues raised in the review;

(C) a summary of the evidence on each issue; and

(D) a statement whether the Department's decision is affirmed, modified, or reversed, and a rationale therefor that references the bases for denial in Rule 1014.
(3) Issuance of Decision After Expiration of Call for Review Periods

The Exchange Review Council shall provide its proposed written decision to the Exchange Board. The Exchange Board may call the membership proceeding for review pursuant to Rule 1016. If the Exchange Board does not call the membership proceeding for review, the proposed written decision of the Exchange Review Council shall become final. The Exchange Review Council shall serve the Applicant with a written notice specifying the date on which the call for review period expired and stating that the final written decision will be served within 15 days after such date. The Exchange Review Council shall serve its final written decision within 15 days after the date on which the call for review period expired. The decision shall constitute the final action of Nasdaq for purposes of SEC Rule 19d-3, unless the Exchange Review Council remands the membership proceeding.

(4) Failure to Issue Decision

If the Exchange Review Council fails to serve its final written decision within the time prescribed in subparagraph (3), the Applicant may file a written request with the Exchange Board requesting that the Exchange Board direct the Exchange Review Council to serve its decision immediately or to show good cause for an extension of time. Within seven days after the filing of such a request, the Board shall direct the Exchange Review Council to serve its written decision immediately or to show good cause for an extension of time. If the Exchange Review Council shows good cause for an extension of time, the Exchange Board may extend the 15-day time limit by not more than 15 days.

(k) Ex Parte Communications

(1) The prohibitions against ex parte communications shall become effective when Exchange staff has knowledge that an Applicant intends to file a written request for review by the Exchange Review Council under Rule 1015.

(2) Unless on notice and opportunity for an Applicant and Interested Staff to participate, or to the extent required for the disposition of ex parte matters as authorized by the Exchange’s Rules:

   (A) an Applicant, a counsel or representative of an Applicant, or an Interested Staff shall not make or knowingly cause to be made an ex parte communication relevant to the merits of a membership proceeding under the Rule 1010 Series to a Director, a member of the Exchange Review Council or a Subcommittee thereof, or an Exchange employee who is participating or advising in a decision of such a person with respect to that proceeding; and

   (B) a Director, a member of the Exchange Review Council or a Subcommittee thereof, or an Exchange employee who is participating or advising in the decision of such a person with respect to a membership proceeding shall not make or knowingly cause to be made to an Applicant, a counsel or representative of the Applicant, or an Interested Staff an ex parte communication relevant to the merits of that proceeding.

(3) A Director, a member of the Exchange Review Council or a Subcommittee thereof, or an Exchange employee participating or advising in the decision of such a person, who receives, makes, or knowingly causes to be made a communication prohibited by this paragraph shall place in the record of the membership proceeding:

   (A) all such written communications;

   (B) memoranda stating the substance of all such oral communications; and

   (C) all written responses and memoranda stating the substance of all oral responses to all such communications.

(l) Recusal or Disqualification

A Director or a member of the Exchange Review Council or a Subcommittee thereof shall not participate in a
matter governed by the Rule 1010 Series as to which that person has a conflict of interest or bias, or if circumstances otherwise exist where his or her fairness might reasonably be questioned. In such a case, the person shall recuse himself or shall be disqualified as follows:

(1) The Chair of the Exchange Board of Directors shall have authority to direct the disqualification of a Director, and a majority of the Directors of the Exchange Board excluding the Chair shall have authority to direct the disqualification of the Chair of the Exchange Board.

(2) The Chair of the Exchange Review Council shall have authority to direct the disqualification of a member of the Exchange Review Council or a member of a Subcommittee appointed pursuant to Rule 1015, and the Vice Chair of the Exchange Review Council shall have authority to direct the disqualification of the Chair of the Exchange Review Council.

Call for Review by Director

A Director may call a membership proceeding for review by the Exchange Board if the call for review is made within the period prescribed in paragraph (b).

15 Day Period; Waiver

A Director shall make his or her call for review at the next meeting of the Exchange Board that is at least 15 days after the date on which the Exchange Board receives the proposed written decision of the Exchange Review Council. By unanimous vote of the Exchange Board, the Nasdaq Board may shorten the period to less than 15 days. By an affirmative vote of the majority of the Exchange Board then in office, the Exchange Board may, during the 15 day period, vote to extend the period to more than 15 days.

Review At Next Meeting

If a Director calls a membership proceeding for review within the time prescribed in paragraph (b), the Exchange Board shall review the membership proceeding not later than the next meeting of the Exchange Board. The Exchange Board may order the Applicant and the Department to file briefs in connection with review proceedings pursuant to this paragraph.

Decision of the Exchange Board, Including Remand

After review, the Exchange Board may affirm, modify, or reverse the proposed written decision of the Exchange Review Council. Alternatively, the Exchange Board may remand the membership proceeding with instructions. The Exchange Board shall prepare a written decision that includes all of the elements described in Rule 1015(j)(2).

Issuance of Decision

The Exchange Board shall serve its written decision on the Applicant within 15 days after the meeting at which it conducted its review. The decision shall constitute the final action of Exchange for purposes of SEC Rule 19d-3, unless the Exchange Board remands the membership proceeding.

Nasdaq Stock Market Rules, Regulation, 1017., Nasdaq, Application for Approval of Change in Ownership, Control, or Material Business Operations

(a) Events Requiring Application

A Member shall file an application for approval of any of the following changes to its ownership, control, or business operations, except that the Department will not consider a change listed below to require its approval if an exchange affiliated with the Exchange or a Member’s Designated Examining Authority has already approved the change in accordance with its respective rules, the Member provides written evidence to the Department of such prior approval, and the nature, terms, or conditions of the proposed change have not altered materially since such approvals occurred:

1. a merger of the Member with another Member;
2. a direct or indirect acquisition by the Member of another Member;
3. direct or indirect acquisitions or transfers of 25% or more in the aggregate of the Member’s assets or any asset, business or line of operation that generates revenues comprising 25% or more in the aggregate of the Member’s earnings measured on a rolling 36-month basis;
4. a change in the equity ownership or partnership capital of the Member that results in one person or entity directly or indirectly owning or controlling 25 percent or more of the equity or partnership capital; or
5. a material change in business operations, which includes, but is not limited to, the following changes:
   A. removing or modifying a membership restriction;
   B. acting as a dealer or a market maker for the first time;
   C. adding business activities that require a higher minimum net capital under SEC Rule 15c3-1; or
   D. adding business activities that would cause a proprietary trading firm no longer to meet the definition of that term contained in the Rule 1000 Series.

(b) Filing and Content of Application

1. The Member shall file the application with the Department.
2. If the application seeks approval of a change in ownership or control or a material change in the business operations of the Member, then the application shall:
   A. describe in detail the proposed change in ownership, control, or material business operations;
   B. attach a business plan, pro forma financials, an organizational chart, and written supervisory procedures reflecting the proposed change; and
   C. if the application requests approval of a change in ownership or control, the application also shall include the names of the new owners, their percentage of ownership, and the sources of their funding for the purchase and recapitalization of the member.
3. If the application requests the removal or modification of a membership [agreement] restriction, the application also shall:
(A) present facts showing that the circumstances that gave rise to the restriction have changed; and
(B) state with specificity why the restriction should be modified or removed in light of the applicable bases for denial or standards for approval set forth in Rule 1014 or 1017 and the articulated rationale for the imposition of the restriction.

(4) If the application requests approval of an increase in Associated Persons involved in sales, offices, or markets made, the application shall set forth the increases in such areas during the preceding 12 months.

(c) When Applications Shall or May Be Filed

(1) A Member shall file an application for approval of a change in ownership or control at least 30 days prior to such change.

(2) A Member may file an application to remove or modify a membership restriction at any time. An existing restriction shall remain in effect during the pendency of the proceeding.

(3) A Member may file an application for approval of a material change in business operations, other than the modification or removal of a restriction, at any time, but the Member may not effect such change until the conclusion of the proceeding, unless the Department and the Member otherwise agree.

(d) When an Application is Deemed to Be Filed

The Department will deem an application to be filed on the date when it is substantially complete, meaning the date on which the Department receives from the Applicant all material documentation and information required under this Rule. The Department will notify the Applicant in writing when the Department deems the Applicant’s application to be substantially complete.

(e) Incomplete Applications

As set forth in Rule 1013(a)(3), the Department may treat an application filed under this Rule as having lapsed or it may reject such an application, except that the Department may treat an application as having lapsed if it is not substantially complete for 30 days or more after the Applicant initiates it.

(f) Requests by the Department for Additional Documents or Information from the Applicant or from Third Parties

At any time before the Department serves its decision on an application filed under this Rule, the Department may request additional information or documentation from the Applicant or from a third party in accordance with Rule 1013(a)(4).

(g) Department Decision

The Department shall render a decision on an application filed under this Rule in accordance with Rule 1014, except as follows:

(1) In rendering a decision on an application submitted under this Rule that requests the modification or removal of a membership restriction, the Department shall consider whether maintenance of the restriction is appropriate in light of:
   (A) the applicable bases for denial or standards for approval set forth in Rule 1014;
   (B) the circumstances that gave rise to the imposition of the restriction;
   (C) the Applicant's operations since the restriction was imposed;
   (D) any change in ownership or control or supervisors and principals; and
   (E) any new evidence submitted in connection with the application.
(2) The Department shall serve a written decision on an application filed under this Rule in accordance with Rule 1013(c).

(3) Notwithstanding anything in this Rule 1017 to the contrary, in the event that a proposed change in ownership, control, or business operations by a Member requires such Member to become a member of FINRA, the Department shall not be required to serve a written decision under this Rule until 10 business days after the Member becomes a FINRA member.

(h) Service and Effectiveness of Decision

The Department shall serve its decision on the Applicant in accordance with Rule 1012. The decision shall become effective upon service and shall remain in effect during the pendency of any review until a decision constituting final action of the Exchange is issued under Rule 1015 or 1016, unless otherwise directed by the Exchange Review Council, the Exchange Board, or the Commission.

(i) Request for Review; Final Action

An Applicant may file a written request for review of the Department's decision with the Exchange Review Council pursuant to Rule 1015. The procedures set forth in Rule 1015 shall apply to such review, and the Exchange Review Council's decision shall be subject to discretionary review by the Exchange Board pursuant to Rule 1016. If the Applicant does not file a request for a review, the Department's decision shall constitute final action by the Exchange.

(j) Removal or Modification of Restriction on Department's Initiative

The Department shall modify or remove a restriction on its own initiative if the Department determines such action is appropriate in light of the considerations set forth in paragraph (g)(1). The Department shall notify the member in writing of the Department's determination and inform the member that it may apply for further modification or removal of a restriction by filing an application under paragraph (a).

(k) Reserved

Nasdaq Stock Market Rules, Regulation, 1018., Nasdaq, Resignation, Reinstatement, Termination, and Transfer of Membership

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(a) Resignation of Exchange Members

Membership in the Exchange may be voluntarily terminated only by formal resignation. Resignations of Members must be filed via electronic process or such other process as the Exchange may prescribe. Any Member may resign from the Exchange at any time. Such resignation shall not take effect until all indebtedness due the Exchange from such Member shall have been paid in full and so long as any complaint or action is pending against the Member under the Rules. The Exchange, however, may in its discretion declare a resignation effective at any time.

(b) Transfer and Termination of Membership

(1) Except as provided hereinafter, no Member may transfer its membership or any right arising therefrom; the membership of a corporation, partnership, or any other business organization that is a Member shall terminate upon its liquidation, dissolution, or winding up; and the membership of a sole proprietorship that is a Member shall terminate at death, provided that all obligations of membership under the Rules have been fulfilled.

(2) The consolidation, reorganization, merger, change of name, or similar change in any corporate Member shall not terminate the membership of such corporate Member, provided that the Exchange Member or surviving corporation, if any, shall be deemed a successor to the business of the corporate Member, and the Member or the surviving organization shall continue in the securities business, and shall possess the qualifications for membership in the Exchange. The death, change of name, withdrawal of any partner, the addition of any new partner, reorganization, consolidation, or any change in the legal structure of a partnership Member shall not terminate the membership of such partnership Member, provided that the Member or surviving organization, if any, shall be deemed a successor to the business of the partnership Member, and the Member or surviving organization shall possess the qualifications for membership in the Exchange. If the business of any predecessor Member is to be carried on by an organization deemed to be a successor organization by the Exchange, the membership of such predecessor Member shall be extended to the successor organization subject to the notice and application requirements of the Rules and the right of the Exchange to place restrictions on the successor organization pursuant to the Rules; otherwise, any surviving organization shall be required to satisfy all of the membership application requirements of the Exchange’s Rules.

(c) Reinstatement of Membership

Any membership or registration suspended or canceled under the Rules may be reinstated by the Exchange upon such terms and conditions as are permitted under the Act and the Rules; provided, however, that any applicant for reinstatement of membership or registration shall possess the qualifications required for membership or registration in the Exchange.


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Nasdaq Stock Market Rules, Regulation, 1019., Nasdaq, Application to Commission for Review

A person aggrieved by final action of the Exchange under the Rule 1010 Series may apply for review by the Commission pursuant to Section 19(d)(2) of the Act. The filing of an application for review shall not stay the effectiveness of a decision constituting final action of the Exchange, unless the Commission otherwise orders.


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Nasdaq Stock Market Rules, Regulation, 1031., Nasdaq, Registration Requirements

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A Nasdaq member that employs a research analyst or publishes or otherwise distributes a research report shall also be a member of FINRA or the New York Stock Exchange and shall comply with FINRA Rules 1120, 1250 and 2241 (and any other FINRA rules that apply to research analysts or research reports), as amended. For purposes of this Rule 1050, (i) "research analyst" shall mean an associated person who is primarily responsible for, and any associated person who reports directly or indirectly to such research analyst in connection with, the preparation of the substance of a research report, whether or not any such person has the job title of "research analyst," and (ii) "research report" shall mean a written or electronic communication that includes an analysis of equity securities of individual companies or industries, and that provides information reasonably sufficient upon which to base an investment decision.

A member which does not maintain an office in the United States responsible for preparing and maintaining financial and other reports required to be filed with the Commission and Nasdaq must:

(a) prepare all such reports, and maintain a general ledger chart of account and any description thereof, in English and U.S. dollars;

(b) reimburse Nasdaq for any expenses incurred in connection with examinations of the member to the extent that such expenses exceed the cost of examining a member located within the continental United States in the geographic location most distant from Nasdaq;

(c) ensure the availability of an individual fluent in English and knowledgeable in securities and financial matters to assist representatives of Nasdaq during examinations; and

(d) utilize, either directly or indirectly, the services of a broker/dealer registered with the Commission, a bank or a clearing agency registered with the Commission located in the United States in clearing all transactions involving members of Nasdaq, except where both parties to a transaction agree otherwise.

Nasdaq Stock Market Rules, Regulation, 1130., Nasdaq, Reliance on Current Membership List

The Nasdaq Secretary shall keep a currently accurate and complete membership roll, containing the name and address of each Nasdaq member, and the name and address of the executive representative of each Nasdaq member. In any case where a membership has been terminated, such fact shall be recorded together with the date on which the membership ceased. The membership roll of Nasdaq shall at all times be available to all members of Nasdaq, to all governmental authorities, and to the general public; provided, however, that the names and addresses of executive representatives shall not be available to members or the general public. For the purpose of complying with pertinent Rules, a member shall be entitled to rely on such membership roll.


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Nasdaq Stock Market Rules, Regulation, 1150., Nasdaq, Executive Representative

Each Nasdaq member shall appoint and certify to the Secretary of Nasdaq one "executive representative" who shall represent, vote, and act for the Nasdaq member in all the affairs of Nasdaq; provided, however, that other representatives of a Nasdaq member may also serve on the Nasdaq Board or committees of Nasdaq or otherwise take part in the affairs of Nasdaq. If a Nasdaq member is also a member of FINRA, the Nasdaq executive representative shall be the same person appointed to serve as the FINRA executive representative. A Nasdaq member may change its executive representative or appoint a substitute for its executive representative upon giving notice thereof to the Nasdaq Secretary via electronic process or such other process as Nasdaq may prescribe. An executive representative of a Nasdaq member or a substitute shall be a member of senior management and registered principal of the Nasdaq member. Each executive representative shall maintain an Internet electronic mail account for communication with Nasdaq and shall update firm contact information as prescribed by Nasdaq. Each member shall review and, if necessary, update its executive representative designation and contact information in the manner prescribed by Exchange Rule 1160.


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Nasdaq Stock Market Rules, Regulation, 1160., Nasdaq, Contact Information Requirements

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(a) Each member shall report to Nasdaq all contact information required by Nasdaq via the FINRA Contact System.

(b) Each member shall update its required contact information promptly, but in any event not later than 30 days following any change in such information. In addition, each member shall review and, if necessary, update its required contact information, via such means as Nasdaq may specify, within 17 business days after the end of each calendar year.

(c) Each member shall comply with any Nasdaq request for such information promptly, but in any event not later than 15 days following the request, or such longer period that may be agreed to by Nasdaq staff.


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With respect to Nasdaq's business continuity and disaster recovery plans, including its backup systems, Nasdaq shall:

(a) Establish standards for the designation of those Members and Options Participants that Nasdaq reasonably determines are, taken as a whole, the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of such plans. Such standards may include volume-based and/or market share-based criteria, and may be adjusted from time to time by Nasdaq. Nasdaq will provide public notice of the standards;

(b) Designate Members and Options Participants pursuant to the standards established in paragraph (a) of this rule and require participation by such designated Members and Options Participants in scheduled functional and performance testing of the operation of such plans, in the manner and frequency specified by Nasdaq, provided that such frequency shall not be less than once every 12 months. Nasdaq will provide at least six months prior notice to Members and Options Participants that are designated for mandatory testing, and participation of such Members and Options Participants is a condition of membership.

Nasdaq Stock Market Rules, Regulation, 2040., Nasdaq, Nonregistered Foreign Finders

(a) Member firms, and persons associated with a member, may pay to nonregistered foreign persons transaction-related compensation based upon the business of customers they direct to member firms if the following conditions are met:

1. the member firm has assured itself that the nonregistered foreign person who will receive the compensation (the "finder") is not required to register in the U.S. as a broker/dealer nor is subject to a disqualification as defined in the Exchange Rules, and has further assured itself that the compensation arrangement does not violate applicable foreign law;

2. the finders are foreign nationals (not U.S. citizens) or foreign entities domiciled abroad;

3. the customers are foreign nationals (not U.S. citizens) or foreign entities domiciled abroad transacting business in either foreign or U.S. securities;

4. customers receive a descriptive document, similar to that required by Rule 206(4)-3(b) of the Investment Advisers Act of 1940, that discloses what compensation is being paid to finders;

5. customers provide written acknowledgment to the member firm of the existence of the compensation arrangement and that such acknowledgment is retained and made available for inspection by the Exchange;

6. records reflecting payments to finders are maintained on the member firm's books and actual agreements between the member firm and persons compensated are available for inspection by the Exchange; and

7. the confirmation of each transaction indicates that a referral or finders fee is being paid pursuant to an agreement.


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Nasdaq Stock Market Rules, Regulation, IM-2110-1., Nasdaq, Deleted

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Nasdaq Stock Market Rules, Regulation, IM-2110-2., Nasdaq, Renumbered

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Nasdaq members and persons associated with a member shall comply with NASD Interpretive Material 2110-3 as if such Rule were part of Nasdaq's rules.


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Nasdaq Stock Market Rules, Regulation, IM-2110-4., Nasdaq, Trading Ahead of Research Reports

(a) No member shall use any facility of Nasdaq to establish, increase, decrease or liquidate an inventory position in a security or a derivative of such security based on nonpublic advance knowledge of the content or timing of a research report in that security.

(b) A member must establish, maintain and enforce policies and procedures reasonably designed to restrict or limit the information flow between research department personnel, or other persons with knowledge of the content or timing of a research report, and trading department personnel, so as to prevent trading department personnel from utilizing non-public advance knowledge of the issuance or content of a research report for the benefit of the member or any other person.


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Nasdaq Stock Market Rules, Regulation, IM-2110-5., Nasdaq, Anti-Intimidation/ Coordination

Nasdaq is issuing this interpretation to codify a longstanding policy. It is conduct inconsistent with just and equitable principles of trade for any member or person associated with a member to coordinate the prices (including quotations), trades, or trade reports of such member with any other member or person associated with a member; to direct or request another member to alter a price (including a quotation); or to engage, directly or indirectly, in any conduct that threatens, harasses, coerces, intimidates, or otherwise attempts improperly to influence another member or person associated with a member. This includes, but is not limited to, any attempt to influence another member or person associated with a member to adjust or maintain a price or quotation, whether displayed on any facility operated by Nasdaq or otherwise, or refusals to trade or other conduct that retaliates against or discourages the competitive activities of another market maker or market participant.

Nothing in this interpretation respecting coordination of quotes, trades, or trade reports shall be deemed to limit, constrain, or otherwise inhibit the freedom of a member or person associated with a member to:

1. set unilaterally its own bid or ask in any Nasdaq security or other exchange-listed security traded on Nasdaq pursuant to unlisted trading privileges, the prices at which it is willing to buy or sell any Nasdaq or other exchange-listed security, and the quantity of shares of any Nasdaq or other exchange-listed security that it is willing to buy or sell;

2. set unilaterally its own dealer spread, quote increment, or quantity of shares for its quotations (or set any relationship between or among its dealer spread, inside spread, or the size of any quote increment) in any Nasdaq or other exchange-listed security;

3. communicate its own bid or ask, or the prices at or the quantity of shares in which it is willing to buy or sell any Nasdaq or other exchange-listed security to any person, for the purpose of exploring the possibility of a purchase or sale of the Nasdaq or other exchange-listed security, and to negotiate for or agree to such purchase or sale;

4. communicate its own bid or ask, or the price at or the quantity of shares in which it is willing to buy or sell any Nasdaq or other exchange-listed security, to any person for the purpose of retaining such person as an agent or subagent for the member or for a customer of the member (or for the purpose of seeking to be retained as an agent or subagent), and to negotiate for or agree to such purchase or sale;

5. engage in any underwriting (or any syndicate for the underwriting) of securities to the extent permitted by the federal securities laws;

6. take any unilateral action or make any unilateral decision regarding the market makers with which it will trade and the terms on which it will trade unless such action is prohibited by the second and third sentences of this Interpretation; and

7. deliver an order to another member for handling,

provided, however, that the conduct described in (1) through (7) is otherwise in compliance with all applicable law.


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Services and does not reflect the views of Nasdaq OMX. Nasdaq OMX reserves the right to amend the Nasdaq Manual at its discretion.
Nasdaq Stock Market Rules, Regulation, IM-2110-6., Nasdaq, Confirmation of Callable Common Stock

Nasdaq members and persons associated with a member shall comply with NASD Interpretive Material 2110-6 as if such Rule were part of the Nasdaq rules.


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No member shall effect any transaction in, or induce the purchase or sale of, any security by means of any manipulative, deceptive or other fraudulent device or contrivance.


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Nasdaq Stock Market Rules, Regulation, 2130., Nasdaq, Nasdaq Ownership Restriction

(a) No member or person associated with a member shall be the beneficial owner of greater than twenty percent (20%) of the then-outstanding voting securities of The Nasdaq Stock Market, Inc.

(b) For purposes of this rule, any calculation of the number of shares of common stock outstanding at any particular time shall be made in accordance with the last sentence of SEC Rule 13d-3(d)(1)(i)(D). The term “beneficial owner” shall have the meaning set forth in the Restated Certificate of Incorporation of The Nasdaq Stock Market, Inc.

Nasdaq Stock Market Rules, Regulation, 2140., Nasdaq, Interfering With the Transfer of Customer Accounts in the Context of Employment Disputes

(a) Exchange members and persons associated with a member shall comply with FINRA Rule 2140 as if such Rule were part of the Exchange's rules.

(b) For purposes of this Rule, references to Rule 11870 shall be construed as references to Nasdaq Rule 11870.


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Nasdaq Stock Market Rules, Regulation, 2150., Nasdaq, Customers' Securities or Funds

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(a) Nasdaq Members and persons associated with a member shall comply with FINRA Rule 2150 as if such Rule were part of Nasdaq's Rules.

(b) Nothing in FINRA Rule 2150, as applied to Nasdaq members and their associated persons, shall be construed to authorize any Nasdaq member or associated person to act in a manner inconsistent with Section 11(a) of the Act.


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Nasdaq Stock Market Rules, Regulation, IM-2150., Nasdaq, Segregation of Customers' Securities

(a) Nasdaq Members and persons associated with a member shall comply with FINRA Interpretive Material 2150 as if such Rule were part of Nasdaq's Rules.

(b) For purposes of this Rule, references to Rule 2150 shall be construed as references to Nasdaq Rule 2150.


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Nasdaq Stock Market Rules, Regulation, 2160., Nasdaq, Restrictions on Affiliation

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(a) Except as provided in paragraph (b):

(1) Nasdaq or any entity with which it is affiliated shall not, directly or indirectly, acquire or maintain an ownership interest in, or engage in a business venture with, a Nasdaq member or an affiliate of a Nasdaq member in the absence of an effective filing under Section 19(b) of the Act; and

(2) a Nasdaq member shall not be or become an affiliate of Nasdaq, or an affiliate of an entity affiliated with Nasdaq, in the absence of an effective filing under Section 19(b) of the Act.

The term "affiliate" shall have the meaning specified in Rule 12b-2 under the Act; provided, however, that for purposes of this Rule, one entity shall not be deemed to be an affiliate of another entity solely by reason of having a common director. The term "business venture" means an arrangement under which (A) Nasdaq or an entity with which it is affiliated, and (B) a Nasdaq member or an affiliate of a Nasdaq member, engage in joint activities with an expectation of shared profit and a risk of shared loss from common entrepreneurial efforts.

(b) Nothing in this rule shall prohibit, or require a filing under Section 19(b) of the Act, for:

(1) a Nasdaq member or an affiliate of a Nasdaq member acquiring or holding an equity interest in The Nasdaq Stock Market, Inc. that is permitted by the ownership limitations contained in Nasdaq Rule 2130, or

(2) Nasdaq or an entity affiliated with Nasdaq acquiring or maintaining an ownership interest in, or engaging in a business venture with, an affiliate of a Nasdaq member if:

(A) there are information barriers between the member and Nasdaq and its facilities, such that the member

(i) will not be provided an informational advantage concerning the operation of Nasdaq and its facilities, and will not be provided changes or improvements to the trading system that are not available to the industry generally or other Nasdaq members;

(ii) will not have any knowledge in advance of other Nasdaq members of proposed changes, modifications, or improvements to the operations or trading systems of Nasdaq and its facilities, including advance knowledge of Nasdaq filings pursuant to Section 19(b) of the Act;

(iii) will be notified of any proposed changes, modifications, or improvements to the operations or trading systems of Nasdaq and its facilities in the same manner as other Nasdaq members are notified; and

(iv) will not share employees, office space, or databases with Nasdaq or its facilities, The Nasdaq Stock Market, Inc., or any entity that is controlled by The Nasdaq Stock Market, Inc.; and

(B) Nasdaq's Regulatory Oversight Committee certifies, on an annual basis, to the Director of the Division of Trading & Markets that Nasdaq has taken all reasonable steps to implement the requirements of this rule and is in compliance therewith.

(c) Nasdaq, Inc., which is the holding company owning the Exchange and Nasdaq Execution Services, LLC, shall establish and maintain procedures and internal controls reasonably designed to ensure that Nasdaq Execution Services, LLC does not develop or implement changes to its system on the basis of non-public information regarding planned changes to Exchange systems, obtained as a result of its affiliation with the
Exchange, until such information is available generally to similarly situated members of the Exchange in connection with the provision of inbound routing to the Exchange.


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Nasdaq Stock Market Rules, Regulation, 2170., Nasdaq, Disruptive Quoting and Trading Activity Prohibited

(a) No Member shall engage in or facilitate disruptive quoting and trading activity on the Exchange, as described in subsections (i) and (ii) of this Rule, including acting in concert with other persons to effect such activity.

(i) For purposes of this Rule, disruptive quoting and trading activity shall include a frequent pattern in which the following facts are present:

(a) Disruptive Quoting and Trading Activity Type 1:

(i) a party enters multiple limit orders on one side of the market at various price levels (the “Displayed Orders”); and

(ii) following the entry of the Displayed Orders, the level of supply and demand for the security changes; and

(iii) the party enters one or more orders on the opposite side of the market of the Displayed Orders (the “Contra-Side Orders”) that are subsequently executed; and

(iv) following the execution of the Contra-Side Orders, the party cancels the Displayed Orders.

(b) Disruptive Quoting and Trading Activity Type 2:

(i) a party narrows the spread for a security by placing an order inside the NBBO; and

(ii) the party then submits an order on the opposite side of the market that executes against another market participant that joined the new inside market established by the order described in paragraph (b)(i).

(ii) Applicability. For purposes of this Rule, disruptive quoting and trading activity shall include a frequent pattern in which the facts listed above are present. Unless otherwise indicated, the order of the events indicating the pattern does not modify the applicability of the Rule. Further, disruptive quoting and trading activity includes a pattern or practice in which of the quoting and trading activity is conducted on the Exchange as well as a pattern or practice in which some portion of the quoting or trading activity is conducted on the Exchange and the other portions of the quoting or trading activity are conducted on one or more other exchanges.

Adopted May 19, 2016 (SR-NASDAQ-2016-074), operative June 18, 2016.

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Nasdaq Stock Market Rules, Regulation, 2210., Nasdaq, Communications with the Public

(a) Nasdaq members and persons associated with a member shall comply with FINRA Rule 2210 (except FINRA Rule 2210(c)) as if such Rule were part of Nasdaq's Rules. Nasdaq and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. Therefore, Nasdaq members are complying with Nasdaq Rule 2210 by complying with FINRA Rule 2210 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Nasdaq Rule 2210 are being performed by FINRA on Nasdaq's behalf.

(b) For purposes of this Rule, references to Rule 2211 shall be construed as references to Nasdaq Rule 2211.


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Nasdaq Stock Market Rules, Regulation, IM-2210-1., Nasdaq, Guidelines to Ensure That Communications With the Public Are Not Misleading

Members and persons associated with a member shall comply with NASD Interpretive Material 2210-1 as if such Rule were part of Nasdaq's rules.

Nasdaq Stock Market Rules, Regulation, IM-2210-4., Nasdaq, Limitations on Use of Nasdaq’s Name

Members may indicate membership in Nasdaq in any communication with the public, provided that the communication complies with the applicable standards of Nasdaq Rule 2210 and neither states nor implies that Nasdaq, or any other corporate name or facility affiliated with Nasdaq, or any other regulatory organization, endorses, indemnifies, or guarantees the member’s business practices, selling methods, the class or type of securities offered, or any specific security.


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Nasdaq Stock Market Rules, Regulation, 2211., Nasdaq, Institutional Sales Material and Correspondence

(a) Nasdaq Members and persons associated with a member shall comply with NASD Rule 2211 (except NASD Rule 2211(c) and (d)(3)) as if such Rule were part of Nasdaq's Rules.

(b) For purposes of this Rule:

(1) references to an "NASD member" shall be construed as references to a "Nasdaq member", and

(2) references to Rule 2210 and Rule 3110 shall be construed as references to Nasdaq Rule 2210 and Nasdaq Rule 3110, and references to Rule 3010(d) shall be construed as references to NASD Rule 3010(d), as incorporated into the Nasdaq Rules by Nasdaq Rule 3010.

Nasdaq members and persons associated with a member shall comply with NASD Rule 2212 as if such Rule were part of Nasdaq's Rules.


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Nasdaq Stock Market Rules, Regulation, 2220., Nasdaq, Reserved

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Nasdaq Stock Market Rules, Regulation, 2250., Nasdaq, Proxy Materials

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Nasdaq Stock Market Rules, Regulation, 2251., Nasdaq, Forwarding of Proxy and Other Issuer-Related Materials

(a) Nasdaq Members shall comply with FINRA Rule 2251 as if such Rule were part of Nasdaq's Rules.

(b) For purposes of this Rule, the guidance adopted by FINRA with respect to reasonable rates of reimbursement as provided in FINRA Rule 2251 and the accompanying supplementary material is hereby adopted as the guidance of the Nasdaq Board.

(c) For purposes of this Rule:

(1) references to FINRA shall be construed as references to Nasdaq, and

(2) references to Rule 2251 shall be construed as references to Nasdaq Rule 2251.

(d) Notwithstanding the foregoing, a Nasdaq Member that is not the beneficial owner of a security registered under Section 12 of the Act is prohibited from granting a proxy to vote the security in connection with a shareholder vote on the election of a member of the board of directors of an issuer (except for a vote with respect to the uncontested election of a member of the board of directors of any investment company registered under the Investment Company Act of 1940), executive compensation, or any other significant matter, as determined by the Commission, by rule, unless the beneficial owner of the security has instructed the member to vote the proxy in accordance with the voting instructions of the beneficial owner.


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Nasdaq Members shall comply with FINRA Rule 2261 as if such Rule were part of Nasdaq's Rules.


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Nasdaq Stock Market Rules, Regulation, 2262., Nasdaq, Disclosure of Control Relationship with Issuer

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Nasdaq Members shall comply with FINRA Rule 2262 as if such Rule were part of Nasdaq's Rules.


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Nasdaq Members shall comply with FINRA Rule 2266 as if such Rule were part of Nasdaq's Rules.


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Nasdaq Stock Market Rules, Regulation, 2269., Nasdaq, Disclosure of
Participation or Interest in Primary or Secondary Distribution

Nasdaq Members shall comply with FINRA Rule 2269 as if such Rule were part of Nasdaq's Rules.


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Nasdaq Stock Market Rules, Regulation, 2280., Nasdaq, Reserved

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Nasdaq Stock Market Rules, Regulation, 2290., Nasdaq, Fairness Opinions

Nasdaq Members and persons associated with a member shall comply with NASD Rule 2290 as if such Rule were part of Nasdaq's Rules.


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Nasdaq Stock Market Rules, Regulation, 2310., Nasdaq, Renumbered


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Nasdaq Stock Market Rules, Regulation, 2310A, Nasdaq, Direct Participation Programs

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(a) Nasdaq Members and their associated persons shall comply with FINRA Rule 2310 as if such Rule were part of Nasdaq's Rules.

(b) For purposes of this Rule 2310A:

1. references to guidelines published by FINRA with respect to direct participation programs and amounts fixed by the Board of Governors with respect to non-cash compensation arrangements shall be construed to reflect the policy of Nasdaq with respect to the application of Rule 2310A,

2. references to "procedures established by FINRA" and "FINRA Rules" shall be construed as references to "Nasdaq Rules", and

3. for purposes of this Rule only, Nasdaq members and their associated persons shall comply with applicable provisions of FINRA Rule 5110 as if such Rule were part of Nasdaq's Rules.

(c) Pursuant to the Rule 9600 Series, Nasdaq may exempt any member from the provisions of this Rule for good cause shown.


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Nasdaq Stock Market Rules, Regulation, 2320., Nasdaq, Renumbered


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Nasdaq Stock Market Rules, Regulation, 2340., Nasdaq, Customer Account Statements

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(a) Nasdaq Members shall comply with NASD Rule 2340 as if such Rule were part of Nasdaq's Rules.

(b) For purposes of this Rule, references to Rule 2810, Rule 3110, and Rule 11860 shall be construed as references to Nasdaq Rule 2810, Nasdaq Rule 3110, and Nasdaq Rule 11860.

(c) Pursuant to the Rule 9600 Series, Nasdaq may exempt any member from the provisions of this Rule for good cause shown.


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Nasdaq Stock Market Rules, Regulation, 2341., Nasdaq, Margin Disclosure Statement

(a) Nasdaq Members shall comply with NASD Rule 2341 as if such Rule were part of Nasdaq's Rules.

(b) For purposes of this Rule, references to Rule 3110 shall be construed as references to Nasdaq Rule 3110.


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(1) Nasdaq Members shall comply with FINRA Rule 2130 as if such Rule were part of Nasdaq's Rules.

(2) For purposes of this Rule, references to Rule 2361 and Rule 3110 shall be construed as references to Nasdaq Rule 2361 and Nasdaq Rule 3110.

Nasdaq Stock Market Rules, Regulation, 2361., Nasdaq, Day-Trading Risk Disclosure Statement

(a) Nasdaq Members shall comply with FINRA Rule 2270 as if such Rule were part of Nasdaq's Rules. Nasdaq and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. Therefore, Nasdaq members are complying with Nasdaq Rule 2361 by complying with FINRA Rule 2270 as written. Accordingly, Nasdaq members may submit an alternative disclosure statement to the FINRA's Advertising Department as provided in the FINRA Rule. Functions performed by FINRA, FINRA departments, and FINRA staff under FINRA Rule 2270 are being performed by FINRA on Nasdaq's behalf.

(b) For purposes of this Rule, references to Rule 2360 and Rule 3110 shall be construed as references to Nasdaq Rule 2360 and Nasdaq Rule 3110.


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Nasdaq Stock Market Rules, Regulation, 2370., Nasdaq, Borrowing From or Lending to Customers

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Nasdaq Members and persons associated with a member shall comply with FINRA Rule 3240 as if such Rule were part of Nasdaq’s Rules.


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Nasdaq Stock Market Rules, Regulation, 2410., Nasdaq, Reserved

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Nasdaq Stock Market Rules, Regulation, 2441., Nasdaq, Net Transactions with Customers

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(a) Nasdaq Members shall comply with NASD Rule 2441 as if such Rule were part of the Nasdaq Rules.
(b) For purposes of this Rule, references to Rule 3110 shall be construed as references to Nasdaq Rule 3110.

Adopted by SR-NASDAQ-2008-054 (June 13, 2008).

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Nasdaq Stock Market Rules, Regulation, 2460., Nasdaq, Payments for Market Making

(a) No member or person associated with a member shall accept any payment or other consideration, directly or indirectly, from an issuer of a security, or any affiliate or promoter thereof, for publishing a quotation, acting as market maker in a security, or submitting an application in connection therewith.

(b) The provisions of paragraph (a) shall not preclude a member from accepting:

(1) payment for bona fide services, including, but not limited to, investment banking services (including underwriting compensation and fees); and

(2) reimbursement of any payment for registration imposed by the Securities and Exchange Commission or state regulatory authorities and for listing of an issue of securities imposed by a self-regulatory organization.

(c) For purposes of this rule, the following terms shall have the stated meanings:

(1) "affiliate"

(A) The term "affiliate" shall mean a company which controls, is controlled by, or is under common control with a member;

(B) The term affiliate is presumed to include, but is not limited to, the following for purposes of subparagraph (A), above:

(i) a company will be presumed to control a member if the company beneficially owns 10 percent or more of the outstanding voting securities of a member which is a corporation, or beneficially owns a partnership interest in 10 percent or more of the distributable profits or losses of a member which is a partnership;

(ii) a member will be presumed to control a company if the member and persons associated with the member beneficially own 10 percent or more of the outstanding voting securities of a company which is a corporation, or beneficially own a partnership interest in 10 percent or more of the distributable profits or losses of a company which is a partnership;

(iii) a company will be presumed to be under common control with a member if:

a. The same natural person or company controls both the member and company by beneficially owning 10 percent or more of the outstanding voting securities of a member or company which is a corporation, or by beneficially owning a partnership interest in 10 percent or more of the distributable profits or losses of a member or company which is a partnership; or

b. A person having the power to direct or cause the direction of the management or policies of the member or the company also has the power to direct or cause the direction of the management or policies of the other entity in question.

(C) The provisions of subparagraphs (A) and (B) hereof notwithstanding, none of the following shall be presumed to be an affiliate of a member for purposes of this Rule:
(i) an investment company registered with the Commission pursuant to the Investment Company Act of 1940, as amended;

(ii) a "separate account" as defined in Section 2(a)(37) of the Investment Company Act of 1940, as amended;

(iii) a "real estate investment trust" as defined in Section 856 of the Internal Revenue Code;

(iv) a "direct participation program" as defined in Rule 2810; and

(v) a corporation, trust, partnership or other entity issuing financing instrument-backed securities which are rated by a nationally recognized statistical rating organization in one of its four highest generic rating categories.

(2) "promoter" means any person who founded or organized the business or enterprise of an issuer, is a director or employee of an issuer, acts or has acted as a consultant, advisor, accountant or attorney to an issuer, is the beneficial owner of any of an issuer's securities that are considered "restricted securities" under Rule 144, or is the beneficial owner of five percent (5%) or more of the public float of any class of an issuer's securities, and any other person with a similar interest in promoting the entry of quotations or market making in an issuer's securities; and

(3) "quotation" shall mean any bid or offer at a specified price with respect to a security, or any indication of interest by a member in receiving bids or offers from others for a security, or an indication by a member that he wishes to advertise his general interest in buying or selling a particular security.
This Rule 2460 is not applicable to a member that is accepted into the Market Quality Program pursuant to Rule 5950 or to a person that is associated with such member for their conduct in connection with that program.


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Nasdaq Stock Market Rules, Regulation, 2510., Nasdaq, Discretionary Accounts

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(a) Nasdaq Members shall comply with NASD Rule 2510 as if such Rule were part of Nasdaq's Rules.

(b) For purposes of applying this Rule, references to Rule 3010 and Rule 3110 shall be construed as references to Nasdaq Rule 3010 and Nasdaq Rule 3110.


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Nasdaq Stock Market Rules, Regulation, 2520., Nasdaq, Margin Requirements

(a) A member that is not designated to Nasdaq for oversight pursuant to SEC Rule 17d-1 shall comply with the initial and maintenance margin requirements of Regulation T and the self-regulatory organization to which the member is designated for oversight pursuant to SEC Rule 17d-1. Members shall comply with Regulation T and such self-regulatory organization rules, and shall submit to such self-regulatory organization any filings required thereunder, in each case as if such rules were part of Nasdaq’s rules.

(b) A member designated to Nasdaq for oversight pursuant to SEC Rule 17d-1 shall comply with the initial and maintenance margin requirements of Regulation T and the NASD Rule 2520 as if such Rules were part of Nasdaq’s Rules.

(c) Nasdaq and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. Therefore, Nasdaq members are complying with Nasdaq Rule 2520 by complying with NASD Rule 2520 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Nasdaq Rule 2520 are being performed by FINRA on Nasdaq's behalf.

(d) Pursuant to the Rule 9600 Series, Nasdaq may exempt any member from the requirements contained in paragraph (e)(3) of NASD Rule 2520, as applied to Nasdaq members through Nasdaq Rule 2520, if the account referenced in paragraph (e)(3) of NASD Rule 2520 is confined exclusively to transactions and positions in exempted securities.

Nasdaq Stock Market Rules, Regulation, 2700., Nasdaq, Reserved

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Nasdaq Stock Market Rules, Regulation, 2810., Nasdaq, Deleted


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Nasdaq Stock Market Rules, Regulation, 2830., Nasdaq, Investment Company Securities

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(a) Nasdaq Members and their associated persons shall comply with NASD Rule 2830 as if such Rule were part of Nasdaq's Rules.

(b) For purposes of this Rule:

(1) references to "the Rules of the Association" shall be construed as references to "the Nasdaq Rules",

(2) references to Rule 2820 shall be deleted, and no comparable Nasdaq Rule shall apply to activities of Nasdaq Members in connection with contracts providing for benefits or values which may vary according to the investment experience of any separate or segregated account or accounts maintained by an insurance company,

(3) references to Rule 2420 shall be construed as a requirement that a Nasdaq member who is an underwriter of the securities of an investment company sell any such securities to a broker or dealer that is not a Nasdaq member at the same prices, for the same commission and fees, and on the same terms and conditions as are by such member accorded to the general public, and

(4) references to Rule 2230 shall be construed as references to SEC Rule 10b-10.


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Nasdaq Stock Market Rules, Regulation, 2840., Nasdaq, Trading in Index Warrants, Currency Index Warrants, and Currency Warrants

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Nasdaq Stock Market Rules, Regulation, 2841., Nasdaq, General

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(a) Applicability — This Rule 2840 Series shall be applicable: (1) to the conduct of accounts, the execution of transactions, and the handling of orders in index warrants listed on The Nasdaq Stock Market ("Nasdaq"); and (2) to the extent appropriate unless otherwise stated herein, to the conduct of accounts, the execution of transactions, and the handling of orders in other exchange-listed stock index warrants, currency index warrants, and currency warrants by members who are not members of the exchange on which the warrant is listed or traded.

(b) Except to the extent that specific provisions in this Rule Series govern, or unless the context otherwise requires, the provisions of the Nasdaq Rules and all other interpretations and policies shall also be applicable to transactions in index warrants, currency index warrants, and currency warrants.

(c) The Rules in this Rule 2840 Series are not applicable to stock index warrants, currency index warrants, and currency warrants listed on national securities exchanges prior to September 28, 1995.


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(a) "Control"

(1) The term "control" means the power or ability of an individual or entity to make investment decisions for an account or accounts, or influence directly or indirectly the investment decisions of any person or entity who makes investment decisions for an account. In addition, control will be presumed in the following circumstances:

(A) among all parties to a joint account who have authority to act on behalf of the account;
(B) among all general partners to a partnership account;
(C) when a person or entity:
   (i) holds an ownership interest of 10 percent or more in an entity (ownership interest of less than 10 percent will not preclude aggregation), or
   (ii) shares in 10 percent or more of profits and/or losses of an account;
(D) when accounts have common directors or management;
(E) where a person or entity has the authority to execute transactions in an account.

(2) Control, presumed by one or more of the above powers, abilities or circumstances, can be rebutted by proving the factor does not exist or by showing other factors which negate the presumption of control. The rebuttal proof must be submitted by affidavit and/or such other evidence as may be appropriate in the circumstances.

(3) Nasdaq will also consider the following factors in determining if aggregation of accounts is required:

(A) similar patterns of trading activity among separate entities;
(B) the sharing of kindred business purposes and interests;
(C) whether there is common supervision of the entities which extends beyond assuring adherence to each entity's investment objectives and/or restrictions;
(D) the degree of contact and communication between directors and/or managers of separate accounts.

(b) The term "currency index" means a group of currencies each of whose inclusion and relative representation in the group is determined by its inclusion and relative representation in a currency index.

(c) The term "currency index warrants" shall mean instruments that are direct obligations of the issuing company, either exercisable throughout their life (i.e., American style) or exercisable only on their expiration date (i.e., European style), entitling the holder thereof to a cash settlement in U.S. dollars to the extent that the value of the underlying currency index has declined below (in the case of a put warrant) or increased above (in the case of a call warrant) the pre-stated cash settlement value of the underlying currency index.

(d) The term "currency warrants" shall mean instruments that are direct obligations of the issuing company,
either exercisable throughout their life (i.e., American style) or exercisable only on their expiration date (i.e., European style), entitling the holder thereof to a cash settlement in U.S. dollars to the extent that the value of the underlying foreign currency has declined below (in the case of a put warrant) or increased above (in the case of a call warrant) the pre-stated cash settlement value of the underlying foreign currency. The term “foreign currency warrants” shall also include cross-rate currency warrants.

(e) The term "index warrants" means instruments that are direct obligations of the issuing company, either exercisable throughout their life (i.e., American style) or exercisable only on their expiration date (i.e., European style), entitling the holder thereof to a cash settlement in U.S. dollars to the extent that the value of the underlying stock index group has declined below (in the case of a put warrant) or increased above (in the case of a call warrant) the pre-stated cash settlement value of the underlying stock index group.

(f) The term "stock index group" means a group of stocks each of whose inclusion and relative representation in the group is determined by its inclusion and relative representation in a stock index.
Nasdaq Stock Market Rules, Regulation, 2844., Nasdaq, Reserved

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Nasdaq Stock Market Rules, Regulation, 2845., Nasdaq, Reserved

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Nasdaq Stock Market Rules, Regulation, 2846., Nasdaq, Reserved

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Nasdaq Stock Market Rules, Regulation, 2848., Nasdaq, Reserved

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Nasdaq Stock Market Rules, Regulation, 2850., Nasdaq, Position Limits

(a) Except with the prior written approval of Nasdaq pursuant to the Rule 9600 Series for good cause shown, no member shall effect for any account in which such member has an interest, or for the account of any partner, officer, director or employee thereof, or for the account of any customer, a purchase or sale transaction in an index warrant listed on Nasdaq or on another national securities exchange if the member has reason to believe that as a result of such transaction the member, or partner, officer, director or employee thereof, or customer would, acting alone or in concert with others, directly or indirectly, hold or control an aggregate position in an index warrant issue on the same side of the market, combining such index warrant position with positions in index warrants overlying the same index on the same side of the market, in excess of the position limits established by Nasdaq or the other exchange on which the index warrant is listed.

(b) In determining compliance with this Rule, the position limits for Nasdaq-listed index warrants are as follows:

1. Fifteen million warrants with respect to warrants on the same stock index (other than the Standard & Poor's MidCap 400 Index) with an original issue price of ten dollars or less.

2. Seven million five hundred thousand warrants, with respect to warrants on the Standard & Poor's MidCap 400 Index with an original issue price of ten dollars or less.

3. For stock index warrants with an original issue price greater than ten dollars, positions in these warrants must be converted to the equivalent of warrants on the same index priced initially at ten dollars by dividing the original issue price of the index warrants priced above ten dollars by ten and multiplying this number by the size of such index warrant position. After recalculating a warrant position pursuant to this subparagraph, such recalculated warrant position shall be aggregated with other warrant positions on the same underlying index on the same side of the market and subjected to the applicable position limit set forth in subparagraph (1) or (2) above. For example, if an investor held 100,000 Nasdaq 100 Index warrants offered originally at $20 per warrant, the size of this position for the purpose of calculating position limits would be 200,000, or 100,000 times 20/10.


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(a) Except with the prior written approval of Nasdaq pursuant to the Rule 9600 Series for good cause shown, in each instance, no member or person associated with a member shall exercise, for any account in which such member or person associated with such member has an interest, or for the account of any partner, officer, director or employee thereof, or for the account of any customer, a long position in any index warrant if as a result thereof such member or partner, officer, director or employee thereof or customer, acting alone or in concert with others, directly or indirectly:

1. has or will have exercised within any five (5) consecutive business days a number of index warrants overlying the same index in excess of the limits for index warrant positions contained in Rule 2850; or

2. has or will have exceeded the applicable exercise limit fixed from time to time by an exchange other than Nasdaq.

(b) Nasdaq, pursuant to the Rule 9600 Series for good cause shown, may institute other limitations concerning the exercise of index warrants from time to time. Reasonable notice shall be given of each new limitation fixed by Nasdaq. These exercise limitations are separate and distinct from any other exercise limitations imposed by the issuers of index warrants.


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Nasdaq Stock Market Rules, Regulation, 2852., Nasdaq, Reporting Requirements

(a) Each member shall file with Nasdaq Regulation a report with respect to each account in which the member has an interest, each account of a partner, officer, director or employee of such member, and each customer account of the member, which has established an aggregate position of 100,000 index warrants on the same side of the market in an index warrant issue listed on Nasdaq, combining such index warrant position with positions in index warrants overlying the same index on the same side of the market traded on Nasdaq or another national securities exchange.

(b) Such report shall identify the person or persons having an interest in such account and shall identify separately the total number of each type of index warrant that comprises the reportable position in such account. The report shall be in such form as may be prescribed by Nasdaq Regulation and shall be filed no later than the close of business on the next business day following the day on which the transaction or transactions necessitating the filing of such report occurred. Whenever a report shall be required to be filed with respect to an account pursuant to this Rule, the member filing such report shall file with Nasdaq Regulation such additional periodic reports with respect to such account as Nasdaq Regulation may from time to time prescribe.

Nasdaq Stock Market Rules, Regulation, 2853., Nasdaq, Liquidation of Index Warrant Positions

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(a) Whenever Nasdaq Regulation determines that a person or group of persons acting in concert holds or controls an aggregate position (whether short or long) in index warrants overlying the same index in excess of the position limitations established by Rule 2850, it may, when deemed necessary or appropriate in the public interest and for the protection of investors, direct any member or all members carrying a position in index warrants overlying such index for such person or persons to liquidate such position or positions, or portions thereof, as expeditiously as possible and consistent with the maintenance of an orderly market, so as to bring such person or persons into compliance with the position limitations contained in Rule 2850.

(b) Whenever such a directive is issued by Nasdaq Regulation no member receiving notice thereof shall accept and/or execute for any person or persons named in such directive any order to purchase or sell short any index warrants based on the same index, unless in each instance express approval therefor is given by Nasdaq Regulation, or the directive is rescinded.


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A member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.


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Nasdaq Stock Market Rules, Regulation, 2070A., Nasdaq, Transactions Involving Nasdaq Employees

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(a) When a member has actual notice that a Nasdaq employee has a financial interest in, or controls trading in, an account, the member shall promptly obtain and implement an instruction from the employee directing that duplicate account statements be provided by the member to Nasdaq.

(b) No member shall directly or indirectly make any loan of money or securities to any Nasdaq employee. Provided, however, that this prohibition does not apply to loans made in the context of disclosed, routine banking and brokerage agreements, or loans that are clearly motivated by a personal or family relationship.

(c) Notwithstanding the annual dollar limitation set forth in Nasdaq Rule 3220A, no member shall directly or indirectly give, or permit to be given, anything of more than nominal value to any Nasdaq employee who has responsibility for a regulatory matter that involves the member. For purposes of this subsection, the term "regulatory matter" includes, but is not limited to, examinations, disciplinary proceedings, membership applications, listing applications, delisting proceedings, and dispute-resolution proceedings that involve the member.


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Nasdaq Stock Market Rules, Regulation, 2090A., Nasdaq, Know Your Customer

Nasdaq members shall comply with FINRA Rule 2090 as if such rule were part of Nasdaq’s rules.


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Nasdaq Stock Market Rules, Regulation, 2111A., Nasdaq, Suitability

(a) Nasdaq members and associated persons of a member shall comply with FINRA Rule 2111 as if such Rule were part of Nasdaq's Rules.

(b) For purposes of this Rule:
   (1) References to Rules 2111 and 4512 shall be construed as references to Nasdaq Rules 2111A and 4512A, respectively;
   (2) References to "FINRA's rules" shall be construed as references to "Nasdaq Rules"; and
   (3) References to IM-2210-6 shall be disregarded, and no comparable Nasdaq Rule shall apply to activities of Nasdaq Members in connection with investment analysis tools.


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Nasdaq Stock Market Rules, Regulation, Nasdaq, Supervision

(a) Each member shall establish and maintain a system to supervise the activities of each registered representative and associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations and with applicable Nasdaq rules. Nasdaq members shall comply with NASD Rule 3010 as if such Rule were part of Nasdaq's Rules. Nasdaq and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. Therefore, Nasdaq members are complying with Nasdaq Rule 3010 by complying with NASD Rule 3010 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Nasdaq Rule 3010 are being performed by FINRA on behalf of Nasdaq.

(b) For purposes of this Rule:

(1) references to "NASD Rules", "rules of NASD", or "Rules of this Association" shall be construed as references to "Nasdaq Rules",

(2) the term "registered person" in NASD Rule 3010(b)(2)(I) shall be defined as any person registered with Nasdaq as a representative, principal, or assistant representative pursuant to the General 4, Section 1.1200 Series of the Nasdaq Rules,

(3) references to Article V, Section 3 of the Association's By-Laws shall be construed as references to Nasdaq General 4, Section 1.1210,

(4) references to Rule 2210 and Rule 3110 shall be construed as references to Nasdaq Rule 2210 and Nasdaq Rule 3110, and

(5) references to registration with NASD or the Association shall be construed as references to registration with Nasdaq.

(c) Pursuant to the Rule 9600 Series, Nasdaq may in exceptional circumstances, taking into consideration all relevant factors, exempt any member unconditionally or on specified terms and conditions from the requirements contained in paragraph (b)(2) of NASD Rule 3010, as applied to Nasdaq members through Nasdaq Rule 3010. A member seeking an exemption must file a written application pursuant to the Rule 9600 Series within 30 days after receiving notice or obtaining actual knowledge that it meets one of the criteria in paragraph (b)(2)(H) of NASD Rule 3010. A member that meets one of the criteria in paragraph (b)(2)(H) for the first time may elect to reduce its staffing levels pursuant to the provisions of paragraph (b)(2)(B) of NASD Rule 3010 or, alternatively, to seek an exemption hereunder, as appropriate; such a member may not seek relief from the Rule by both reducing its staffing levels pursuant to paragraph (b)(2)(B) and requesting an exemption.

Nasdaq members and persons associated with a member shall comply with NASD Interpretive Material IM-3010-1 as if such Rule were part of Nasdaq's Rules.

For purposes of this Rule:

1. references to Rule 3010 shall be construed as references to Nasdaq Rule 3010; and

2. references to "NASD Rules" shall be construed as references to "Nasdaq Rules".


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Nasdaq Stock Market Rules, Regulation, IM-3010-2., Nasdaq, Guidance on Heightened Supervision Requirements

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Nasdaq members shall comply with NASD Notice to Members 97-19 as if such Rule were part of Nasdaq's Rules.


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Nasdaq Stock Market Rules, Regulation, 3011., Nasdaq, Anti-Money Laundering Compliance Program

Nasdaq Members and persons associated with a member shall comply with FINRA Rule 3310 as if such Rule were part of Nasdaq's rules.

.01 Independent Testing Requirements

Nasdaq members and persons associated with a member shall comply with FINRA Rule 3310.01 as if such Rule were part of Nasdaq's Rules. For purposes of this Rule, references to FINRA Rule 3310 shall be construed as references to Nasdaq Rule 3011.

.02 Review of Anti-Money Laundering Compliance Person Information

Each Nasdaq member must review and, if necessary, update the information regarding its anti-money laundering compliance person designated pursuant to Rule 3011 in the manner prescribed by Rule 1160.


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Nasdaq Stock Market Rules, Regulation, 3012., Nasdaq, Supervisory Control System

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(a) Members and persons associated with a member shall comply with NASD Rule 3012 as if such Rule were part of Nasdaq’s rules. Nasdaq and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. Therefore, Nasdaq members are complying with Nasdaq Rule 3012 by complying with NASD Rule 3012 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Nasdaq Rule 3012 are being performed by FINRA on behalf of Nasdaq.

(b) For purposes of this Rule, references to "NASD Rules" shall be construed as references to "Nasdaq Rules".


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Nasdaq Stock Market Rules, Regulation, 3013., Nasdaq, Annual Certification of Compliance and Supervisory Processes

(a) Nasdaq Members and persons associated with a member shall comply with NASD Rule 3013 as if such Rule were part of Nasdaq's Rules.

(b) For purposes of this Rule:

(1) references to "NASD Rules" shall be construed as references to "Nasdaq Rules",
(2) references to IM-3013 shall be construed as references to Nasdaq IM-3013, and
(3) references to "MSRB rules" shall be deleted.


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Nasdaq Stock Market Rules, Regulation, IM-3013., Nasdaq, Annual Compliance and Supervision Certification

(a) Nasdaq Members and persons associated with a member shall comply with NASD Interpretive Material IM-3013 as if such Rule were part of Nasdaq's Rules.

(b) For purposes of this Rule:

(1) references to "NASD Rules" shall be construed as references to "Nasdaq Rules",
(2) references to NASD Rule 3013 and Rule 2110 shall be construed as references to Nasdaq Rule 3013 and Nasdaq Rule 2110,
(3) references to "NASD members" shall be construed as references to "Nasdaq Members",
(4) references to "the NASD Board of Governors" shall be construed as references to "the Board of Directors of The Nasdaq Stock Market LLC", and
(5) references to "MSRB rules" shall be deleted.

Nasdaq Stock Market Rules, Regulation, 3020., Nasdaq, Fidelity Bonds

(a) Each member required to join the Securities Investor Protection Corporation who has employees and who is a member in good standing of another self-regulatory organization shall follow the applicable fidelity bond rule of the self-regulatory organization to which it is designated by the Commission for financial responsibility pursuant to Section 17 of the Act and SEC Rule 17d-1 thereunder.

(b) A member designated to Nasdaq for oversight pursuant to SEC Rule 17d-1 shall comply with FINRA Rule 4360 as if such Rule were part of Nasdaq's Rules. Nasdaq and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. Therefore, Nasdaq members are complying with Nasdaq Rule 3020 by complying with FINRA Rule 4360 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Nasdaq Rule 3020 are being performed by FINRA on behalf of Nasdaq.

(c) For purposes of this Rule:

(1) references to an "Association member" shall be construed as references to a "Nasdaq member", and

(2) references to Article I, paragraph (q) of the By-Laws shall be construed as references to Nasdaq Rule 1011.

(d) Pursuant to the Rule 9600 Series, any member subject to paragraph (c) of FINRA Rule 4360, through the application of Nasdaq Rule 3020(b), may apply to Nasdaq for an exemption from such requirements. The exemption may be granted upon a showing of good cause, including a substantial change in the circumstances or nature of the member's business that results in a lower net capital requirement. Nasdaq may issue an exemption subject to any condition or limitation upon a member's bonding coverage that is deemed necessary to protect the public and serve the purposes of this Rule.

Nasdaq Stock Market Rules, Regulation, 3030., Nasdaq, Outside Business Activities of an Associated Person

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(a) Nasdaq Members and persons associated with a member shall comply with NASD Rule 3030 as if such Rule were part of Nasdaq's Rules.

(b) For purposes of this Rule, references to Rule 3040 shall be construed as references to Nasdaq Rule 3040.


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Nasdaq Stock Market Rules, Regulation, 3040., Nasdaq, Private Securities Transactions of an Associated Person

(a) Nasdaq Members and persons associated with a member shall comply with NASD Rule 3040 as if such Rule were part of Nasdaq’s Rules.

(b) For purposes of this Rule:

(1) references to Rule 3050 shall be construed as references to Nasdaq Rule 3050, and

(2) references to "immediately family members (as defined in Rule 2790)" shall be construed to mean a person’s parents, mother-in-law or father-in-law, spouse, brother or sister, brother-in-law or sister-in-law, son-in-law or daughter-in-law, and children, and any other individual to whom the person provides material support.


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Nasdaq Stock Market Rules, Regulation, 3050., Nasdaq, Transactions for or by Associated Persons

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Nasdaq Members and persons associated with a member shall comply with NASD Rule 3050 as if such Rule were part of Nasdaq's Rules.


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Nasdaq Stock Market Rules, Regulation, 3060., Nasdaq, Renumbered


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Nasdaq Stock Market Rules, Regulation, 3070., Nasdaq, Reporting Requirements

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(a) Nasdaq Members and persons associated with a member shall comply with NASD Rule 3070 (excluding NASD Rule 3070(g)) as if such Rule were part of Nasdaq's Rules. Nasdaq and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. Therefore, Nasdaq members are complying with Nasdaq Rule 3070 by complying with NASD Rule 3070 as written (excluding Rule 3070(g)) , including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Nasdaq Rule 3070 are being performed by FINRA on behalf of Nasdaq.

(b) For purposes of this Rule, the requirement of NASD Rule 3070(d) to respond to NASD with respect to any customer complaint, examination, or inquiry shall be construed as a requirement to respond to FINRA and Nasdaq.


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Nasdaq Members shall comply with FINRA Rule 2263 as if such Rule were part of Nasdaq’s Rules. In lieu of incorporating in the written statement the language in paragraph (2) of FINRA Rule 2263, members shall include the following provision:

A claim alleging employment discrimination, including a sexual harassment claim, in violation of a statute is not required to be arbitrated under Nasdaq rules. Such a claim may be arbitrated under Nasdaq rules only if the parties have agreed to arbitrate it, either before or after the dispute arose. The rules of other arbitration forums may be different.


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Nasdaq Stock Market Rules, Regulation, 3110., Nasdaq, Renumbered

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Nasdaq Stock Market Rules, Regulation, 3120., Nasdaq, Use of Information Obtained in Fiduciary Capacity

Nasdaq Members shall comply with NASD Rule 3120 as if such Rule were part of Nasdaq's Rules.


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Nasdaq Stock Market Rules, Regulation, 3121., Nasdaq, Deleted


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Nasdaq Stock Market Rules, Regulation, 3130., Nasdaq, Deleted

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Nasdaq Stock Market Rules, Regulation, IM-3130., Nasdaq, Deleted

Nasdaq Stock Market Rules, Regulation, 3140., Nasdaq, Approval of Change in Exempt Status Under SEC Rule 15c3-3

(a) Application — For the purposes of this Rule, the term "member" shall be limited to any member of Nasdaq who is subject to SEC Rule 15c3-3 and is not designated to another self-regulatory organization by the Commission for financial responsibility pursuant to Section 17 of the Act and SEC Rule 17d-1 promulgated thereunder. Further, the term shall not be applicable to any member that is subject to Section 402.2(c) of the rules of the Treasury Department.

(b) A member operating pursuant to any exemptive provision as contained in subparagraph (k) of SEC Rule 15c3-3 under the Act (Rule 15c3-3), shall not change its method of doing business in a manner which will change its exemptive status from that governed by subparagraph (k)(1) or (k)(2)(ii) to that governed by subparagraph (k)(2)(i); or from subparagraph (k)(1), (k)(2)(i) or (k)(2)(ii) to a fully computing firm that is subject to all provisions of Rule 15c3-3; or commence operations that will disqualify it for continued exemption under Rule 15c3-3 without first having obtained the prior written approval of Nasdaq.

(c) In making the determination as to whether to approve, deny in whole or in part an application made pursuant to paragraph (b), Nasdaq staff shall consider among other things the type of business in which the member is engaged, the training, experience and qualifications of persons associated with the member, the member's procedures for safeguarding customer funds and securities, the member's overall financial and operational condition and any other information deemed relevant in the particular circumstances and the time these measures would remain in effect.

Nasdaq Stock Market Rules, Regulation, 3150., Nasdaq, Reporting Requirements for Clearing Firms

(a) Nasdaq Members shall comply with NASD Rule 3150 as if such Rule were part of Nasdaq's Rules. Nasdaq and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. Therefore, Nasdaq members are complying with Nasdaq Rule 3150 by complying with NASD Rule 3150 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Nasdaq Rule 3150 are being performed by FINRA on behalf of Nasdaq.

(b) Pursuant to the Rule 9600 Series, Nasdaq may in exceptional and unusual circumstances, taking into consideration all relevant factors, exempt a member or class of members unconditionally or on specified terms and conditions from any or all of the provisions of this Rule that it deems appropriate.


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Nasdaq Stock Market Rules, Regulation, IM-3150., Nasdaq, Exemptive Relief

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(a) Upon written request for exemptive relief pursuant to the Rule 9600 Series, Nasdaq generally will grant an exemption from the reporting requirements of Rule 3150 to a self-clearing firm that:

1. derives, on an annualized basis, at least 85 percent of its revenue from transactions in fixed income securities;

2. conducts an institutional business that settles transactions on an RVP/DVP basis, provided that such exemption from reporting shall apply only with respect to such institutional business unless Nasdaq determines that any other remaining business otherwise qualifies for an exemption under this IM-3150 or is de minimis in nature; or

3. does not execute transactions for customers or otherwise hold customer accounts or act as an introducing broker with respect to customer accounts (e.g., that engages solely in proprietary trading, or that conducts business only with other broker-dealers or any other non-customer counter-parties).

(b) Upon written request for exemptive relief pursuant to the Rule 9600 Series, Nasdaq also generally will grant an exemption to a clearing firm with respect to one or more of the introducing firms for which it clears if the introducing firm meets one of the above-stated grounds for exemptive relief.

(c) Any self-clearing firm that, due to a change in the facts pertaining to the operation and nature of its business or the operation and nature of the business of a firm for which it clears, as applicable, no longer qualifies for an exemption previously granted by Nasdaq from the reporting requirements of Rule 3150 must promptly report such change in circumstances to Nasdaq and NASD, Department of Member Regulation, and commence compliance with the reporting requirements of Rule 3150.


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Nasdaq Stock Market Rules, Regulation, 3160., Nasdaq, Extensions of Time Under Regulation T and SEC Rule 15c3-3

A member designated to Nasdaq for oversight pursuant to SEC Rule 17d-1 shall comply with NASD Rule 3160 as if such Rule were part of Nasdaq's Rules. Nasdaq and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. Therefore, Nasdaq members are complying with Nasdaq Rule 3160 by complying with NASD Rule 3160 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Nasdaq Rule 3160 are being performed by FINRA on behalf of Nasdaq.


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Nasdaq Stock Market Rules, Regulation, 3210., Nasdaq, Reserved

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Nasdaq Stock Market Rules, Regulation, 3220., Nasdaq, Adjustment of Open Orders

(a) A member holding an open order from a customer or another broker/dealer shall, prior to executing or permitting the order to be executed, reduce, increase or adjust the price and/or number of shares of such order by an amount equal to the dividend, payment or distribution, on the day that the security is quoted ex-dividend, ex-rights, ex-distribution or ex-interest, except where a cash dividend or distribution is less than one cent ($0.01), as follows:

(1) In the case of a cash dividend or distribution, the price of the order shall be reduced by subtracting the dollar amount of the dividend or distribution from the price of the order and rounding the result to the next lower minimum quotation variation used in the primary market, provided that if there is more than one minimum quotation variation in the primary market, then the greater of the variations shall be used;

(2) In the case of a stock dividend or split, the price of the order shall be reduced by rounding the dollar value of the stock dividend or split to the next higher minimum quotation variation used in the primary market as specified in paragraph (a)(1) and subtracting that amount from the price of the order; provided further, that the size of the order shall be increased by (A) multiplying the size of the original order by the numerator of the ratio of the dividend or split, (B) dividing the result by the denominator of the ratio of the dividend or split, and (C) rounding the result to the next lower round lot; and

(3) In the case of a dividend payable in either cash or securities at the option of the stockholder, the price of the order shall be reduced by the dollar value of the cash or securities, whichever is greater, according to the formulas in subparagraph (1) or (2), above; provided, that if the stockholder opts for securities, the size of the order shall be increased pursuant to the formula in subparagraph (2), above.

(b) If the value of the distribution cannot be determined, the member shall not execute or permit such order to be executed without reconfirming the order with the customer.

(c) If a security is the subject of a reverse split, all open orders shall be cancelled.

(d) The term "open order" means an order to buy or an open stop order to sell, including but not limited to "good 'til cancelled," "limit" or "stop limit" orders which remain in effect for a definite or indefinite period until executed, cancelled or expired.

(e) The provisions of this Rule shall not apply to:

(1) orders governed by the rules of another registered national securities exchange or the NASD;

(2) orders marked "do not reduce" where the dividend is payable in cash;

(3) orders marked "do not increase" where the dividend is payable in stock, provided that the price of such orders shall be adjusted as required by this Rule;

(4) open stop orders to buy;

(5) open sell orders; or

(6) orders for the purchase or sale of securities where the issuer of the securities has not reported a dividend, payment or distribution pursuant to SEC Rule 10b-17.

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Nasdaq Stock Market Rules, Regulation, 3230., Nasdaq, Clearing Agreements

(a) All clearing or carrying agreements entered into by a member shall specify the respective functions and responsibilities of each party to the agreement and shall, at a minimum, specify the responsibility of each party with respect to each of the following matters:

1. opening, approving and monitoring customer accounts;
2. extension of credit;
3. maintenance of books and records;
4. receipt and delivery of funds and securities;
5. safeguarding of funds and securities;
6. confirmations and statements;
7. acceptance of orders and execution of transactions;
8. whether, for purposes of the Commission’s financial responsibility rules adopted under the Act, and the Securities Investor Protection Act, as amended, and regulations adopted thereunder, customers are customers of the clearing member; and
9. the requirement to provide customer notification under paragraph (g) of this Rule.

(b)

1. In order for the introducing member to carry out its functions and responsibilities under the agreement, each clearing member must forward promptly any written customer complaint received by the clearing member regarding the introducing member or its associated persons relating to functions and responsibilities allocated to the introducing member under the agreement directly to: (A) the introducing member; and (B) the introducing member’s examining authority designated under Section 17 of the Act (“DEA”) (or, if none, to its appropriate regulatory agency or authority). The clearing or carrying agreement must specifically direct and authorize the clearing member to do so.

2. The clearing member must also notify the customer, in writing, that it has received the complaint, and that the complaint has been forwarded to the introducing member and to the introducing member’s DEA (or, if none, to its appropriate regulatory agency or authority).

3. Pursuant to the Rule 9600 Series, Nasdaq may exempt a member or person associated with a member from the requirements of this paragraph for good cause shown in instances where the introducing organization is an affiliated entity of the carrying organization.

(c)

1. A clearing member, when it enters into a clearing agreement, must immediately, and annually thereafter, provide the introducing member a list or description of all reports (exception and other types of reports) which it offers to the introducing member to assist the introducing member in supervising its activities, monitoring its customer accounts, and carrying out its functions and responsibilities under the clearing agreement. The introducing member must notify promptly the clearing member, in writing, of those specific reports offered by the clearing member that the introducing member requires to supervise
and monitor its customer accounts.

(2) The clearing member must retain as part of its books and records required to be maintained under the Act and Nasdaq's rules, copies of the reports requested by or provided to the introducing member. For purposes of this Rule, the clearing member will be in compliance with the requirements of this paragraph if it retains the data from which the original report was produced, provided, the clearing member can, at the request of the DEA (or, if none, to its appropriate regulatory agency or authority), either (A) recreate the report; or (B) provide the data and the data formatting that was used to prepare the report.

(3) Each year, no later than July 31, the clearing member must notify in writing the introducing member's chief executive and compliance officers of the reports offered to the introducing member pursuant to paragraph (c)(1) and the reports requested by or supplied to the introducing member as of such date. The clearing member must also provide a copy of the notice to the introducing member's DEA (or, if none, to its appropriate regulatory agency or authority).

(4) Pursuant to the Rule 9600 Series, Nasdaq may exempt a member or person associated with a member from the requirements of this paragraph for good cause shown in instances where the introducing organization is an affiliated entity of the carrying organization.

(d) The clearing or carrying agreement may permit the introducing member to issue negotiable instruments directly to the introducing member's customers using instruments for which the clearing member is the maker or drawer. The clearing member may not grant the introducing member the authority to issue negotiable instruments until the introducing member has notified the clearing member in writing that it has established, and will maintain and enforce, supervisory procedures with respect to the issuance of such instruments that are satisfactory to the carrying organization.

(e) Whenever a clearing member designated to Nasdaq for oversight pursuant to Section 17 of the Act, or a rule of the Commission adopted thereunder, amends any of its clearing or carrying agreements with respect to any item enumerated in subparagraphs (a)(1) through (a)(9) or enters into a new clearing or carrying agreement with an introducing member, the clearing member shall submit the agreement to Nasdaq for review and approval.

(f) Whenever an introducing member designated to Nasdaq for oversight pursuant to Section 17 of the Act, or a rule of the Commission adopted thereunder, amends its clearing or carrying agreement with a clearing member designated to another self-regulatory organization for oversight with respect to any item enumerated in subparagraphs (a)(1) through (a)(9) or enters into a new clearing agreement with another clearing member, the introducing member shall submit the agreement to Nasdaq for review.

(g) Each customer whose account is introduced on a fully disclosed basis shall be notified in writing upon the opening of his account of the existence of the clearing or carrying agreement.

(h) All clearing agreements shall require each introducing member to maintain its proprietary and customer accounts and the proprietary and customer accounts of any member for which it is acting as an intermediary in obtaining clearing services from the clearing firm in such a manner as to enable the clearing firm and Nasdaq to identify data belonging to the proprietary and customer accounts of each member. The requirements of this paragraph (h) shall apply to intermediary clearing arrangements between a member and an introducing member that are established on or after February 20, 2006.

(i) Members shall be exempt from Rule 3230 to the extent any party to the clearing agreement is subject to a comparable rule of the self-regulatory organization designated pursuant to SEC Rule 17d-1 as the party's designated examining authority.


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Nasdaq Stock Market Rules, Regulation, 3310., Nasdaq, Publication of Transactions and Quotations

No member shall publish or circulate, or cause to be published or circulated, any notice, circular, advertisement, newspaper article, investment service, or communication of any kind which purports to report any transaction as a purchase or sale of any security unless such member believes that such transaction was a bona fide purchase or sale of such security; or which purports to quote the bid price or asked price for any security, unless such member believes that such quotation represents a bona fide bid for, or offer of, such security. If nominal quotations are used or given, they shall be clearly stated or indicated to be only nominal quotations.


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Nasdaq Stock Market Rules, Regulation, IM-3310., Nasdaq, Manipulative and Deceptive Quotations

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**Rule 2110** provides that:

A member, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade.

**Rule 3310** provides that:

No member shall publish or circulate, or cause to be published or circulated, any notice, circular, advertisement, newspaper article, investment service, or communication of any kind which purports to report any transaction as a purchase or sale of any security unless such member believes that such transaction was a bona fide purchase or sale of such security; or which purports to quote the bid price or asked price for any security, unless such member believes that such quotation represents a bona fide bid for, or offer of, such security. If nominal quotations are used or given, they shall be clearly stated or indicated to be only nominal quotations.

**Rule 2120** provides that:

No member shall effect any transaction in, or induce the purchase or sale of, any security by means of any manipulative, deceptive or other fraudulent device or contrivance.

It would be inconsistent with the above provisions for a member to publish or circulate or cause to be published or circulated, by any means whatsoever, any report of any securities transaction or of any purchase or sale of any security unless such member knows or has reason to believe that such transaction was a bona fide transaction, purchase or sale.

Similarly, it would be inconsistent with the above provisions for a member, for itself or for any other person, to publish or circulate or to cause to be published or circulated, by any means whatsoever, any quotation for any security without having reasonable cause to believe that such quotation is a bona fide quotation, is not fictitious and is not published or circulated or caused to be published or circulated for any fraudulent, deceptive or manipulative purpose.

For the purposes of this interpretation, the term "quotation" shall include any bid or offer or any formula, such as "bid wanted" or "offer wanted," designed to induce any person to make or submit any bid or offer.


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Nasdaq Stock Market Rules, Regulation, 3320., Nasdaq, Offers at Stated Prices

No member shall make an offer to buy from or sell to any person any security at a stated price unless such member is prepared to purchase or sell, as the case may be, at such price and under such conditions as are stated at the time of such offer to buy or sell.


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Nasdaq Stock Market Rules, Regulation, 3330., Nasdaq, Deleted


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Nasdaq Stock Market Rules, Regulation, 3340. Nasdaq, Prohibition on Transactions, Publication of Quotations, or Publication of Indications of Interest During Trading Halts

(a) No member or person associated with a member shall, directly or indirectly, effect any transaction or publish a quotation, a priced bid and/or offer, an unpriced indication of interest (including "bid wanted" and "offer wanted" and name only indications), or a bid or offer accompanied by a modifier to reflect unsolicited customer interest, in any security as to which a trading halt is currently in effect.

(b) No member or person associated with a member shall, directly or indirectly, effect any transaction or publish a quotation, a priced bid and/or offer, an unpriced indication of interest (including "bid wanted" and "offer wanted" and name only indications), or a bid or offer, accompanied by a modifier to reflect unsolicited customer interest, in:

1. a future for a single security when the underlying security has a regulatory trading halt that is currently in effect; and
2. a future on a narrow-based securities index when one or more underlying securities that constitute 50% or more of the market capitalization of the index has a regulatory trading halt that is currently in effect.


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Nasdaq Stock Market Rules, Regulation, 3350., Nasdaq, Suspension of Trading

(a) Members shall promptly notify Nasdaq whenever they have knowledge of any matter related to any “NMS Stock” (as defined in SEC Rule 600 (b)(42)) or the issuer thereof which has not been adequately disclosed to the public or where they have knowledge of a regulatory problem relating to such security.

(b) Whenever any market for any NMS Stock halts or suspends trading in such security, members may continue to conduct trading in such security during the period of any such halt or suspension and shall continue to report all last sale prices reflecting transactions in such security, unless Nasdaq has initiated a trading halt for the security, pursuant to Rule 4120.


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(a) No member shall execute or cause to be executed or participate in an account for which there are executed purchases of any “NMS Stock” (as defined in SEC Rule 600(b)(42)) at successively higher prices, or sales of any such security at successively lower prices, for the purpose of creating or inducing a false, misleading or artificial appearance of activity in such security or for the purpose of unduly or improperly influencing the market price for such security or for the purpose of establishing a price which does not reflect the true state of the market in such security.

(b) No member shall, for the purpose of creating or inducing a false or misleading appearance of activity in an NMS Stock or creating or inducing a false or misleading appearance with respect to the market in such security:

1. execute any transaction in such security which involves no change in the beneficial ownership thereof; or
2. enter any order or orders for the purchase of such security with the knowledge that an order or orders of substantially the same size, and at substantially the same price, for the sale of any such security, has been or will be entered by or for the same or different parties; or
3. enter any order or orders for the sale of any such security with the knowledge that an order or orders of substantially the same size, and at substantially the same price, for the purchase of such security, has been or will be entered by or for the same or different parties.

(c) No member shall execute purchases or sales of any NMS Stock for any account in which such member is directly or indirectly interested, which purchases or sales are excessive in view of the member's financial resources or in view of the market for such security.

(d) No member shall participate or have any interest, directly or indirectly, in the profits of a manipulative operation or knowingly manage or finance a manipulative operation.

1. Any pool, syndicate or joint account organized or used intentionally for the purpose of unfairly influencing the market price of an NMS Stock shall be deemed to be a manipulative operation.
2. The solicitation of subscriptions to or the acceptance of discretionary orders from any such pool, syndicate or joint account shall be deemed to be managing a manipulative operation.
3. The carrying on margin of a position in such securities or the advancing of credit through loans to any such pool, syndicate or joint account shall be deemed to be financing a manipulative operation.

(e) No member shall make any statement or circulate and disseminate any information concerning any NMS Stock which such member knows or has reasonable grounds for believing is false or misleading or would improperly influence the market price of such security.

(f) No member or person associated with a member shall, directly or indirectly, hold any interest or participation in any joint account for buying or selling an NMS Stock, unless such joint account is promptly reported to Nasdaq. The report should contain the following information for each account:

1. Name of the account, with names of all participants and their respective interests in profits and losses;
2. a statement regarding the purpose of the account;
3. name of the member carrying and clearing the account; and
4. a copy of any written agreement or instrument relating to the account.

(g) No member shall offer that a transaction or transactions to buy or sell an NMS Stock will influence the closing transaction on the Consolidated Tape.

(h) (1) A member may, but is not obligated to, accept a stop order in an NMS Stock.
(A) A buy stop order is an order to buy which becomes a market order when a transaction takes place at or above the stop price.

(B) A sell stop order is an order to sell which becomes a market order when a transaction takes place at or below the stop price.

(2) A member may, but is not obligated to, accept stop limit orders in NMS Stocks. When a transaction occurs at the stop price, the stop limit order to buy or sell becomes a limit order at the limit price.

(i) No member or person associated with a member shall execute or cause to be executed, directly or indirectly, on Nasdaq a transaction in a security subject to an initial public offering until such security has first opened for trading on the national securities exchange listing the security, as indicated by the dissemination of an opening transaction in the security by the listing exchange via the Consolidated Tape.


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Nasdaq Stock Market Rules, Regulation, 3360., Nasdaq, Short-Interest Reporting

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(a) To the extent such information is not otherwise reported to the NASD in conformance with NASD Rule 3360, each member shall maintain a record of total "short" positions in all customer and proprietary firm accounts in securities listed on Nasdaq and shall regularly report such information to Nasdaq in such a manner as may be prescribed by Nasdaq. Reports shall be made as of the close of the settlement date designated by Nasdaq. Reports shall be received by Nasdaq no later than the second business day after the reporting settlement date designated by Nasdaq.

(b) For purposes of this Rule:

(1) "short" positions to be reported are those resulting from "short sales" as that term is defined in SEC Rule 200(a) of Regulation SHO, with the exception of positions that meet the following requirements:

(A) any sale by any person, for an account in which he has an interest, if such person owns the security sold and intends to deliver such security as soon as is possible without undue inconvenience or expense;

(B) any sale of a security covered by a short sale rule on a national securities exchange (except a sale to a stabilizing bid complying with Rule 104 of Regulation M) effected with the approval of such exchange which is necessary to equalize the price of such security thereon with the current price of such security on another national securities exchange which is the principal exchange market for such security;

(C) any sale of a security for a special arbitrage account by a person who then owns another security by virtue of which he is, or presently will be, entitled to acquire an equivalent number of securities of the same class as the securities sold; provided such sale, or the purchase with such sale offsets, is effected for the bona fide purpose of profiting from a current difference between the price of security sold and the security owned and that such right of acquisition was originally attached to or represented by another security or was issued to all the holders of any such of securities of the issuer;

(D) any sale of a security registered on, or admitted to unlisted trading privileges on, a national securities exchange effected for a special international arbitrage account for the bona fide purpose of profiting from a current difference between the price of such security on a securities market not within or subject to the jurisdiction of the United States and on a securities market subject to the jurisdiction of the United States; provided the seller at the time of such sale knows or, by virtue of information currently received, has reasonable grounds to believe that an offer enabling him to cover such sale is then available to him such foreign securities market and intends to accept such offer immediately; and

(E) any sale by an underwriter, or any member of a syndicate or group participating in the distribution of a security, in connection with an over-allotment of securities, or any lay-off sale by such a person in connection with a distribution of securities through rights or a standby underwriting commitment.

(2) the term "customer" includes a broker-dealer.


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Nasdaq Stock Market Rules, Regulation, 3370., Nasdaq, Prompt Receipt and Delivery of Securities

No member or person associated with a member may accept a customer's purchase order for any security unless it has first ascertained that the customer placing the order or its agent agrees to receive securities against payment in an amount equal to any execution, even though such an execution may represent the purchase of only a part of a larger order.


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No member or associated person may engage in conduct that has the intent or effect of splitting any order into multiple smaller orders for execution or any execution into multiple smaller executions for transaction reporting for the primary purpose of maximizing a monetary or in-kind amount to be received by the member or associated person as a result of the execution of such orders or the transaction reporting of such executions. For purposes of this rule, "monetary or in-kind amount" shall be defined to include, but not be limited to, any credits, commissions, gratuities, payments for or rebates of fees, or any other payments of value to the member or associated person.

Nasdaq Stock Market Rules, Regulation, 3381., Nasdaq, SEC Rule 19c-1 —
Governing Certain Off-Board Agency Transactions by Members of
National Securities Exchanges

No rule, stated policy, or practice of this exchange shall prohibit or condition, or be construed to prohibit or
condition or otherwise limit, directly or indirectly, the ability of any member acting as agent to effect any
transaction otherwise than on this exchange with another person (except when such member also is acting as
agent for such other person in such transaction), in any equity security listed on this exchange or to which
unlisted trading privileges on this exchange have been extended.

Nasdaq Stock Market Rules, Regulation, 3385., Nasdaq, SEC Rule 19c-3 —
Governing Off-Board Trading by Members of National Securities Exchanges

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(a) No rule, stated policy or practice of this exchange shall prohibit or condition, or be construed to prohibit, condition or otherwise limit, directly or indirectly, the ability of any member to effect any transaction otherwise than on this exchange in any reported security listed and registered on this exchange or as to which unlisted trading privileges on this exchange have been extended (other than a put option or call option issued by the Options Clearing Corporation) which is not a covered security.

(b) For purposes of this rule,


(2) The term "exchange" shall mean a national securities exchange registered as such with the Securities and Exchange Commission pursuant to section 6 of the Act.

(3) The term "covered security" shall mean:

(A) Any equity security or class of equity securities which

(i) was listed and registered on an exchange on April 26, 1979, and

(ii) remains listed and registered on at least one exchange continuously thereafter;

(B) Any equity security or class of equity securities which

(i) was traded on one or more exchanges on April 26, 1979, pursuant to unlisted trading privileges permitted by Section 12(f)(1)(A) of the Act, and

(ii) remains traded on any such exchange pursuant to such unlisted trading privileges continuously thereafter; and

(C) Any equity security or class of equity securities which

(i) is issued in connection with a statutory merger, consolidation or similar plan or reorganization (including a reincorporation or change of domicile) in exchange for an equity security or class of equity securities described in paragraph (b)(3)(A) or (b)(3)(B) of this rule,

(ii) is listed and registered on an exchange after April 26, 1979, and

(iii) remains listed and registered on at least one exchange continuously thereafter.

(4) The term "reported security" shall mean any security or class of securities for which transaction reports are collected, processed and made available pursuant to an effective transaction reporting plan.

(5) The term "transaction report" shall mean a report containing the price and volume associated with a completed transaction involving the purchase or sale of a security.

(6) The term "effective transaction reporting plan" shall mean any plan approved by the Commission.
pursuant to Rule 11Aa3-1 for collecting, processing and making available transaction reports with respect to transactions in an equity security or class of equity securities.


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Nasdaq Market Makers shall comply with the obligations of SEC Rule 604 and any interpretations issued thereunder. Solely for the purposes of this Rule and SEC Rule 604, Nasdaq Market Makers shall be deemed to be exchange specialists.


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Nasdaq Stock Market Rules, Regulation, 3510., Nasdaq, Business Continuity Plans

(a) Nasdaq Members shall comply with NASD Rule 3510 as if such Rule were part of Nasdaq's Rules. Nasdaq and FINRA are parties to the Regulatory Contract Pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. Therefore, Nasdaq members are complying with Nasdaq Rule 3510 by complying with NASD Rule 3510 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Nasdaq Rule 3510 are being performed by FINRA on behalf of Nasdaq.

Nasdaq Stock Market Rules, Regulation, 3520., Nasdaq, Emergency Contact Information

(a) Each member shall report to Nasdaq, via such electronic or other means as Nasdaq may specify, prescribed emergency contact information for the member. The emergency contact information for the member includes designation of two emergency contact persons. Each emergency contact person shall be a member of senior management and a registered principal of the member.

(b) Each member must promptly update its emergency contact information, via such electronic or other means as Nasdaq may specify, in the event of any material change. With respect to designated emergency contact persons, each member must identify, review, and, if necessary, update such designations in the manner prescribed by Nasdaq Rule 1160.


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Nasdaq Stock Market Rules, Regulation, Nasdaq, Books and Records

Nasdaq members shall comply with NASD Rule 3110 (or any successor FINRA rule) as if such rule were part of Nasdaq’s rules.


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Nasdaq Stock Market Rules, Regulation, Nasdaq, Influencing or Rewarding Employees of Others

Nasdaq Members and persons associated with a member shall comply with FINRA Rule 3220 as if such Rule were part of Nasdaq's Rules.


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Nasdaq Stock Market Rules, Regulation, 4110., Nasdaq, Use of Nasdaq on a Test Basis

Notwithstanding the listing standards set forth in the Rule 4300 and 4400 Series, Nasdaq may at any time authorize the use of its systems on a test basis for whatever studies it considers necessary and appropriate.


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(a) Authority to Initiate Trading Halts or Pauses

In circumstances in which Nasdaq deems it necessary to protect investors and the public interest, Nasdaq, pursuant to the procedures set forth in paragraph (c):

(1) may halt trading on Nasdaq of a Nasdaq-listed security to permit the dissemination of material news, provided, however, that in the Pre-Market Session (as defined in section 4120(b)(4)) Nasdaq will halt trading for dissemination of news only at the request of an issuer or pursuant to section (a)(2) below; or

(2) may halt trading on Nasdaq of a security listed on another national securities exchange during a trading halt imposed by such exchange to permit the dissemination of material news; or

(3) may halt trading on Nasdaq: (A) in a security listed on another national securities exchange when such exchange imposes a trading halt in that security because of an order imbalance or influx ("operational trading halt"); or (B) Nasdaq market makers in a security listed on Nasdaq, when the security is a derivative or component of a security listed on another national securities exchange and such exchange imposes an operational trading halt in that security. In the event that Nasdaq halts trading, Nasdaq Participants may commence quotations and trading at any time following initiation of operational trading halts, without regard to procedures for resuming trading set forth in paragraph (c); or

(4) may halt trading in an American Depository Receipt ("ADR") or other security listed on Nasdaq, when the Nasdaq-listed security or the security underlying the ADR is listed on or registered with another national or foreign securities exchange or market, and the national or foreign securities exchange or market, or regulatory authority overseeing such exchange or market, halts trading in such security for regulatory reasons; or

(5) may halt trading in a security listed on Nasdaq when Nasdaq requests from the issuer information relating to:

(A) material news;

(B) the issuer's ability to meet Nasdaq listing qualification requirements, as set forth in the Listing Rule 5000 Series; or

(C) any other information which is necessary to protect investors and the public interest.

(6) may halt trading in a security listed on Nasdaq when

(A) extraordinary market activity in the security is occurring, such as the execution of a series of transactions for a significant dollar value at prices substantially unrelated to the current market for the security, as measured by the national best bid and offer, and

(B) Nasdaq determines that such extraordinary market activity is likely to have a material effect on the market for the security; and

(C)

(i) Nasdaq believes that such extraordinary market activity is caused by the misuse or malfunction of an electronic quotation, communication, reporting, or execution system operated by, or linked to, Nasdaq;
(ii) After consultation with another national securities exchange trading the security on an unlisted trading privileges basis, Nasdaq believes that such extraordinary market activity is caused by the misuse or malfunction of an electronic quotation, communication, reporting, or execution system operated by, or linked to, such other national securities exchange; or

(iii) After consultation with FINRA regarding a FINRA facility trading the security, Nasdaq believes that such extraordinary market activity is caused by the misuse or malfunction of such FINRA facility or an electronic quotation, communication, reporting, or execution system linked to such FINRA facility.

(7) may halt trading in a security that is the subject of an Initial Public Offering on Nasdaq.

(8) may halt trading in an index warrant on Nasdaq whenever Nasdaq Regulation shall conclude that such action is appropriate in the interests of a fair and orderly market and to protect investors. Among the factors that may be considered are the following:

(A) trading has been halted or suspended in underlying stocks whose weighted value represents 20 or more of the index value;

(B) the current calculation of the index derived from the current market prices of the stocks is not available;

(C) other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.

(9) may halt trading in a series of Portfolio Depository Receipts, Index Fund Shares or Managed Fund Shares (as defined in Rules 5705 and 5735, respectively), Index-Linked Exchangeable Notes, Equity Gold Shares, Trust Certificates, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, and Managed Trust Securities (as defined in Rule 5711(a) - (h) and (j), respectively), or NextShares (as defined in Rule 5745) listed on Nasdaq if the Intraday Indicative Value (as defined in Rule 5705), for Portfolio Depository Receipts or Index Fund Shares, for derivative securities as defined in Rule 5711(a), (b), and (d) – (h), Rule 5711(j) for Managed Trust Securities, Rule 5735 for Managed Fund Shares, or Rule 5745 for NextShares) or the index value applicable to that series is not being disseminated as required, during the day in which the interruption to the dissemination of the Intraday Indicative Value or the index value occurs. If the interruption to the dissemination of the Intraday Indicative Value or the index value persists past the trading day in which it occurred, Nasdaq will halt trading no later than the beginning of the trading day following the interruption. Nasdaq may also exercise discretion to halt trading in a series of Portfolio Depository Receipts, Index Fund Shares, Managed Fund Shares, Index-Linked Exchangeable Notes, Equity Gold Shares, Trust Certificates, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Trust Units (as defined in Rule 5711(i)), Managed Trust Securities, Currency Warrants (as defined in Rule 5711(k)), or NextShares based on a consideration of the following factors: (A) trading in underlying securities comprising the index or portfolio applicable to that series has been halted in the primary market(s), (B) the extent to which trading has ceased in securities underlying the index or portfolio, or (C) the presence of other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market.

(10) shall halt trading in Derivative Securities Products (as defined in Rule 4120(b)(4)(A)) for which a net asset value ("NAV") (and in the case of Managed Fund Shares under Rule 5735, a Disclosed Portfolio, and in the case of NextShares under Rule 5745, a Composition File) is disseminated if Nasdaq becomes aware that the NAV (or in the case of Managed Fund Shares, the Disclosed Portfolio, or in the case of NextShares, the Composition File) is not being disseminated to all market participants at the same time.
Nasdaq will maintain the trading halt until such time as Nasdaq becomes aware that the NAV (or in the case of Managed Fund Shares, the Disclosed Portfolio, or in the case of NextShares, the Composition File, as applicable) is available to all market participants or, in the case of Derivative Securities Products traded on Nasdaq pursuant to unlisted trading privileges, until such time trading resumes in the listing market.

(11) shall, between 9:45 a.m. and 3:35 p.m., or in the case of an early scheduled close, 25 minutes before the close of trading, immediately pause trading for 5 minutes in any Nasdaq-listed security not covered by the Limit Up-Limit Down Plan, other than rights and warrants, when the price of such security moves a percentage specified below within a 5-minute period.

(A) The price move shall be 10% or more with respect to securities included in the S&P 500® Index, Russell 1000® Index, and a pilot list of Exchange Traded Products;

(B) The price move shall be 30% or more with respect to all Tier 2 NMS Stocks with a price equal to or greater than $1; and

(C) The price move shall be 50% or more with respect to all Tier 2 NMS Stocks with a price less than $1.

The determination that the price of a stock is equal to or greater than $1 under paragraph (a)(11)(B) above or less than $1 under paragraph (a)(11)(C) above shall be based on the last reported closing price on Nasdaq.

At the end of the trading pause, Nasdaq will re-open the security using the Halt Cross process set forth in Nasdaq Rule 4753. In the event of a significant imbalance at the end of a trading pause, Nasdaq may delay the re-opening of a security.

Nasdaq will issue a notification if it cannot resume trading for a reason other than a significant imbalance.

Price moves under this paragraph will be calculated by changes in each consolidated last-sale price disseminated by a network processor over a five minute rolling period measured continuously. Only regular way in-sequence transactions qualify for use in calculations of price moves. Nasdaq can exclude a transaction price from use if it concludes that the transaction price resulted from an erroneous trade.

If a trading pause is triggered under this paragraph, Nasdaq shall immediately notify the single plan processor responsible for consolidation of information for the security pursuant to Rule 603 of Regulation NMS under the Securities Exchange Act of 1934. If a primary listing market issues an individual stock trading pause, Nasdaq will pause trading in that security until trading has resumed on the primary listing market or notice has been received from the primary listing market that trading may resume. If the primary listing market does not reopen within 10 minutes of notification of a trading pause, Nasdaq may resume trading the security.

The provisions of this paragraph shall be in effect during a pilot set to end on the earlier of the initial date of operations of the Regulation NMS Plan to Address Extraordinary Market Volatility or February 4, 2014.

Operative as of April 8, 2013


(A) Definitions.


(2) All capitalized terms not otherwise defined in this Rule shall have the meanings set forth in the Plan or Exchange rules, as applicable.

(B) Exchange Participation in the Plan. The Exchange is a Participant in, and subject to the applicable requirements of, the Plan, which establishes procedures to address extraordinary volatility in NMS Stocks.
(C) Member Organization Compliance. Member organizations shall comply with the applicable provisions of the Plan.

(D) Exchange Compliance with the Plan. Exchange systems shall not display or execute buy (sell) interest above (below) the Upper (Lower) Price Bands, unless such interest is specifically exempted under the Plan.

(E) Repricing and Cancellation of Interest. Exchange systems shall reprice and/or cancel buy (sell) interest that is priced or could be executed above (below) the Upper (Lower) Price Band. Any interest that is repriced pursuant to this Rule shall receive a new time stamp and new execution priority.

1. Market Orders. If a market order with a time in force other than Immediate or Cancel cannot be fully executed at or within the Price Bands, Exchange systems shall post the unexecuted portion of the buy (sell) market order at the Upper (Lower) Price Band.

2. Limit-priced Interest. Both displayable and non-displayable incoming limit-priced interest to buy (sell) that is priced above (below) the Upper (Lower) Price Band shall be repriced to the Upper (Lower) Price Band.

   a. For limit-priced orders entered via the OUCH protocol, the order shall be repriced upon entry only if the Price Bands are such that the price of the limit-priced interest to buy (sell) would be above (below) the upper (lower) Price Band. Once slid:

      i. if the Price Bands move such that the price of the order to buy (sell) would be below (above) the lower (upper) Price Band, the order will not be re-priced again. Rather, the order will either remain on the book at the same price or be cancelled back to the entering party, depending on how the entering party has configured its order entry port.

      ii. if the Price Bands move such that the price of the order to buy (sell) would be above (below) the upper (lower) Price Band, the order will not be re-priced again. Rather, the order will be cancelled.

   b. For limit-priced orders entered via RASH or FIX protocols, the order shall be eligible to be repriced by the system multiple times if the Price Bands move such that the price of resting limit-priced interest to buy (sell) would be above (below) the upper (lower) Price Band. Once slid, if the Price Bands again move such that the price of resting limit interest to buy (sell) would be below (above) the upper (lower) Price Band the order will continue to be repriced either to its original limit price or to the new price bands, whichever is less aggressive.

3. IOC Orders. If an IOC order cannot be fully executed at or within the Price Bands, Exchange systems shall cancel any unexecuted portion of the IOC Order.

4. Routable Orders. With the exception of Directed Orders, and orders submitted using either the DOTI or DOTZ routing strategy, the Exchange systems shall not route buy (sell) interest to an away market displaying a sell (buy) quote that is above (below) the Upper (Lower) Price Band. Orders that are eligible to be routed to away destinations will be price slid before routing if the buy (sell) is priced above (below) the Upper (Lower) Price Band.

5. Auction Orders. On close or halt auction orders are not price slid or cancelled due to LULD price bands.

6. Sell Short Orders. During a Short Sale Price Test, as defined in Rule 4763(b), Short Sale Orders priced below the Lower Price Band shall be repriced to the higher of the Lower Price Band or the Permitted Price, as defined in Rule 4763(b).

(F) Trading Pause during a Straddle State. The Exchange may declare a Trading Pause for a NMS Stock listed on the Exchange when (i) the National Best Bid (Offer) is below (above) the Lower (Upper) Price Band and the NMS Stock is not in a Limit State; and (ii) trading in that NMS Stock deviates from normal
trading characteristics.

(G) If the Exchange is unable to reopen trading due to a systems or technology issue, it shall notify the Processor immediately.

(H) Re-opening of Trading following a Trading Pause. At the end of the Trading Pause, the Exchange shall re-open the security in a manner similar to the procedures set forth in Rule 4753, provided that following a Trading Pause that exists at or after 3:50 p.m. a stock shall re-open via a LULD Closing Cross pursuant to Rule 4754(b)(6). If a Trading Pause was initiated by another exchange, Nasdaq may resume trading following the Trading Pause upon receipt of the Price Bands from the Processor.

(13) shall halt trading in an Equity Investment Tracking Stock (as defined in Rule 5005) or Subscription Receipt (listed under Rule 5520) whenever Nasdaq halts or suspends trading in a security such Equity Investment Tracking Stock tracks or the common stock into which the Subscription Receipt is exchangeable.

(b) Trading Halts for Trading of Certain Derivative Securities Products on Nasdaq Pursuant to Unlisted Trading Privileges

(1) During Pre-Market Session. If a Derivative Securities Product begins trading on Nasdaq in the Pre-Market Session and subsequently a temporary interruption occurs in the calculation or wide dissemination of an applicable Required Value, Nasdaq may continue to trade the Derivative Securities Product for the remainder of the Pre-Market Session.

(2) During Regular Market Session. During the Regular Market Session, if a temporary interruption occurs in the calculation or wide dissemination of an applicable Required Value, and the listing market halts trading in the Derivative Securities Product, Nasdaq, upon notification by the listing market of a halt due to such temporary interruption, also shall immediately halt trading in the Derivative Securities Product on Nasdaq.

(3) Post-Market Session and Next Trading Day.

(A) If an applicable Required Value continues not to be calculated or widely disseminated after the close of the Regular Market Session, Nasdaq may trade the Derivative Securities Product in the Post-Market Session only if the listing market traded the Derivative Securities Product until the close of its regular trading session without a halt.

(B) If an applicable Required Value continues not to be calculated or widely disseminated as of the beginning of the Pre-Market Session on the next trading day, Nasdaq shall not commence trading of the Derivative Securities Product in the Pre-Market Session that day. If an interruption in the calculation or wide dissemination of an applicable Required Value continues, Nasdaq may resume trading in the Derivative Securities Product only if calculation and wide dissemination of the applicable Required Value resumes or trading in the Derivative Securities Product resumes in the listing market.

(4) Definitions. For purposes of this Rule:

(A) Derivative Securities Product means a series of Portfolio Depository Receipts, Index Fund Shares, Managed Fund Shares, NextShares, or Trust Issued Receipts (as defined in Rules 5705, 5735, 5745, and 5720, respectively), a series of Commodity-Related Securities (as defined in Rule 4630), securities representing interests in unit investment trusts or investment companies, Index-Linked Exchangeable Notes, Equity Gold Shares, Trust Certificates, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Trust Units, Managed Trust Securities, or Currency Warrants (as defined in Rule 5711(a) - (k)), or any other UTP Derivative Security (as defined in Rule 5740).
(B) Pre-Market Session means the trading session that begins at 4:00 a.m. and continues until 9:30 a.m.

(C) Post-Market Session means the trading session that begins at 4:00 p.m. or 4:15 p.m., and that continues until 8:00 p.m.

(D) Regular Market Session means the trading session from 9:30 am. until 4:00 p.m. or 4:15 p.m.

(E) Required Value shall mean (i) the value of any index or any commodity-related value underlying a Derivative Securities Product, (ii) the indicative optimized portfolio value, intraday indicative value, or other comparable estimate of the value of a share of a Derivative Securities Product updated regularly during the trading day, (iii) a net asset value in the case of a Derivative Securities Product for which a net asset value is disseminated, and (iv) a Disclosed Portfolio in the case of a Derivative Securities Product that is a series of Managed Fund Shares, as defined in Rule 5735, or Managed Trust Securities, as defined in Rule 5711(j), and a Composition File in the case of a Derivative Securities Product that is a series of NextShares, as defined in Rule 5745.

(c) Procedure for Initiating and Terminating a Trading Halt

(1) Nasdaq issuers are required to notify Nasdaq of the release of certain material news prior to the release of such information to the public as required by Rule 5250(b)(1).

(2) Except in emergency situations, notification shall be provided directly to Nasdaq’s MarketWatch Department through Nasdaq’s electronic disclosure system available at www.nasdaq.net. In emergency situations, issuers shall instead provide notification by telephone or facsimile.

(3) Upon receipt of information, from the issuer or other source, Nasdaq will promptly evaluate the information, estimate its potential impact on the market and determine whether a trading halt in the security is appropriate.

(4) (A) Should Nasdaq determine that a basis exists under Rule 4120(a) for initiating a trading halt, the commencement of the trading halt will be effective at the time specified by Nasdaq in a notice posted on a publicly available Nasdaq website. In addition, Nasdaq shall disseminate notice of the commencement of a trading halt through major wire services.

(B) During any trading halt or pause for which a halt cross under Rule 4753 will not occur, orders entered during the trading halt or pause will not be accepted, unless subject to instructions that the order will be directed to another exchange as described in Rule 4758.

(5) Trading in a halted security shall resume at the time specified by Nasdaq in a notice posted on a publicly available Nasdaq website. In addition, Nasdaq shall disseminate notice of the resumption of trading through major wire services.

(6) (A) In the case of a trading halt under Rule 4120(a)(6) based on the misuse or malfunction of an electronic quotation, communication, reporting, or execution system that is not operated by Nasdaq, Nasdaq will promptly contact the operator of the system in question (as well as any national securities exchange or FINRA facility to which such system is linked) to ascertain information that will assist Nasdaq in determining whether a misuse or malfunction has occurred, what effect the misuse or malfunction is having on trading in a security, and what steps are being taken to address the misuse or malfunction. If the operator of the system is unavailable when contacted by Nasdaq, Nasdaq will continue efforts to contact the operator of the system to ascertain information that will assist Nasdaq in determining whether the trading halt should be terminated.
(B) A trading halt initiated under Rule 4120(a)(6) shall be terminated as soon as Nasdaq determines that either the system misuse or malfunction that caused the extraordinary market activity will no longer have a material effect on the market for the security or that system misuse or malfunction is not the cause of the extraordinary market activity.

(7)

(A) A trading halt or pause initiated under Rule 4120(a)(1), (4), (5), (6), (9), (10), or (11) shall be terminated when Nasdaq releases the security for trading. For any such security listed on Nasdaq, prior to terminating the halt or pause, there will be a 5-minute Display Only Period during which market participants may enter quotations and orders in that security in Nasdaq systems. In addition, in instances where a trading halt is in effect prior to the commencement of the Display Only Period, market participants may enter orders in a security that is the subject of the trading halt on Nasdaq. Such orders will be accepted and entered into the system.

(B) At the conclusion of the 5-minute Display Only Period, the security will be released for trading unless, at the end of a Display Only Period or during the subsequent process to release the security for trading, Nasdaq detects an order imbalance in the security. In that case, Nasdaq will extend the Display Only Period for an additional 1-minute period. At the conclusion of the Display Only Period, trading shall immediately resume pursuant to Rule 4753.

(C) For purposes of Rule 4120(c)(7), an order imbalance shall be established as follows:

1. When (i) the last available Current Reference Price, as defined in Rule 4753(a)(2)(A), disseminated immediately prior to the end of the Display Only Period and any of the three preceding Current Reference Prices differ by more than the greater of 5 percent or 50 cents, or (ii) all market orders will not be executed in the cross; or

2. If, upon completion of the cross calculation, (i) the calculated price at which the security would be released for trading and any of the three preceding Current Reference Prices disseminated immediately prior to the initiation of the cross calculation differ by more than the greater of 5 percent or 50 cents, or (ii) all market orders would not be executed in the cross.

(8)

(A) A trading halt initiated under Rule 4120(a)(7) shall be terminated when Nasdaq releases the security for trading and the conditions described in this rule are satisfied. Prior to terminating the halt, there will be a 10-minute Display Only Period during which market participants may enter quotes and orders in that security in Nasdaq systems. In addition, beginning at 4:00 a.m., market participants may enter orders in a security that is the subject of an Initial Public Offering (“IPO”) on Nasdaq. Such orders will be accepted and entered into the system.

After the conclusion of the 10-minute Display Only Period, the security will enter a “Pre-Launch Period” of indeterminate duration. The Pre-Launch Period shall end and the security shall be released for trading by Nasdaq when the conditions described in paragraphs (c)(8)(A)(i), (ii), and (iii) are all met.

1. Nasdaq receives notice from the underwriter of the IPO that the security is ready to trade. The Nasdaq system will calculate the Current Reference Price at that time (the “Expected Price”) and display it to the underwriter. If the underwriter then approves proceeding, the Nasdaq system will conduct the following validation checks:

2. The Nasdaq system must determine that all market orders will be executed in the cross; and

3. the security must pass the price validation test described below in subparagraph (B).

The failure to satisfy these conditions during the process to release the security for trading will result in a delay of the release for trading of the IPO, and a continuation of the Pre-Launch Period, until all conditions have been satisfied. The underwriter, with concurrence of
Nasdaq, may determine at any point during the IPO Halt Cross process up through the conclusion of the Pre-Launch Period to postpone and reschedule the IPO. Market participants may continue to enter orders and order cancellations for participation in the cross auction during the Pre-Launch Period up to the point that the cross auction process commences.

(B) Prior to the conclusion of the Pre-Launch Period, the underwriter shall select price bands for purposes of applying the price validation test. Under the price validation test, the System compares the Expected Price with the actual price calculated by the Cross. If the actual price calculated by the Cross differs from the Expected Price by an amount in excess of the price band selected by the underwriter, the security will not be released for trading and the Pre-Launch Period will continue. The underwriter shall select an upper price band (i.e., an amount by which the actual price may not exceed the Expected Price) and a lower price band (i.e., an amount by which the actual price may not be lower than the Expected Price). If a security does not pass the price validation test, the underwriter may, but is not required to, select different price bands before recommencing the process to release the security for trading. The price bands available for selection shall be in such increments, and at such price points, as may be established from time to time by Nasdaq; the available price bands shall include $0 but shall not be in excess of $0.50. Nasdaq will notify member organizations and the public of changes in available price band or increments through a notice that is widely disseminated at least one week in advance of the change. In selecting available price bands and increments, Nasdaq will consider input from underwriters and other market participants and the results of past usage of price bands to adopt price bands and increments that promote efficiency in the initiation of trading and protect investors and the public interest.

(9) For purposes of this Rule and Rule 4753, the process for halting and initial pricing of a security that is the subject of an initial public offering shall also be available for the initial pricing of any other security that has not been listed on a national securities exchange or traded in the over-the-counter market pursuant to FINRA Form 211 immediately prior to the initial pricing, provided that a broker-dealer serving in the role of financial advisor to the issuer of the securities being listed is willing to perform the functions under Rule 4120(c)(8) that are performed by an underwriter with respect to an initial public offering.

(10) A trading pause initiated under Rule 4120(a)(12) shall be terminated when Nasdaq releases the security for trading. For any such security listed on Nasdaq, prior to terminating the pause, there will be a 5-minute "Initial Display Only Period" during which market participants may enter quotations and orders in that security in Nasdaq systems.

(A) Nasdaq will:

(i) establish the “Auction Reference Price”, which is determined by:

(a) For a Limit Down triggered pause, the Lower Band price of the LULD Band in place at the time the trading pause was triggered; or

(b) For a Limit Up triggered pause, the Upper Band price of the LULD Band in place at the time the trading pause was triggered.

(ii) determine the upper and lower “Auction Collar” prices, which are determined by:

(a) For a Limit Down triggered pause, the lower Auction Collar price is derived by subtracting 5% of the Auction Reference Price, rounded to the nearest minimum price increment, or in the case of securities with an Auction Reference Price of $3 or less, $0.15, from the Auction Reference Price, and the upper Auction Collar price is the Upper Band price on the LULD Band in place at the time the trading pause was triggered.

(b) For a Limit Up triggered pause, the upper Auction Collar price is derived by adding 5% of the Auction Reference Price, rounded to the nearest minimum
price increment, or in the case of securities with an Auction Reference Price of $3 or less, $0.15, from the Auction Reference Price, and the lower Auction Collar price is the Lower Band price of the LULD Band in place at the time the trading pause was triggered.

(B) At the conclusion of the Initial Display Only Period, the security will be released for trading unless, at the end of an Initial Display Only Period, Nasdaq detects an order imbalance in the security. In that case, Nasdaq will extend the Display Only Period for an additional 5-minute period ("Extended Display Only Period"), and the Auction Collar prices will be adjusted as follows:

(i) If the Display Only Period is extended because the calculated price at which the security would be released for trading is below the lower Auction Collar price or all sell market orders would not be executed in the cross, then the new lower Auction Collar price is derived by subtracting 5% of the initial Auction Reference Price, which was rounded to the nearest minimum price increment, or in the case of securities with an Auction Reference Price of $3 or less, $0.15, from the previous lower Auction Collar price, and the upper Auction Collar price will not be changed.

(ii) If the Display Only Period is extended because the calculated price at which the security would be released for trading is above the upper Auction Collar price or all buy market orders would not be executed in the cross, then the new upper Auction Collar price is derived by adding 5% of the initial Auction Reference Price, which was rounded to the nearest minimum price increment, or in the case of securities with an Auction Reference Price of $3 or less, $0.15, to the previous upper Auction Collar price, and the lower Auction Collar price will not be changed.

(C) At the conclusion of the Extended Display Only Period, the security will be released for trading unless, at the end of the Extended Display Only Period, Nasdaq detects an order imbalance in the security. In that case, Nasdaq will further extend the Display Only Period, continuing to adjust the Auction Collar prices every five minutes in the manner described in paragraph (B) above until the security is released for trading. Nasdaq shall release the security for trading at the first point there is no order imbalance.

(D) Notwithstanding paragraphs (A) – (C) above, a Trading Pause that exists at or after 3:50 p.m. in a stock shall re-open via a LULD Closing Cross pursuant to Rule 4754(b)(6).

(E) For purposes of Rule 4120(c)(10), upon completion of the cross calculation an order imbalance shall be established as follows:

(i) the calculated price at which the security would be released for trading is above (below) the upper (lower) Auction Collar price calculated under paragraphs (A), (B), or (C) above; or

(ii) all market orders would not be executed in the cross.


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Nasdaq Stock Market Rules, Regulation, IM-4120-1., Nasdaq, Deleted

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Nasdaq Stock Market Rules, Regulation, 4121., Nasdaq, Trading Halts Due to Extraordinary Market Volatility

This Rule shall be in effect during a pilot period that expires at the close of business on October 18, 2019. If the pilot is not either extended or approved permanently at the end of the pilot period, the prior version of Rule 4121 shall be in effect.

(a) The Exchange shall halt trading in all stocks and shall not reopen for the time periods specified in this Rule if there is a Level 1, 2, or 3 Market Decline.

(i) For purposes of this Rule, a Market Decline means a decline in price of the S&P 500® Index between 9:30 a.m. EST and 4:00 p.m. EST on a trading day as compared to the closing price of the S&P 500® Index for the immediately preceding trading day. The Level 1, Level 2, and Level 3 Market Declines that will be applicable for the trading day will be publicly disseminated before 9:30 a.m. EST.

(ii) A “Level 1 Market Decline” means a Market Decline of 7%.

(iii) A “Level 2 Market Decline” means a Market Decline of 13%.

(iv) A “Level 3 Market Decline” means a Market Decline of 20%.

(b) Halts in Trading.

(i) If a Level 1 Market Decline or a Level 2 Market Decline occurs after 9:30 a.m. EST and up to and including 3:25 p.m. EST or in the case of an early scheduled close, 12:25 p.m. EST the Exchange shall halt trading in all stocks for 15 minutes after a Level 1 or Level 2 Market Decline. The Exchange shall halt trading based on a Level 1 or Level 2 Market Decline only once per trading day. The Exchange will not halt trading if a Level 1 Market Decline or a Level 2 Market Decline occurs after 3:25 p.m. EST or in the case of an early scheduled close, 12:25 p.m. EST.

(ii) If a Level 3 Market Decline occurs at any time during the trading day, the Exchange shall halt trading in all stocks until the primary listing market opens the next trading day.

(c) Re-opening of Trading

(i) The re-opening of trading following a Level 1 or 2 trading halt shall follow the procedures set forth in Rule 4120.

(ii) If the primary listing market halts trading in all stocks, the Exchange will halt trading in those stocks until trading has resumed on the primary listing market or notice has been received from the primary listing market that trading may resume. If the primary listing market does not reopen a security within 15 minutes following the end of the 15-minute halt period, the Exchange may resume trading in that security.

(d) Nothing in this Rule 4121 should be construed to limit the ability of the Exchange to otherwise halt, suspend, or pause the trading in any stock or stocks traded on the Exchange pursuant to any other Exchange rule or policy.


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Manual at its discretion.
Nasdaq Stock Market Rules, Regulation, 4200., Nasdaq, Definitions

(a) For purposes of the Rule 4000 Series, unless the context requires otherwise:

(1) "Stabilizing bid" means the terms "stabilizing" or to "stabilize" as defined in SEC Rule 100.

(2) "Underwriting Activity Report" is a report provided by the Corporate Financing Department of FINRA in connection with a distribution of securities subject to SEC Rule 101 pursuant to NASD Rule 2710(b)(11) and includes forms that are submitted by members to comply with their notification obligations under Rules 4614, 4619, and 4623.

(b) For purposes of Rules 4614, 4619, and 4623, the following terms shall have the meanings as defined in SEC Rule 100: "affiliated purchaser," "distribution," "distribution participant," "independent bid," "net purchases," "passive market maker," "penalty bid," "reference security," "restricted period," "subject security," and "syndicate covering transaction."


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4370. Additional Requirements for Nasdaq-Listed Securities Issued by Nasdaq or its Affiliates

(a) For purposes of this Rule 4370, the terms below are defined as follows:

(1) "Nasdaq Affiliate" means The Nasdaq Stock Market, Inc. and any entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with The Nasdaq Stock Market, Inc., where "control" means that the one entity possesses, directly or indirectly, voting control of the other entity either through ownership of capital stock or other equity securities or through majority representation on the board of directors or other management body of such entity.

(2) "Affiliate Security" means any security issued by a Nasdaq Affiliate or any Exchange-listed option on any such security, with the exception of Portfolio Depository Receipts as defined in Rule 5705(a)(1)(A) and Index Fund Shares as defined in Rule 5705(b)(1)(A).

(b) Upon initial and throughout continued listing and trading of the Affiliate Security on The Nasdaq Stock Market, Nasdaq shall:

(1) provide a quarterly report to Nasdaq’s Regulatory Oversight Committee detailing Nasdaq’s monitoring of:

(A) the Nasdaq Affiliate’s compliance with the listing requirements contained in the Rule 5000, 5100, 5200, 5300, 5400, 5500, and 5600 Series; and

(B) the trading of the Affiliate Security, which shall include summaries of all related surveillance alerts, complaints, regulatory referrals, trades cancelled or adjusted pursuant to Rule 11890, investigations, examinations, formal and informal disciplinary actions, exception reports and trading
(2) engage an independent accounting firm once a year to review and prepare a report on the Affiliate Security to ensure that the Nasdaq Affiliate is in compliance with the listing requirements contained in the Rule 5000, 5100, 5200, 5300, 5400, 5500, 5600 Series and promptly provide Nasdaq’s Regulatory Oversight Committee with a copy of the report prepared by the independent accounting firm.

(c) In the event that Nasdaq determines that the Nasdaq Affiliate is not in compliance with any of the listing requirements contained in the Rule 5000, 5100, 5200, 5300, 5400, 5500, 5600 Series, Nasdaq shall file a report with the Commission within five business days of providing notice to the Nasdaq Affiliate of its non-compliance. The report shall identify the date of non-compliance, type of non-compliance and any other material information conveyed to the Nasdaq Affiliate in the notice of non-compliance. Within five business days of receipt of a plan of compliance from the Nasdaq Affiliate, Nasdaq shall notify the Commission of such receipt, whether the plan of compliance was accepted by Nasdaq or what other action was taken with respect to the plan and the time period provided to regain compliance with the Rule 5000, 5100, 5200, 5300, 5400, 5500, and 5600 Series, if any.


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Nasdaq Stock Market Rules, Regulation, 4570., Nasdaq, Custodian of Books and Records

A member who files a Form BDW shall designate on the Form BDW, as the custodian of the member's books and records, a person associated with the member at the time that the Form BDW is filed.


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Nasdaq Stock Market Rules, Regulation, 4601., Nasdaq, Scope

Unless otherwise specified, the rules set forth in this 4600 Series apply only to the quoting and trading of System securities via the Nasdaq Market Center.


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Nasdaq Stock Market Rules, Regulation, 4610., Nasdaq, Registration and Other Requirements

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Nasdaq Stock Market Rules, Regulation, 4611., Nasdaq, Nasdaq Market Center Participant Registration

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(a) Participation in the Nasdaq Market Center as a Nasdaq Market Maker, Nasdaq ECN or Order Entry Firm requires current registration as such with Nasdaq. Such registration shall be conditioned upon the participant's initial and continuing compliance with the following requirements:

1. execution of applicable agreements with Nasdaq;
2. membership in, or access arrangement with a participant of, a clearing agency registered with the Commission which maintains facilities through which Nasdaq Market Center compared trades may be settled;
3. compliance with all applicable rules and operating procedures of Nasdaq and the Commission in their use of the System;
4. maintenance of the physical security of the equipment located on the premises of the Nasdaq Market Maker, Nasdaq ECN or Order Entry Firm to prevent the improper use or access to Nasdaq systems, including unauthorized entry of information into the Nasdaq Market Center;
5. acceptance and settlement of each Nasdaq Market Center trade that the Nasdaq Market Center identifies as having been effected by such participant, or if settlement is to be made through another clearing member, guarantee of the acceptance and settlement of such identified Nasdaq Market Center trade by the clearing member on the regularly scheduled settlement date; and
6. input of accurate information into the System, including, but not limited to, whether the member acted in a principal, agent, or riskless principal capacity.

A member's registration shall become effective upon receipt by the member of notice of an approval of registration by Nasdaq. The registration required hereunder will apply solely to the qualification of a Participant to participate in the System. Such registration shall not be conditioned upon registration in any particular Nasdaq Market Center securities.

(b) Each Nasdaq Market Maker, Nasdaq ECN or Order Entry Firm shall be under a continuing obligation to inform Nasdaq of noncompliance with any of the registration requirements set forth above.

(c) Nasdaq may impose upon any Nasdaq Market Maker, Nasdaq ECN or Order Entry Firm such temporary restrictions upon the automated entry or updating of orders or Quotes/Orders as Nasdaq may determine to be necessary to protect the integrity of Nasdaq's systems. For example, such temporary restrictions may be necessary to address a system problem at a particular Nasdaq Market Maker, Nasdaq ECN or Order Entry Firm or at Nasdaq, or an unexpected period of extremely high message traffic. The scope of any such restrictions shall be communicated to the affected Nasdaq Market Maker, Nasdaq ECN or Order Entry Firm in writing.


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Nasdaq Stock Market Rules, Regulation, 4612., Nasdaq, Registration as a Nasdaq Market Maker

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**(a)** Quotations and quotation sizes may be entered into the Nasdaq Market Center only by a member registered as a Nasdaq Market Maker or other entity approved by Nasdaq to function in a market-making capacity.

**(b)** A Nasdaq Market Maker may become registered in an issue by entering a registration request via a Nasdaq approved electronic interface with Nasdaq's systems or by contacting Nasdaq Market Operations. Registration shall become effective on the day the registration request is entered.

**(c)** A Nasdaq Market Maker's registration in an issue shall be terminated by Nasdaq if the market maker fails to enter quotations in the issue within five (5) business days after the market maker's registration in the issue becomes effective.

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Nasdaq Stock Market Rules, Regulation, 4613., Nasdaq, Market Maker Obligations

A member registered as a Market Maker shall engage in a course of dealings for its own account to assist in the maintenance, insofar as reasonably practicable, of fair and orderly markets in accordance with this Rule.

(a) Quotation Requirements and Obligations

(1) Two-Sided Quote Obligation. For each security in which a member is registered as a Market Maker, the member shall be willing to buy and sell such security for its own account on a continuous basis during regular market hours and shall enter and maintain a two-sided trading interest (“Two-Sided Obligation”) that is identified to the Exchange as the interest meeting the obligation and is displayed in the Exchange’s quotation montage at all times. Interest eligible to be considered as part of a Market Maker’s Two-Sided Obligation shall have a displayed quotation size of at least one normal unit of trading (or a larger multiple thereof); provided, however, that a Market Maker may augment its Two-Sided Obligation size to display limit orders priced at the same price as the Two-Sided Obligation. Unless otherwise designated, a “normal unit of trading” shall be 100 shares. After an execution against its Two-Sided Obligation, a Market Maker must ensure that additional trading interest exists in the Exchange to satisfy its Two-Sided Obligation either by immediately entering new interest to comply with this obligation to maintain continuous two-sided quotations or by identifying existing interest on the Exchange book that will satisfy this obligation.

(2) Pricing Obligations. For NMS stocks (as defined in Rule 600 under Regulation NMS) a Market Maker shall adhere to the pricing obligations established by this Rule during Regular Trading Hours; provided, however, that such pricing obligations (i) shall not commence during any trading day until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, and (ii) shall be suspended during a trading halt, suspension, or pause, and shall not recommence until after the first regular way transaction on the primary listing market in the security following such halt, suspension, or pause, as reported by the responsible single plan processor.

(A) Bid Quotations. At the time of entry of bid interest satisfying the Two-Sided Obligation, the price of the bid interest shall be not more than the Designated Percentage away from the then current National Best Bid, or if no National Best Bid, not more than the Designated Percentage away from the last reported sale from the responsible single plan processor. In the event that the National Best Bid (or if no National Best Bid, the last reported sale) increases to a level that would cause the bid interest of the Two-Sided Obligation to be more than the Defined Limit away from the National Best Bid (or if no National Best Bid, the last reported sale), or if the bid is executed or cancelled, the Market Maker shall enter new bid interest at a price not more than the Designated Percentage away from the then current National Best Bid (or if no National Best Bid, the last reported sale), or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.

(B) Offer Quotations. At the time of entry of offer interest satisfying the Two-Sided Obligation, the price of the offer interest shall be not more than the Designated Percentage away from the then current National Best Offer, or if no National Best Offer, not more than the Designated Percentage away from the last reported sale received from the responsible single plan processor. In the event that the National Best Offer (or if no National Best Offer, the last reported sale) decreases to a level that would cause the offer interest of the Two-Sided Obligation to be more than the Defined Limit away from the National Best Offer (or if no National Best Offer, the last reported sale), or if the offer is executed or cancelled, the Market Maker shall enter new offer interest at a price not more than the Designated Percentage away from the then current National Best Offer (or if no National Best Offer, the last reported sale), or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.
(C) The National Best Bid and Offer shall be determined by the Exchange in accordance with its procedures for determining protected quotations under Rule 600 under Regulation NMS.

(D) For purposes of this Rule, the “Designated Percentage” shall be 8% for securities subject to Rule 4120(a)(11)(A), 28% for securities subject to Rule 4120(a)(11)(B), and 30% for securities subject to Rule 4120(a)(11)(C), except that between 9:30 a.m. and 9:45 a.m. and between 3:35 p.m. and the close of trading, when Rule 4120(a)(11) is not in effect, the Designated Percentage shall be 20% for securities subject to Rule 4120(a)(11)(A), 28% for securities subject to Rule 4120(a)(11)(B), and 30% for securities subject to Rule 4120(a)(11)(C). The Designated Percentage for rights and warrants shall be 30%.

(E) For purposes of this Rule, the “Defined Limit” shall be 9.5% for securities subject to Rule 4120(a)(11)(A), 29.5% for securities subject to Rule 4120(a)(11)(B), and 31.5% for securities subject to Rule 4120(a)(11)(C), except that between 9:30 a.m. and 9:45 a.m. and between 3:35 p.m. and the close of trading, when Rule 4120(a)(11) is not in effect, the Defined Limit shall be 21.5% for securities subject to Rule 4120(a)(11)(A), 29.5% for securities subject to Rule 4120(a)(11)(B), and 31.5% for securities subject to Rule 4120(a)(11)(C).

(F) Reserved.

(G) Reserved.

(H) Nothing in this Rule shall preclude a Market Maker from quoting at price levels that are closer to the National Best Bid and Offer than the levels required by this Rule.

(I) The minimum quotation increment for quotations of $1.00 or above in all System Securities shall be $0.01. The minimum quotation increment in the System for quotations below $1.00 in System Securities shall be $0.0001.

(J) The individual Market Participant Identifier (“MPID”) assigned to a member to meet its Two-Sided Obligation pursuant to subparagraph (a)(1) of this Rule, or Rule 4623, shall be referred to as the member's "Primary MPID." Market Makers and ECNs may request the use if additional MPIDs that shall be referred to as "Supplemental MPIDs." A Market Maker may request the use of Supplemental MPIDs for displaying Attributable Quotes/Orders in the Nasdaq Quotation Montage for any security in which it is registered and meets the obligations set forth in subparagraph (1) of this rule. An ECN may request the use of Supplemental MPIDs for displaying Attributable Quotes/Orders in the Nasdaq Quotation Montage for any security in which it meets the obligations set forth in Rule 4623. A Market Maker or ECN that ceases to meet the obligations appurtenant to its Primary MPID in any security shall not be permitted to use a Supplemental MPID for any purpose in that security.

(K) Market Makers and ECNs that are permitted the use of Supplemental MPIDs for displaying Attributable Quotes/Orders pursuant to subparagraph (2) of this rule are subject to the same rules applicable to the members' first quotation, with two exceptions: (a) the continuous two-sided quote requirement and excused withdrawal procedures described in subparagraph (1) above do not apply to Market Makers' Supplemental MPIDs; and (b) Supplemental MPIDs may not be used by Market Makers to engage in passive market making or to enter stabilizing bids pursuant to Nasdaq Rules 4614 and 4619.

(b) Firm Quotations

(1) All quotations and orders to buy and sell entered into the System by Nasdaq Market Makers, Nasdaq ECNs, and Nasdaq Order Entry firms are firm and automatically executable for their displayed and non-displayed size in the System.

(c) Impaired Ability to Enter or Update Quotations
In the event that a Nasdaq Market Maker’s ability to enter or update quotations is impaired, the market maker shall immediately contact Nasdaq Market Operations to request the withdrawal of its quotations.

In the event that a Nasdaq Market Maker’s ability to enter or update quotations is impaired and the market maker elects to remain in Nasdaq, the Nasdaq Market Maker shall execute an offer to buy or sell received from another member at its quotations as disseminated through the Nasdaq Market Center.

(d) Reserved

(e) Locked and Crossed Markets

(1) Locked and Cross Markets within the System: Any quotes or orders that are entered into the System that would lock or cross another order in the System will be executed by the System. This processing, set forth in Rule 4757, ensures that no locked or crossed markets can exist within the System and that price improvement is allocated fairly.

(2) Inter-market Locked and Crossed Markets. Beginning March 5, 2007, the provisions of this subsection (e)(2) shall apply to the trading of securities governed by Regulation NMS.

(A) Definitions. For purposes of this Rule, the following definitions shall apply:

(i) The terms automated quotation, effective national market system plan, intermarket sweep order, manual quotation, NMS stock, protected quotation, regular trading hours, and trading center shall have the meanings set forth in Rule 600(b) of Regulation NMS under the Securities Exchange Act of 1934.

(ii) The term crossing quotation shall mean the display of a bid for an NMS stock during regular trading hours at a price that is higher than the price of an offer for such NMS stock previously disseminated pursuant to an effective national market system plan, or the display of an offer for an NMS stock during regular trading hours at a price that is lower than the price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan.

(iii) The term locking quotation shall mean the display of a bid for an NMS stock during regular trading hours at a price that equals the price of an offer for such NMS stock previously disseminated pursuant to an effective national market system plan, or the display of an offer for an NMS stock during regular trading hours at a price that equals the price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan.

(B) Prohibition. Except for quotations that fall within the provisions of paragraph (D) of this Rule, Nasdaq members shall reasonably avoid displaying, and shall not engage in a pattern or practice of displaying any quotations that lock or cross a protected quotation, and any manual quotations that lock or cross a quotation previously disseminated pursuant to an effective national market system plan.

(C) Manual quotations. If a member of the Exchange displays a manual quotation that locks or crosses a quotation previously disseminated pursuant to an effective national market system plan, such member of the Exchange shall promptly either withdraw the manual quotation or route an intermarket sweep order to execute against the full displayed size of the locked or crossed quotation.

(D) Exceptions.

(i) The locking or crossing quotation was displayed at a time when the trading center displaying the locked or crossed quotation was experiencing a failure, material delay, or malfunction of its systems or equipment.

(ii) The locking or crossing quotation was displayed at a time when a protected bid was higher than a protected offer in the NMS stock.

(iii) The locking or crossing quotation was an automated quotation, and the Nasdaq member...
displaying such automated quotation simultaneously routed an intermarket sweep order to execute against the full displayed size of any locked or crossed protected quotation.

(iv) The locking or crossing quotation was a manual quotation that locked or crossed another manual quotation, and the member of the Exchange displaying the locking or crossing manual quotation simultaneously routed an intermarket sweep order to execute against the full displayed size of the locked or crossed manual quotation.


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Nasdaq Stock Market Rules, Regulation, IM-4613., Nasdaq, Deleted


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Nasdaq Stock Market Rules, Regulation, 4614., Nasdaq, Stabilizing Bids

(a) Nasdaq Market Maker Obligation/Identifier
A Nasdaq Market Maker that intends to stabilize the price of a security that is a subject or reference security under SEC Rule 101 shall submit a request to Nasdaq MarketWatch for the entry of a one-sided bid that is identified on Nasdaq as a stabilizing bid in compliance with the standards set forth in this Rule and SEC Rules 101 and 104.

(b) Eligibility
Only one Nasdaq Market Maker in a security may enter a stabilizing bid.

(c) Limitations on Stabilizing Bids

   (1) A stabilizing bid shall not be entered in Nasdaq unless at least one other Nasdaq Market Maker in addition to the market maker entering the stabilizing bid is registered as a Nasdaq Market Maker in the security and entering quotations that are considered an independent bid under SEC Rule 104.

   (2) A stabilizing bid must be available for all freely tradable outstanding securities of the same class being offered.

(d) Submission of Request to Nasdaq

   (1) A Nasdaq Market Maker that wishes to enter a stabilizing bid shall submit a request to Nasdaq MarketWatch for entry on Nasdaq of a one-sided bid identified as a stabilizing bid. The Nasdaq Market Maker shall confirm its request in writing no later than the close of business the day the stabilizing bid is entered by submitting an Underwriting Activity Report to Nasdaq MarketWatch that includes the information required by subparagraph (d)(2).

   (2) In lieu of submitting the Underwriting Activity Report as set forth in subparagraph (d)(1), the market maker may provide written confirmation to Nasdaq MarketWatch that shall include:

       (A) the identity of the security and its symbol;

       (B) the contemplated effective date of the offering and the date when the offering will be priced;

       (C) the date and time that an identifier should be included on Nasdaq; and

       (D) a copy of the cover page of the preliminary or final prospectus or similar offering document, unless Nasdaq determines otherwise.


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Nasdaq Stock Market Rules, Regulation, 4615., Nasdaq, Sponsored Participants

(a) The Exchange shall be available for entry and execution of orders by Sponsored Participants with authorized access. Sponsored Access shall mean an arrangement whereby a member permits its customers to enter orders into the System that bypass the member’s trading system and are routed directly to the Exchange, including routing through a service bureau or other third party technology provider.

(b) Sponsored Participants. A Sponsored Participant may obtain authorized access to the Nasdaq Market Center only if such access is authorized in advance by one or more Exchange members as follows:

(i) Sponsored Participants must enter into and maintain customer agreements with one or more Sponsoring Members establishing proper relationship(s) and account(s) through which the Sponsored Participant may trade on the Nasdaq Market Center (“Customer Agreement”). Such Customer Agreement(s) must incorporate the Sponsorship Provisions set forth in paragraph (ii) below.

(ii) For a Sponsored Participant to obtain and maintain authorized access to the Nasdaq Market Center, a Sponsored Participant and its Sponsoring Member must agree in writing to the following Sponsorship Provisions:

(A) The authorized access must comply with Rule 15c3-5 under the Securities Exchange Act of 1934.

(B) Sponsoring Member acknowledges and agrees that

(1) All orders entered by the Sponsored Participants and any person acting on behalf of or in the name of such Sponsored Participant and any executions occurring as a result of such orders are binding in all respects on the Sponsoring Member and

(2) Sponsoring Member is responsible for any and all actions taken by such Sponsored Participant and any person acting on behalf of or in the name of such Sponsored Participant.

(C) Sponsoring Member shall comply with the Exchange's Limited Liability Company Agreement, By-Laws, Rules and procedures with regard to the Nasdaq Market Center and Sponsored Participant shall comply with the Exchange's Certificate of Incorporation, Bylaws, Rules and procedures with regard to the Nasdaq Market Center, as if Sponsored Participant were an Exchange Member.

(D) Sponsored Participant shall maintain, keep current and provide to the Sponsoring Member a list of individuals authorized to obtain access to the Nasdaq Market Center on behalf of the Sponsored Participant.

(E) Sponsored Participant shall familiarize its authorized individuals with all of the Sponsored Participant's obligations under this Rule and will assure that they receive appropriate training prior to any use or access to the Nasdaq Market Center.

(F) Sponsored Participant may not permit anyone other than authorized individuals to use or obtain access to the Nasdaq Market Center.

(G) Sponsored Participant shall take reasonable security precautions to prevent unauthorized use or access to the Nasdaq Market Center, including unauthorized entry of information into the Nasdaq Market Center, or the information and data made available therein. Sponsored Participant understands and agrees that Sponsored Participant is responsible for any and all orders, trades and other messages and instructions entered, transmitted or received under identifiers, passwords and security codes of authorized individuals, and for the trading and
other consequences thereof.

(H) Sponsored Participant acknowledges its responsibility to establish adequate procedures and controls that permit it to effectively monitor its employees', agents' and customers' use and access to the Nasdaq Market Center for compliance with the terms of this agreement.

(I) Sponsored Participant shall pay when due all amounts, if any, payable to Sponsoring Member, the Exchange, or any other third parties that arise from the Sponsored Participant's access to and use of the Nasdaq Market Center. Such amounts include, but are not limited to applicable exchange and regulatory fees.


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A Nasdaq Market Maker, Nasdaq ECN, or Order Entry Firm shall make such reports to Nasdaq as may be prescribed from time to time by Nasdaq.

Nasdaq Stock Market Rules, Regulation, 4617., Nasdaq, Normal Business Hours

The System operates from 4:00 a.m. to 8:00 p.m. Eastern. Time on each business day, unless modified by Nasdaq. A Nasdaq Market Maker shall be open for business as of 9:30 a.m. Eastern Time and shall close no earlier than 4:00 p.m. Eastern Time. A Nasdaq Market Maker may voluntarily open for business prior to 9:30 a.m. and remain open for business later than 4:00 p.m. Eastern Time. Nasdaq Market Makers whose quotes are open prior to 9:30 a.m. Eastern Time or after 4:00 p.m. Eastern Time shall be obligated to comply, while their quotes are open, with all Nasdaq Rules that are not by their express terms, or by an official interpretation of Nasdaq, inapplicable to any part of the 4:00 a.m. to 9:30 a.m. or 4:00 p.m. to 8:00 p.m. Eastern Time period.


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Nasdaq Stock Market Rules, Regulation, 4618., Nasdaq, Clearance and Settlement

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(a) All transactions through the facilities of the Nasdaq Market Center shall be cleared and settled through a registered clearing agency using a continuous net settlement system. This requirement may be satisfied by direct participation, use of direct clearing services, by entry into a correspondent clearing arrangement with another member that clears trades through such a clearing agency, or by use of the services of CDS Clearing and Depository Services, Inc. in its capacity as a member of such a clearing agency.

(b) Notwithstanding paragraph (a), transactions may be settled "ex-clearing" provided that both parties to the transaction agree.


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(a) Except as provided in paragraph (b) of this Rule, a market maker that wishes to withdraw quotations in a security or have its quotations identified as the quotations of a passive market maker shall contact Nasdaq MarketWatch to obtain excused withdrawal status prior to withdrawing its quotations or identification as a passive market maker. Withdrawals of quotations or identifications of quotations as those of a passive market maker shall be granted by Nasdaq MarketWatch only upon satisfying one of the conditions specified in this Rule.

(b) A Nasdaq Market Maker that wishes to obtain excused withdrawal status based on a market maker's systemic equipment problems, such as defects in a Nasdaq Market Maker's software or hardware systems or connectivity problems associated with the circuits connecting Nasdaq Market Center systems with the Nasdaq Market Maker's systems, shall contact Nasdaq Market Operations. Nasdaq Market Operations may grant excused withdrawal status based on systemic equipment problems for up to five (5) business days, unless extended by Nasdaq Market Operations.

(c) (1) For Nasdaq-listed securities, excused withdrawal status based on circumstances beyond the Nasdaq Market Maker's control, other than systemic equipment problems, may be granted for up to five (5) business days, unless extended by Nasdaq MarketWatch. Excused withdrawal status based on demonstrated legal or regulatory requirements, supported by appropriate documentation and accompanied by a representation that the condition necessitating the withdrawal of quotations is not permanent in nature, may, upon notification, be granted for not more than sixty (60) days (unless such request is required to be made pursuant to paragraph (e) below). Excused withdrawal status based on religious holidays may be granted only if written notice is received by Nasdaq one business day in advance and is approved by Nasdaq. Excused withdrawal status based on vacation may be granted only if:

(A) The written request for withdrawal is received by Nasdaq one business day in advance, and is approved by Nasdaq.

(B) The request includes a list of the securities for which withdrawal is requested; and

(C) The request is made by a Nasdaq Market Maker with three (3) or fewer Nasdaq level 3 terminals. Excused withdrawal status may be granted to a Nasdaq Market Maker that has withdrawn from an issue prior to the public announcement of a merger or acquisition and wishes to re-register in the issue pursuant to the same-day registration procedures contained in Rule 4611 above, provided the Nasdaq Market Maker has remained registered in one of the affected issues. The withdrawal of quotations because of pending news, a sudden influx of orders or price changes, or to effect transactions with competitors shall not constitute acceptable reasons for granting excused withdrawal status.

(2) For securities listed on exchanges other than Nasdaq, a Nasdaq Market Maker that wishes to withdraw quotations shall contact Nasdaq MarketWatch to obtain excused withdrawal status prior to withdrawing its quotations. Excused withdrawal status based on illness, vacations or physical circumstances beyond the Market Maker's control may be granted for up to five (5) business days, unless extended by Nasdaq MarketWatch. Excused withdrawal status based on investment activity or advice of legal counsel, accompanied by a representation that the condition necessitating the withdrawal of quotations is not permanent in nature, may, upon written request, be granted for not more than sixty (60) days. The withdrawal of quotations because of pending news, a sudden influx of orders or price changes, or to effect transactions with competitors shall not normally constitute acceptable reasons for granting excused withdrawal status, unless Nasdaq has initiated a trading halt for Market Makers in the security, pursuant to Rule 4120.
(d) Excused withdrawal status may be granted to a Nasdaq Market Maker that fails to maintain a clearing arrangement with a registered clearing agency or with a member of such an agency and is withdrawn from participation in the trade reporting service of the Nasdaq Market Center, thereby terminating its registration as a Nasdaq Market Maker. Provided however, that if Nasdaq finds that the Nasdaq Market Maker's failure to maintain a clearing arrangement is voluntary, the withdrawal of quotations will be considered voluntary and unexcused pursuant to Rule 4620 and the Rule 4700 Series governing the Nasdaq Market Center. Nasdaq Market Makers that fail to maintain a clearing relationship will have their Nasdaq Market Center system status set to "suspend" and be thereby prevented from entering, or executing against, any quotes/orders in the system.

(e) Excused withdrawal status or passive market maker status may be granted to a Nasdaq Market Maker that is a distribution participant (or, in the case of excused withdrawal status, an affiliated purchaser) in order to comply with SEC Rule 101, 103, or 104 under the Act on the following conditions:

1. A member acting as a manager (or in a similar capacity) of a distribution of a security that is a subject security or reference security under SEC Rule 101 and any member that is a distribution participant or an affiliated purchaser in such a distribution that does not have a manager shall provide written notice to Nasdaq MarketWatch and the Market Regulation Department of FINRA no later than the business day prior to the first entire trading session of the one-day or five-day restricted period under SEC Rule 101, unless later notification is necessary under the specific circumstances.

   A. The notice required by subparagraph (e)(1) of this Rule shall be provided by submitting a completed Underwriting Activity Report that includes a request on behalf of each Nasdaq Market Maker that is a distribution participant or an affiliated purchaser to withdraw the Nasdaq Market Maker's quotations, or that includes a request on behalf of each Nasdaq Market Maker that is a distribution participant (or an affiliated purchaser of a distribution participant) that its quotations be identified as those of a passive market maker and includes the contemplated date and time of the commencement of the restricted period.

   B. The managing underwriter shall advise each Nasdaq Market Maker that it has been identified as a distribution participant or an affiliated purchaser to Nasdaq MarketWatch and that its quotations will be automatically withdrawn or identified as passive market maker quotations, unless a market maker that is a distribution participant (or an affiliated purchaser of a distribution participant) notifies Nasdaq MarketWatch as required by subparagraph (e)(2), below.

2. A Nasdaq Market Maker that has been identified to Nasdaq MarketWatch as a distribution participant (or an affiliated purchaser of a distribution participant) shall promptly notify Nasdaq MarketWatch and the manager of its intention not to participate in the prospective distribution or not to act as a passive market maker in order to avoid having its quotations withdrawn or identified as the quotations of a passive market maker.

3. If a Nasdaq Market Maker that is a distribution participant withdraws its quotations in a Nasdaq security in order to comply with the net purchases limitation of SEC Rule 103 or with any other provision of SEC Rules 101, 103, or 104 and promptly notifies Nasdaq MarketWatch of its action, the withdrawal shall be deemed an excused withdrawal. Nothing in this subparagraph shall prohibit Nasdaq from taking such action as is necessary under the circumstances against a member and its associated persons for failure to contact Nasdaq MarketWatch to obtain an excused withdrawal as required by subparagraphs (a) and (e) of this Rule.

4. The quotations of a passive market maker shall be identified on Nasdaq as those of a passive market maker.

5. A member acting as a manager (or in a similar capacity of a distribution subject to subparagraph (e)(1)) of this Rule shall submit a request to Nasdaq MarketWatch and the Market Regulation Department.
of FINRA to rescind the excused withdrawal status or passive market making status of distribution participants and affiliated purchasers, which request shall include the date and time of the pricing of the offering, the offering price, and the time the offering terminated, and, if not in writing, shall be confirmed in writing no later than the close of business the day the offering terminates. The request by this subparagraph may be submitted on the Underwriting Activity Report.

(f) The Nasdaq Review Council shall have jurisdiction over proceedings brought by Nasdaq Market Makers seeking review of the denial of an excused withdrawal pursuant to this Rule 4619, or the conditions imposed on their reentry.

(g) A Nasdaq Market Maker that wishes to reinstate its quotations in a security after an excused withdrawal pursuant to Rule 4619 shall contact Nasdaq to notify Nasdaq of its intention to be reinstated. Upon confirmation by Nasdaq that the market maker is reinstated, the market maker will have no longer than ten minutes to meet its market making obligations under Rule 4613.
Nasdaq Stock Market Rules, Regulation, 4620., Nasdaq, Voluntary Termination of Registration

(a) A market maker may voluntarily terminate its registration in a security by withdrawing its two-sided quotation from the Nasdaq Market Center. A Nasdaq Market Maker that voluntarily terminates its registration in a security may not re-register as a market maker in that security for twenty (20) business days in the case of Nasdaq-listed securities or for one (1) business day in the case of ITS securities. Withdrawal from participation as a Nasdaq Market Maker in the Nasdaq Market Center shall constitute termination of registration as a market maker in that security for purposes of this Rule; provided, however, that a Nasdaq Market Maker that fails to maintain a clearing arrangement with a registered clearing agency or with a member of such an agency and is withdrawn from participation in the Nasdaq Market Center and thereby terminates its registration as a Nasdaq Market Maker may register as a market maker at any time after a clearing arrangement has been reestablished unless Nasdaq finds that the Nasdaq Market Maker's failure to maintain a clearing arrangement is voluntary, in which case the withdrawal of quotations will be considered voluntary and unexcused.

(b) Notwithstanding the above, a Nasdaq Market Maker that accidentally withdraws as a Nasdaq Market Maker may be reinstated if:

1. the Nasdaq Market Maker notified MarketWatch of the accidental withdrawal as soon as practicable under the circumstances, but within at least one hour of such withdrawal, and immediately thereafter provided written notification of the withdrawal and reinstatement request;

2. it is clear that the withdrawal was inadvertent and the market maker was not attempting to avoid its market making obligations; and

3. the Nasdaq Market Maker's firm would not exceed the following reinstatement limitations:

   A. for firms that simultaneously made markets in less than 250 stocks during the previous calendar year, the firm can receive no more than two (2) reinstatements per year;

   B. for firms that simultaneously made markets in 250 or more but less than 500 stocks during the previous calendar year, the firm can receive no more than three (3) reinstatements per year; and

   C. for firms that simultaneously made markets in 500 or more stocks during the previous calendar year, the firm can receive no more than six (6) reinstatements per year.

(c) Factors that Nasdaq will consider in granting a reinstatement under paragraph (b) of this rule include, but are not limited to:

1. the number of accidental withdrawals by the Nasdaq Market Maker in the past, as compared with Nasdaq Market Makers making markets in a comparable number of stocks;

2. the similarity between the symbol of the stock that the Nasdaq Market Maker intended to withdraw from and the symbol of the stock that the Nasdaq Market Maker actually withdrew from;

3. market conditions at the time of the withdrawal;

4. whether, given the market conditions at the time of the withdrawal, the withdrawal served to reduce the exposure of the member's position in the security at the time of the withdrawal to market risk; and

5. the timeliness with which the Nasdaq Market Maker notified MarketWatch of the error.
(d) For purposes of paragraph (a) of this Rule, a market maker shall not be deemed to have voluntarily terminated its registration in a security by voluntarily withdrawing its two-sided quotation from the Nasdaq Market Center if the Nasdaq Market Maker's two-sided quotation in the subject security is withdrawn by Nasdaq's systems due to issuer corporate action related to a dividend, payment or distribution, or due to a trading halt, and one of the following conditions is satisfied:

(1) the Nasdaq Market Maker enters a new two-sided quotation prior to the close of the regular market session on the same day when Nasdaq's systems withdrew such a quotation;

(2) the Nasdaq Market Maker enters a new two-sided quotation on the day when trading resumes following a trading halt, or, if the resumption of trading occurs when the market is not in regular session, the Nasdaq Market Maker enters a new two-sided quotation prior to the opening of the next regular market session; or

(3) upon request from the market maker, Nasdaq MarketWatch authorizes the market maker to enter a new two-sided quotation, provided that Nasdaq MarketWatch receives the market maker's request prior to the close of the regular market session on the next regular trading day after the day on which the market maker became eligible to re-enter a quotation pursuant to subparagraph (d)(1) or (d)(2) hereof and determines that the market maker was not attempting to avoid its market making obligations by failing to re-enter such a quotation earlier.

(e) The Nasdaq Review Council shall have jurisdiction over proceedings brought by market makers seeking review of their denial of a reinstatement pursuant to paragraphs (b) or (d) of this Rule.

Nasdaq may, pursuant to the procedures set forth in the Rule 9000 Series, suspend, condition, limit, prohibit or terminate the authority of a Nasdaq Market Maker, Nasdaq ECN, or Order Entry Firm to enter quotations in one or more authorized securities for violations of applicable requirements or prohibitions.

Nasdaq Stock Market Rules, Regulation, 4622., Nasdaq, Termination of Nasdaq Service

Nasdaq may, upon notice, terminate Nasdaq service in the event that a Nasdaq Market Maker, Nasdaq ECN, or Order Entry Firm fails to qualify under specified standards of eligibility or fails to pay promptly for services rendered by Nasdaq.


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Nasdaq Stock Market Rules, Regulation, 4623., Nasdaq, Alternative Trading Systems

(a) Nasdaq may provide a means to permit alternative trading systems ("ATSs"), as such term is defined in Regulation ATS, and electronic communications networks ("ECNs"), as such term is defined in SEC Rule 600,

(1) to comply with SEC Rule 301(b)(3);

(2) to comply with the terms of the ECN display alternative provided for in SEC Rule 602(b)(5)(ii)(A) and (B) ("ECN display alternatives"); or

(3) to provide orders to Nasdaq voluntarily.

In providing any such means, Nasdaq shall establish a mechanism that permits the ATS or ECN to display the best prices and sizes of orders entered into the ATS or ECN by subscribers of the ATS or ECN, if the ECN or ATS so chooses or is required by SEC Rule 301(b)(3) to display a subscriber's order in Nasdaq, and allows any Nasdaq member the electronic ability to effect a transaction with such priced orders that is equivalent to the ability to effect a transaction with a Nasdaq market maker quotation in Nasdaq operated systems.

(b) An ATS or ECN that seeks to utilize the Nasdaq-provided means to comply with SEC Rule 301(b)(3), the ECN display alternatives, or to provide orders to Nasdaq voluntarily shall:

(1) demonstrate to Nasdaq that it is in compliance with Regulation ATS or that it qualifies as an ECN meeting the definition in the SEC Rule 600;

(2) be registered as a Nasdaq member;

(3) enter into and comply with the terms of applicable agreements with Nasdaq;

(4) agree to provide for Nasdaq's dissemination in the quotation data made available to quotation vendors the prices and sizes of subscriber orders of the ATS or ECN, if the ATS or ECN so chooses or is required by SEC Rule 301(b)(3) to display a subscriber's order in Nasdaq, at the highest buy price and the lowest sell price for each Nasdaq security entered in and widely disseminated by the ATS or ECN; and prior to entering such prices and sizes, register with Nasdaq Market Operations as an ATS or ECN;

(5) provide an automatic execution of any quote or order entered into the System by the ATS or ECN.
Nasdaq Stock Market Rules, Regulation, 4624., Nasdaq, Penalty Bids and Syndicate Covering Transactions

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(a) A Nasdaq Market Maker acting as a manager (or in a similar capacity) of a distribution of a security that is a subject or reference security under SEC Rule 101 shall provide written notice to the Corporate Financing Department of FINRA of its intention to impose a penalty bid on syndicate members or to conduct syndicate covering transactions pursuant to SEC Rule 104 prior to imposing the penalty bid or engaging in the first syndicate covering transaction. A Nasdaq Market Maker that intends to impose a penalty bid on syndicate members may request that its quotation be identified as a penalty bid on Nasdaq pursuant to paragraph (c) below.

(b) The notice required by paragraph (a) shall include:

(1) the identity of the security and its symbol;

(2) the date the member is intending to impose the penalty bid and/or conduct syndicate covering transactions.

(c) Notwithstanding paragraph (a), a Nasdaq Market Maker may request that its quotation be identified as a penalty bid on Nasdaq display by providing notice to Nasdaq MarketWatch, which notice shall include the date and time that the penalty bid identifier should be entered on Nasdaq and, if not in writing, shall be confirmed in writing no later than the close of business the day the penalty bid identifier is entered on Nasdaq.

(d) The written notice required by this Rule may be submitted on the Underwriting Activity Report.

Nasdaq Stock Market Rules, Regulation, 4625., Nasdaq, Obligation to Provide Information

(a) A Nasdaq Market Maker, Nasdaq ECN, or Order Entry Firm operating in or participating in the Nasdaq Market Center or other Nasdaq-operated system shall provide information orally, in writing, or electronically (if such information is, or is required to be, maintained in electronic form) to the staff of Nasdaq when:

(1) Nasdaq MarketWatch staff makes an oral, written, or electronically communicated request for information relating to a specific Nasdaq rule, SEC rule, or provision of a joint industry plan (e.g., UTP, CTA, and CQA) (as promulgated and amended from time-to-time) that Nasdaq MarketWatch is responsible for administering or to other duties and/or obligations imposed on Nasdaq MarketWatch by Nasdaq; this shall include, but not be limited to, information relating to:

(A) a locked or crossed market; or
(B) trading activity, rumors, or information that a member may possess that may assist in determining whether there is a basis to initiate a trading halt, pursuant to Nasdaq Rule 4120 and IM-4120-1; or
(C) a clearly erroneous transaction, pursuant to Nasdaq Rule 11890; or
(D) a request for an excused withdrawal or reinstatement, pursuant to Nasdaq Rules 4619, and 4620; or
(E) trade-throughs; or
(F) a request to submit a stabilizing bid, pursuant to Nasdaq Rule 4614, or a request to have a quotation identified as a penalty bid on Nasdaq, pursuant to Nasdaq Rule 4624.

(2) Nasdaq Market Operations staff makes an oral, written, or electronically communicated request for information relating to a specific Nasdaq rule, SEC rule, provision of a joint industry plan (e.g., UTP, CTA, and CQA) (as promulgated and amended from time-to-time) that Nasdaq Market Operations is responsible for administering or to other duties and/or obligations for which Nasdaq Market Operations is responsible; this shall include, but not be limited to, information relating to an equipment failure.

(b) A failure to comply in a timely, truthful, and/or complete manner with a request for information made pursuant to this rule may be deemed conduct inconsistent with just and equitable principles of trade.


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Nasdaq Stock Market Rules, Regulation, 4626., Nasdaq, Limitation of Liability

(a) Except as provided for in paragraph (b) below, Nasdaq and its affiliates shall not be liable for any losses, damages, or other claims arising out of the Nasdaq Market Center or its use. Any losses, damages, or other claims, related to a failure of the Nasdaq Market Center to deliver, display, transmit, execute, compare, submit for clearance and settlement, adjust, retain priority for, or otherwise correctly process an order, Quote/Order, message, or other data entered into, or created by, the Nasdaq Market Center shall be absorbed by the member, or the member sponsoring the customer, that entered the order, Quote/Order, message, or other data into the Nasdaq Market Center.

(b) Nasdaq, subject to the express limits set forth below, may compensate users of the Nasdaq Market Center for losses directly resulting from the systems' actual failure to correctly process an order, Quote/Order, message, or other data, provided the Nasdaq Market Center has acknowledged receipt of the order, Quote/Order, message, or data.

(1) For the aggregate of all claims made by all market participants related to the use of the Nasdaq Market Center during a single calendar month, Nasdaq's payment shall not exceed the larger of $500,000, or the amount of the recovery obtained by Nasdaq under any applicable insurance policy.

(2) Notwithstanding subsection (b)(1) above, for the aggregate of all claims made by all market participants during a single calendar month:

(4) related to a systems malfunction or error of the Nasdaq Market Center concerning locked/crossed market (Rule 610 of Regulation NMS), trade through protection (Rule 611 of Regulation NMS), market maker quoting (Rule 4613), order protection (Rule 4613), or firm quote compliance (Rule 4613) functions of the market participant to the extent that such functions are that are electronically enforced by the Nasdaq trading system, and

(5) where Nasdaq determines in its sole discretion that such systems malfunction or error was caused exclusively by Nasdaq and no outside factors contributed to the systems malfunction or error,

Nasdaq's payment during a single calendar month shall not exceed the larger of $3,000,000, or the amount of the recovery obtained by Nasdaq under any applicable insurance policy.

(3) Notwithstanding subsections (b)(1) and (2) above, for the aggregate of all claims alleged by all market participants related to errors in the Nasdaq Halt and Imbalance Cross Process in connection with the initial public offering of Facebook, Inc. (the “Cross”), including any delay in delivery of confirmations of orders in Facebook, Inc. stock on May 18, 2012, the total amount of Nasdaq’s payment shall not exceed $62 million. Eligibility of claims for payment shall be determined in accordance with the following procedures:

(C) All claims for compensation under this subsection shall arise solely from realized or unrealized direct trading losses arising from the following specific Cross orders:

(5) SELL Cross orders that were submitted between 11:11 a.m. ET and 11:30 a.m. ET on May 18, 2012, that were priced at $42.00 or less, and that did not execute.

(6) SELL Cross orders that were submitted between 11:11 a.m. ET and 11:30 a.m. ET on May 18, 2012, that were priced at $42.00 or less, and that executed at a price below $42.00.

(7) BUY Cross orders priced at exactly $42.00 and that were executed in the Cross but not immediately confirmed.
(8) BUY Cross orders priced above $42.00 and that were executed in the Cross but not immediately confirmed, but only to the extent entered with respect to a customer that was permitted by the member to cancel its order prior to 1:50 p.m. and for which a request to cancel the order was submitted to Nasdaq by the member, also prior to 1:50 p.m.

For purposes of this rule, unless stated otherwise, the term "customer" shall be construed to include any unaffiliated entity upon whose behalf an order is entered, including any unaffiliated broker or dealer.

(D) In determining trading losses under this subsection, the measure of loss for the Cross orders described in paragraphs (b)(3)(A)(i), (iii), and (iv) will be the lesser of (i) the differential between the expected execution price of the orders in the Cross process that established an opening print of $42.00 and the actual execution price received; or (ii) the differential between the expected execution price of the orders in the Cross process that established an opening print of $42.00 and a benchmark price of $40.527, which constitutes the volume-weighted average price of Facebook, Inc. stock on May 18, 2012, between 1:50 p.m. ET and 2:35 p.m. ET. The measure of loss for the Cross orders described in paragraph (b)(3)(A)(ii) will be the differential between the expected execution price of the orders in the Cross process that established an opening print of $42.00 and the actual execution price received. In addition, with respect to claims arising under subparagraph (b)(3)(A)(iv), the amount of loss will be reduced by 30%. Each member's direct trading losses calculated in accordance with paragraphs (b)(3)(A) and (B) shall be referred to herein as the "Member's Share".

(E) Alleged losses arising in any form or that in any way result from any other causes, including but not limited to the following, shall not be considered losses subject to potential accommodation for purposes of this subsection (b)(3): orders received after the commencement of continuous regular trading in Facebook, Inc.; individual member firm technology issues or system failures, or member firm operational issues or operational failures; other than actions described in paragraph (b)(3)(A) and (B), affirmative trading actions taken by member firms; alleged or speculative lost trading opportunities or alleged or speculative lost business profits of any description; non-marketable Cross orders for which, based on their price, there was no reasonable expectation that orders had been executed; and a member firm’s failure to adequately and appropriately mitigate losses or adjust trading positions.

(F) All claims pursuant to this subsection must be submitted in writing not later than 11:59 p.m. ET on April 8, 2013, and shall be processed and evaluated by the Financial Industry Regulatory Authority ("FINRA") applying the accommodation standards set forth in this Rule. FINRA may request such supplemental information as FINRA deems necessary to assist FINRA’s evaluation of claims.

(G) FINRA shall provide to the Nasdaq Board of Directors and the Board of Directors of Nasdaq, Inc. an analysis of the total value of eligible claims submitted under this subsection (b)(3). Nasdaq will thereafter file with the Securities and Exchange Commission a rule proposal setting forth the amount of eligible claims under the standards set forth in this Rule and the amount proposed to be paid to members by Nasdaq. In no event shall Nasdaq make any payments on claims pursuant to this subsection (b)(3) until the rule proposal setting forth the amount of eligible claims becomes effective. All payments shall be made in cash.

(H) All payments to members under this subsection will be contingent upon the submission to Nasdaq, not later than 7 days after the effective date of the rule proposal described in paragraph (b)(3)(E), of an attestation detailing:

(V) the amount of compensation, accommodation, or other economic benefit provided or to be provided by the member to its customers (other than customers that were brokers or dealers trading for their own account) in respect of trading in Facebook Inc. on May
18, 2012 ( "Customer Compensation"), and

(W) the extent to which the losses reflected in the Member’s Share were incurred by the member trading for its own account or for the account of a customer that was a broker or dealer trading for its own account ( "Covered Proprietary Losses").

Failure to provide the required attestation within the specified time limit will void the member’s eligibility to receive an accommodation pursuant to this subsection. Each member shall be required to maintain books and records that detail the nature and amount Customer Compensation and Covered Proprietary Losses.

(I) Accommodation payments under this subsection will be made in two tranches of priority:

(3) First, if the member has provided Customer Compensation, the member will receive an amount equal to the lesser of the Member’s Share or the amount of Customer Compensation;

(4) Second, the member will receive an amount with respect to Covered Proprietary Losses; provided, however, that the sum of payments to a member hereunder shall not exceed the Member’s Share.

In the event that the amounts calculated under tranche (i) exceed $62 million, accommodation will be prorated among members eligible to receive accommodation under tranche (i) based on the size of the amounts payable under tranche (i). In the event that tranche (i) is paid in full and the amounts calculated under tranche (ii) exceed the funds remaining from the $62 million accommodation pool, such funds will be prorated among members eligible to receive accommodation under tranche (ii) based on the size of the amounts payable under tranche (ii). If a member’s eligibility to receive funds is voided for any reason under this rule, and the funds payable to other members must be prorated hereunder, the funds available to pay other members will be increased accordingly.

(J) All payments to members under this subsection will be contingent upon the execution and delivery to Nasdaq of a release by the member of all claims by it or its affiliates against Nasdaq or its affiliates for losses that arise out of, are associated with, or relate in any way to the Facebook, Inc. IPO Cross or to any actions or omissions related in any way to that Cross, including but not limited to the execution or confirmation of orders in Facebook, Inc. on May 18, 2012. Failure to provide the required release within 14 days after the effective date of the rule proposal described in paragraph (b)(3)(E) will void the member’s eligibility to receive an accommodation pursuant to this subsection.

(K) Notwithstanding paragraph (b)(3)(D), a member that did not submit a claim prior to 11:59 p.m. ET on April 8, 2013 and that is not subject to a release executed and delivered to Nasdaq under paragraph (b)(3)(H) may submit a claim under this subsection prior to 11:59 p.m. ET on June 19, 2015 (each, a “2015 Claim” and collectively, the “2015 Claims”). All 2015 Claims shall be processed and evaluated by FINRA applying the accommodation standards set forth in paragraphs (b)(3)(A), (B), (C) of this Rule. FINRA may request such supplemental information as FINRA deems necessary to assist FINRA’s evaluation of 2015 Claims. FINRA shall provide to the Nasdaq Board of Directors and the Board of Directors of Nasdaq, Inc. an analysis of the total value of eligible 2015 Claims. Nasdaq will thereafter notify members of the value of 2015 Claims and pay valid 2015 Claims in accordance with the following parameters:

(3) All payments of 2015 Claims will be contingent upon the submission to Nasdaq, not later than 7 days after the member’s receiving notice of the value its 2015 Claim, of an attestation detailing Customer Compensation and Covered Proprietary Losses (as such terms are defined in paragraph (b)(3)(F) of this Rule) with respect to its 2015 Claim. Failure to provide the required attestation within the specified time limit will void the member’s eligibility to receive an accommodation pursuant to this subsection. Each
member shall be required to maintain books and records that detail the nature and amount of Customer Compensation and Covered Proprietary Losses with respect to 2015 Claims.

(4) Accommodation payments for 2015 Claims will be made in two tranches of priority:

   (E) First, if the member has provided Customer Compensation, the member will receive an amount equal to the lesser of the Member's Share (as defined in paragraph (b)(3)(B) of this Rule) or the amount of Customer Compensation ("Tranche A");

   (F) Second, the member will receive an amount with respect to Covered Proprietary Losses; provided, however, that the sum of payments to a member hereunder shall not exceed the Member's Share ("Tranche B").

In the event that the amounts calculated under Tranche A, together with the amounts previously paid under this subsection, exceed $62 million, the accommodation will be prorated among members eligible to receive accommodation under Tranche A based on the size of the amounts payable under Tranche A. In the event that Tranche A is paid in full and the amounts calculated under Tranche B, together with the amounts previously paid under this subsection, exceed $62 million, the accommodation will be prorated among members eligible to receive accommodation under Tranche B based on the size of the amounts payable under Tranche B. If a member's eligibility to receive funds is voided for any reason under this rule, and the funds payable to other members must be prorated hereunder, the funds available to pay other members will be increased accordingly.

(5) All payments of 2015 Claims will be contingent upon the execution and delivery to Nasdaq of a release by the member of all claims by it or its affiliates against Nasdaq or its affiliates for losses that arise out of, are associated with, or relate in any way to the Facebook, Inc. IPO Cross or to any actions or omissions related in any way to that Cross, including but not limited to the execution or confirmation of orders in Facebook, Inc. on May 18, 2012. The member's failure to provide the required release within 14 days after receiving notice of the value its 2015 Claim will void the member's eligibility to receive an accommodation pursuant to this subsection.

(6) All payments of 2015 Claims shall be made in cash. Payment to a member shall be made as soon as practicable following the completion of all documents required hereunder.

(4) In no event shall Nasdaq’s total payment during a single calendar month pursuant to this rule exceed the amount determined pursuant to this rule.

(5) In the event all of the claims arising out of the use of the Nasdaq Market Center cannot be fully satisfied because in the aggregate they exceed the maximum amount of liability provided for in this Rule, then the maximum amount will be proportionally allocated among all such claims arising during a single calendar month.

(6) With the exception of claims submitted under subsection (b)(3) above, all claims for compensation pursuant to this Rule shall be in writing and must be submitted no later than 12:00 P.M. ET on the next business day following the day on which the use of the Nasdaq Market Center gave rise to such claims. Nothing in this rule shall obligate Nasdaq to seek recovery under any applicable insurance policy. Nothing in this rule shall waive Nasdaq’s limitations on, or immunities from, liability as set forth in its Rules or agreements, or that otherwise apply as a matter of law.

Nasdaq Stock Market Rules, Regulation, 4627., Nasdaq, Obligation to Honor System Trades

(a) If a Participant, or clearing member acting on a Participant’s behalf, is reported by the System, or shown by the activity reports generated by the System, as constituting a side of a System trade, such Participant, or clearing member acting on its behalf, shall honor such trade on the scheduled settlement date.

(b) Nasdaq shall have no liability if a Participant, or a clearing member acting on the Participant’s behalf, fails to satisfy the obligations in paragraph (a).


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Nasdaq Stock Market Rules, Regulation, 4628., Nasdaq, Compliance with Rules and Registration Requirements

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(a) Failure by a Participant to comply with any of the rules or registration requirements applicable to the Nasdaq Market Center identified herein shall subject such Participant to censure, fine, suspension or revocation of its registration as a Nasdaq Market Maker, Order Entry Firm, and/or Nasdaq ECN or any other fitting penalty under the Nasdaq Rules.

(b) (1) If a Participant fails to maintain a clearing relationship as required under paragraphs (a)(2) of Rule 4611, it shall be removed from the Nasdaq Market Center until such time as a clearing arrangement is reestablished.

(2) A Participant that is not in compliance with its obligations under paragraphs (a)(2) of Rule 4611 shall be notified when Nasdaq exercises it authority under paragraph (b)(1) above.

(3) The authority and procedures contained in this paragraph (b) do not otherwise limit Nasdaq's authority, contained in other provisions of the Nasdaq Rules, to enforce its rules or impose any fitting sanction.


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Nasdaq Stock Market Rules, Regulation, 4630., Nasdaq, Trading in Commodity-Related Securities

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(a) Nasdaq will consider for trading pursuant to unlisted trading privileges, a Commodity-Related Security that meets the criteria of this Rule. Unless otherwise noted, a Commodity-Related Security approved for trading under this rule is eligible for trading during all Nasdaq market sessions if members comply with Nasdaq Rule 4631 when accepting Commodity-Related Security orders for execution in the pre-market session or post-market session.

(b) Applicability. This Rule is applicable only to Commodity-Related Securities. Except to the extent inconsistent with this Rule, or unless the context otherwise requires, the provisions of all other Nasdaq Rules shall be applicable to the trading on Nasdaq of such securities. Commodity-Related Securities are included within the definition of "security" or "securities" as such terms are used in the Nasdaq Rules.

(c) Definitions. The following terms shall, unless the context otherwise requires, have the meaning herein specified:

(1) Commodity-Related Security. The term "Commodity-Related Security" means a security that is issued by a trust, partnership, commodity pool or similar entity that invests, directly or through another entity, in any combination of commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives, or the value of which is determined by the value of commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives.

(2) Commodity. The term "commodity" is defined in Section 1(a)(4) of the Commodity Exchange Act.

(d) Information Barriers. A member acting as a registered market maker in a Commodity-Related Security is obligated to establish adequate information barriers when such market maker engages in inter-departmental communications. Members should refer to NASD/NYSE Joint Memo on Chinese Wall Policies and Procedures (NASD Notice to Members 91-45) for guidance on the "minimum elements" of adequate Chinese Wall policy and procedures. For purposes of a Commodity-Related Security only, "inter-departmental communications" shall include communications to other departments within the same firm or the firm's affiliates that involve trading in commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives underlying such Commodity-Related Security.

(e) Market Maker Accounts. A member acting as a registered market maker in a Commodity-Related Security must file with Nasdaq Regulation in a manner prescribed by Nasdaq Regulation and keep current a list identifying all accounts for trading in commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives underlying such Commodity-Related Security, in which the market maker holds an interest, over which it may exercise investment discretion, or in which it shares in the profits and losses. No market maker shall trade in, or exercise investment discretion with respect to, such underlying commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives, in an account in which a market maker, directly or indirectly, controls trading activities, or has an interest in the profits or losses thereof, that has not been reported as required by this Rule.

(f) The member acting as a registered market maker in a Commodity-Related Security shall make available to Nasdaq Regulation such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives underlying such Commodity-Related Security, as may be requested by Nasdaq.
(g) In connection with trading a Commodity-Related Security or commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives underlying a Commodity-Related Security, the member acting as a market maker in a Commodity-Related Security shall not use any material nonpublic information received from any person associated with the member or employee of such person regarding trading by such person or employee in the commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives underlying such Commodity-Related Security.

(h) Nasdaq requires that members provide all purchasers of a newly issued Commodity-Related Security a prospectus for such Commodity-Related Security.

No member may accept an order from a customer for execution in the premarket session or post-market session without disclosing to such customer that extended hours trading involves material trading risks, including the possibility of lower liquidity, high volatility, changing prices, unlinked markets, an exaggerated effect from news announcements, wider spreads and any other relevant risk. The absence of an updated underlying index value or intraday indicative value is an additional trading risk in extended hours for Derivative Securities Products.

The disclosures required pursuant to this rule may take the following form or such other form as provides substantially similar information:

(D) Risk of Lower Liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.

(E) Risk of Higher Volatility. Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price in extended hours trading than you would during regular market hours.

(F) Risk of Changing Prices. The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening of the next morning. As a result, you may receive an inferior price in extended hours trading than you would during regular market hours.

(G) Risk of Unlinked Markets. Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.

(H) Risk of News Announcements. Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

(I) Risk of Wider Spreads. The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

(J) Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value ("IIV"). For certain Derivative Securities Products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the pre-market and post-market sessions an investor who is unable to calculate implied values for certain Derivative Securities Products in those sessions may be at a disadvantage to market professionals.
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The following definitions apply to the Rule 4000 Series for the trading of securities listed on Nasdaq or a national securities exchange other than Nasdaq.

(a) The term "Nasdaq Market Center," or "System" shall mean the automated system for order execution and trade reporting owned and operated by The Nasdaq Stock Market LLC. The Nasdaq Market Center comprises:

(1) a montage for Quotes and Orders, referred to herein as the “Nasdaq Book”, that collects and ranks all Quotes and Orders submitted by Participants;

(2) an Order execution service that enables Participants to automatically execute transactions in System Securities; and provides Participants with sufficient monitoring and updating capability to participate in an automated execution environment;

(3) a trade reporting service that submits "locked-in" trades for clearing to a registered clearing agency for clearance and settlement; transmits last-sale reports of transactions automatically to the National Trade Reporting System, if required, for dissemination to the public and industry; and provides participants with monitoring and risk management capabilities to facilitate participation in a "locked-in" trading environment; and

(4) data feeds that can be used to display with attribution to Participants' MPIDs all Quotes and Displayed Orders on both the bid and offer side of the market for all price levels then within the Nasdaq Market Center, and that disseminate such additional information about Quotes, Orders, and transactions within the Nasdaq Market Center as shall be reflected in the Nasdaq Rules.

(b) The term "System Securities" shall mean (1) all securities listed on Nasdaq and (2) all securities subject to the Consolidated Tape Association Plan and the Consolidated Quotation Plan except securities specifically excluded from trading via a list of excluded securities posted on www.nasdaqtrader.com.

(c) The term "Participant" shall mean an entity that fulfills the obligations contained in Rule 4611 regarding participation in the System, and shall include:

(1) "Nasdaq ECNs," members that meet all of the requirements of Rule 4623, and that participates in the System with respect to one or more System Securities.

(2) "Nasdaq Market Makers" or "Market Makers", members that are registered as Nasdaq Market Makers for purposes of participation in the System on a fully automated basis with respect to one or more System Securities.

(3) "Order Entry Firms," members that are registered as Order Entry Firms for purposes of entering orders in System Securities into the System. This term shall also include any Electronic Communications Network or Alternative Trading System (as such terms are defined in Regulation NMS) that fails to meet all the requirements of Rule 4623.

(d) The term "Quote" means a single bid or offer quotation submitted to the System by a Market Maker or Nasdaq ECN and designated for display (price and size) next to the Participant's MPID in the Nasdaq Book. Quotes are entered in the form of Orders with Attribution (as defined in Rule 4703). Accordingly, all Quotes are also Orders.

(e) The term "Order" means an instruction to trade a specified number of shares in a specified System
Security submitted to the Nasdaq Market Center by a Participant. An “Order Type” is a standardized set of instructions associated with an Order that define how it will behave with respect to pricing, execution, and/or posting to the Nasdaq Book when submitted to Nasdaq. An “Order Attribute” is a further set of variable instructions that may be associated with an Order to further define how it will behave with respect to pricing, execution, and/or posting to the Nasdaq Book when submitted to Nasdaq. The available Order Types and Order Attributes, and the Order Attributes that may be associated with particular Order Types, are described in Rules 4702 and 4703. One or more Order Attributes may be assigned to a single Order; provided, however, that if the use of multiple Order Attributes would provide contradictory instructions to an Order, the System will reject the Order or remove non-conforming Order Attributes.

(f) The term “ET” means Eastern Standard Time or Eastern Daylight Time, as applicable.

(g) The term “Market Hours” means the period of time beginning at 9:30 a.m. ET and ending at 4:00 p.m. ET (or such earlier time as may be designated by Nasdaq on a day when Nasdaq closes early). The term “System Hours” means the period of time beginning at 4:00 a.m. ET and ending at 8:00 p.m. ET (or such earlier time as may be designated by Nasdaq on a day when Nasdaq closes early). The term “Pre-Market Hours” means the period of time beginning immediately after the end of Market Hours and ending at 8:00 p.m. ET. Nasdaq notes that in certain contexts, times cited in the Nasdaq Rules may be approximate. For example, for a System Security in which the Nasdaq Opening Cross occurs, the first transactions executed during Market Hours will occur in the Nasdaq Opening Cross. However, because Nasdaq Opening Crosses for different System Securities occur sequentially rather than simultaneously, the first Market Hours transactions in a particular System Security are likely to occur during a brief period following 9:30 a.m. ET, not precisely at 9:30 a.m. ET.

(h) The term “marketable” with respect to an Order to buy (sell) means that, at the time it is entered into the System, the Order is priced at the current Best Offer or higher (at the current Best Bid or lower).

(i) The term “market participant identifier” or “MPID” means a unique four-letter mnemonic assigned to each Participant in the Nasdaq Market Center. A Participant may have one or more than one MPID.

(j) The terms “Best Bid”, “Best Offer”, “National Best Bid and National Best Offer”, “Protected Bid”, “Protected Offer”, “Protected Quotation” and “Intermarket Sweep Order” shall have the meanings assigned to them under Rule 600 under SEC Regulation NMS; provided, however, that the terms “Best Bid”, “Best Offer”, “Protected Bid”, “Protected Offer”, and “Protected Quotation” shall, unless otherwise stated, refer to the bid, offer, or quotation of a market center other than Nasdaq. The term “NBBO” shall mean the “National Best Bid and National Best Offer”.

(k) The term “minimum price increment” means $0.01 in the case of a System Security priced at $1 or more per share, and $0.0001 in the case of a System Security priced at less than $1 per share.

(l) The term “System Book Feed” shall mean a data feed for System Securities, generally known as the TotalView ITCH feed.
Changes to this rule have been approved, but are not yet implemented. For additional information, see the attached file.

(a) Participants may express their trading interest in the Nasdaq Market Center by entering Orders. The Nasdaq Market Center offers a range of Order Types that behave in the manner specified for each particular Order Type. Each Order Type may be assigned certain Order Attributes that further define its behavior. All Order Types and Order Attributes operate in a manner that is reasonably designed to comply with the requirements of Rules 610 and 611 under Regulation NMS. Each Order must designate whether it is to effect a buy, a long sale, a short sale, or an exempt short sale.

Nasdaq maintains several communications protocols for Participants to use in entering Orders and sending other messages to the Nasdaq Market Center:

(4) OUCH is a Nasdaq proprietary protocol.
(5) RASH is a Nasdaq proprietary protocol.
(6) QIX is a Nasdaq proprietary protocol.
(7) FLITE is a Nasdaq proprietary protocol.
(8) FIX is a non-proprietary protocol.

Except where otherwise stated, all protocols are available for all Order Types and Order Attributes.

Upon entry, an Order is processed to determine whether it may execute against any contra-side Orders on the Nasdaq Book in accordance with the parameters applicable to the Order Type and Order Attributes selected by the Participant and in accordance with the priority for Orders on the Nasdaq Book provided in Rule 4757. In addition, the Order may have its price adjusted in accordance with applicable parameters and may be routed to other market centers for potential execution if designated as Routable. The Order may then be posted to the Nasdaq Book if consistent with the parameters of the Order Type and Order Attributes selected by the Participant. Thereafter, as detailed in Rules 4702, 4703, and 4758, there are numerous circumstances in which the Order on the Nasdaq Book may be modified and receive a new timestamp. The sole instances in which the modification of an Order on the Nasdaq Book will not result in a new timestamp are: (i) a decrease in the size of the Order due to execution or modification by the Participant or by the System, and (ii) a redesignation of a sell Order as a long sale, a short sale, or an exempt short sale. Whenever an Order receives a new timestamp for any reason, it is processed by the System as a new Order with respect to potential execution against Orders on the Nasdaq Book, price adjustment, routing, reposting to the Nasdaq Book, and subsequent execution against incoming Orders, except where otherwise stated.

All Orders are also subject to cancellation and/or repricing and reentry onto the Nasdaq Book in the circumstances described in Rule 4120(a)(12) (providing for compliance with Plan to Address Extraordinary Market Volatility) and Rule 4763 (providing for compliance with Regulation SHO). In all circumstances where an Order is repriced pursuant to those provisions, it is processed by the System as a new Order with respect to potential execution against Orders on the Nasdaq Book, price adjustment, routing, reposting to the Nasdaq Book, and subsequent execution against incoming Orders. If multiple Orders at a given price are repriced, the Order in which they are reentered is random, based on the respective processing time for each such Order; provided, however, that in the case of Price to Comply Orders and Post-Only Orders that have their prices adjusted upon entry because they lock a Protected Quotation but that are subsequently displayed at their original entered limit price as provided in Rules 4702(b)(1)(B) and (4)(B), they are processed in accordance with the time priority under which they were previously ranked on the Nasdaq Book.

(b) Except where stated otherwise, the following Order Types are available to all Participants:

(C) A “Price to Comply Order” is an Order Type designed to comply with Rule 610(d) under Regulation
NMS by avoiding the display of quotations that lock or cross any Protected Quotation in a System Security during Market Hours. The Price to Comply Order is also designed to provide potential price improvement.

When a Price to Comply Order is entered, the Price to Comply Order will be executed against previously posted Orders on the Nasdaq Book that are priced equal to or better than the price of the Price to Comply Order, up to the full amount of such previously posted Orders, unless such executions would trade through a Protected Quotation. Any portion of the Order that cannot be executed in this manner will be posted on the Nasdaq Book (and/or routed if it has been designated as Routable).

During Market Hours, the price at which a Price to Comply Order is posted is determined in the following manner. If the entered limit price of the Price to Comply Order would lock or cross a Protected Quotation and the Price to Comply Order could not execute against an Order on the Nasdaq Book at a price equal to or better than the price of the Protected Quotation, the Price to Comply Order will be displayed on the Nasdaq Book at a price one minimum price increment lower than the current Best Offer (for a Price to Comply Order to buy) or higher than the current Best Bid (for a Price to Comply Order to sell) but will also be ranked on the Nasdaq Book with a non-displayed price equal to the current Best Offer (for a Price to Comply Order to buy) or to the current Best Bid (for a Price to Comply Order to sell). For example, if a Price to Comply Order to buy at $11 would lock a Protected Offer of $11, the Price to Comply Order will be ranked at a non-displayed price of $11 but will be displayed at $10.99. An incoming Order to sell at a price of $11 or lower would execute against the Price to Comply Order at $11 (unless the incoming Order was an Order Type that was not immediately executable, in which case the incoming Order would behave in the manner specified for that Order Type).

During Pre-Market Hours and Post-Market Hours, a Price to Comply Order will be ranked and displayed at its entered limit price without adjustment.

(B) If a Price to Comply Order is entered through RASH, QIX, or FIX, during Market Hours the price of the Price to Comply Order will be adjusted in the following manner after initial entry and posting to the Nasdaq Book (unless the Order is assigned a Routing Order Attribute that would cause it to be routed to another market center rather than remaining on the Nasdaq Book):

(I) If the entered limit price of the Price to Comply Order locked or crossed a Protected Quotation and the NBBO changes, the displayed and non-displayed price of the Price to Comply Order will be adjusted repeatedly in accordance with changes to the NBBO; provided, however, that if the quotation of another market center moves in a manner that would lock or cross the displayed price of a Price to Comply Order, the prices of the Price to Comply Order will not be adjusted. For example, if a Price to Comply Order to buy at $11.02 would cross a Protected Offer of $11, the Order will be ranked at a non-displayed price of $11 but will be displayed at $10.99. If the Best Offer then moves to $11.01, the displayed price will be changed to $11 and the Order will be ranked at a non-displayed price of $11.01. However, if another market center then displays an offer of $11 (thereby locking the previously displayed price of the Price to Comply Order, notwithstanding Rule 610(d) under Regulation NMS), the price of the Price to Comply Order will not be changed. The Order may be repriced repeatedly until such time as the Price to Comply Order is able to be ranked and displayed at its original entered limit price ($11.02 in the example). The Price to Comply Order receives a new timestamp each time its price is changed.

(J) If the original entered limit price of the Price to Comply Order would no longer lock or cross a Protected Quotation, the Price to Comply Order will be ranked and displayed at that price and will receive a new timestamp, and will not thereafter be adjusted under this paragraph (B).

If a Price to Comply Order is entered through OUCH or FLITE, during Market Hours the price of the Price to Comply Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:
(4) If the entered limit price of the Price to Comply Order crossed a Protected Quotation and the NBBO changes so that the Price to Comply Order could be displayed at a price at or closer to its entered limit price without locking or crossing a Protected Quotation, the Price to Comply Order may either remain on the Nasdaq Book unchanged or may be cancelled back to the Participant, depending on its choice. For example, if a Price to Comply Order to buy at $11.02 would cross a Protected Offer of $11, the Order will be ranked at a non-displayed price of $11 but will be displayed at $10.99. If the Best Offer changes to $11.01, the Order will not be repriced, but rather will either remain with a displayed price of $10.99 but ranked at a non-displayed price of $11 or be cancelled back to the Participant, depending on its choice. A Participant’s choice with regard to maintaining the Price to Comply Order or cancelling it is set in advance for each port through which the Participant enters Orders.

(5) If the entered limit price of the Price to Comply Order locked a Protected Quotation, the price of the Price to Comply Order will be adjusted after initial entry only as follows. If the entered limit price would no longer lock a Protected Quotation, the Price to Comply Order may either remain on the Nasdaq Book unchanged, may be cancelled back to the Participant, or may be ranked and displayed at its original entered limit price, depending on the Participant’s choice. For example, if a Price to Comply Order to buy at $11 would lock a Protected Offer of $11, the Price to Comply Order will be ranked at a non-displayed price of $11 but will be displayed at $10.99. If the Best Offer changes to $11.01, the Price to Comply Order may either remain with a displayed price of $10.99 but ranked at a non-displayed price of $11, be cancelled back to the Participant, or be ranked and displayed at $11, depending on the Participant’s choice. A Participant’s choice with regard to maintaining the Price to Comply Order, cancelling it, or allowing it to be displayed is set in advance for each port through which the Participant enters Orders. If the Price to Comply Order is ranked and displayed at its original entered limit price, it will receive a new timestamp, and will not thereafter be adjusted under this paragraph (B).

(C) The following Order Attributes may be assigned to a Price to Comply Order:

(C) Price. As described above, the price of the Order may be adjusted to avoid locking or crossing a Protected Quotation, and may include a displayed price as well as a non-displayed price.

(D) Size.

(E) Reserve Size (available through RASH, FIX and QIX only).

(F) A Time-in-Force other than IOC. (A Price to Comply Order entered with a Time-in-Force of IOC would be processed as a Non-Displayed Order with a Time-in-Force of IOC).

(G) Designation as an ISO. In accordance with Regulation NMS, a Price to Comply Order designated as an ISO would be processed at its entered limit price, since such a designation reflects a representation by the Participant that it has simultaneously routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Price to Comply Order would lock or cross.

(H) Routing (available through RASH, FIX and QIX only).

(I) Primary Pegging and Market Pegging (available through RASH, FIX, and QIX only).

(J) Discretion (available through RASH, FIX and QIX only).

(K) Participation in the Nasdaq Opening Cross and/or the Nasdaq Closing Cross.

(L) Display. A Price to Comply Order is always displayed, although, as provided above, it may also have a non-displayed price and/or Reserve Size.

(M) Trade Now (available through OUCH, RASH, FLITE and FIX).
(D) A “Price to Display Order” is an Order Type designed to comply with Rule 610(d) under Regulation NMS by avoiding the display of quotations that lock or cross any Protected Quotation in a System Security during Market Hours. Price to Display Orders are available solely to Participants that are Market Makers.

When a Price to Display Order is entered, if its entered limit price would lock or cross a Protected Quotation, the Price to Display Order will be repriced to one minimum price increment lower than the current Best Offer (for a Price to Display Order to buy) or higher than the current Best Bid (for a Price to Display Order to sell). For example, if a Price to Display Order to buy at $11 would cross a Protected Offer of $10.99, the Price to Display Order will be repriced to $10.98. The Price to Display Order (whether repriced or not repriced) will then be executed against previously posted Orders on the Nasdaq Book that are priced equal to or better than the adjusted price of the Price to Display Order, up to the full amount of such previously posted Orders, unless such executions would trade through a Protected Quotation. Any portion of the Order that cannot be executed in this manner will be posted on the Nasdaq Book (and/or routed if it has been designated as Routable).

During Market Hours, the price at which a Price to Display Order is displayed and ranked on the Nasdaq Book will be its entered limit price if the Price to Display Order was not repriced upon entry, or the adjusted price if the Price to Comply Order was repriced upon entry, such that the price will not lock or cross a Protected Quotation.

During Pre-Market Hours and Post-Market Hours, a Price to Display Order will be displayed and ranked at its entered limit price without adjustment.

(B) If a Price to Display Order is entered through RASH, QIX, or FIX, during Market Hours the Price to Display Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book (unless the Order is assigned a Routing Order Attribute that would cause it to be routed to another market center rather than remaining on the Nasdaq Book):

(D) If the entered limit price of the Price to Display Order locked or crossed a Protected Quotation and the NBBO changes, the price of the Order will be adjusted repeatedly in accordance with changes to the NBBO; provided, however, that if the quotation of another market center moves in a manner that would lock or cross the price of a Price to Display Order, the price of the Price to Display Order will not be adjusted. For example, if a Price to Display Order to buy at $11.02 would cross a Protected Offer of $11, the Order will be displayed and ranked at $10.99. If the Best Offer then moves to $11.01, the displayed/ranked price will be changed to $11. However, if another market center then displays an offer of $11 (thereby locking the previously displayed price of the Price to Display Order, notwithstanding Rule 610(d) under Regulation NMS), the price of the Price to Display Order will not be changed. The Order may be repriced repeatedly until such time as the Price to Display Order is able to be displayed and ranked at its original entered limit price ($11.02 in the example). The Price to Display Order receives a new timestamp each time its price is changed.

(E) If the original entered limit price of the Price to Display Order would no longer lock or cross a Protected Quotation, the Price to Display Order will be displayed and ranked at that price and will receive a new timestamp, and will not thereafter be adjusted under this paragraph (B).

If a Price to Display Order is entered through OUCH or FLITE, during Market Hours the Price to Display Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

(3) If the entered limit price of the Price to Display Order locked or crossed a Protected Quotation and the NBBO changes so that the Price to Display Order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the Price to Display Order may either remain on the Nasdaq Book unchanged or may be cancelled back to the Participant, depending on the Participant’s choice. For example, if a Price to Display Order to buy at $11.02 would cross a Protected Offer of $11,
the Order will be ranked and displayed at $10.99. If the Best Offer changes to $11.01, the Price to Display Order will not be repriced, but rather will either remain at its current price or be cancelled back to the Participant, depending on its choice. A Participant’s choice with regard to maintaining the Price to Display Order or cancelling it is set in advance for each port through which the Participant enters Orders.

(C) The following Order Attributes may be assigned to a Price to Display Order:

(E) Price. As described above, the price of the Order may be adjusted to avoid locking or crossing a Protected Quotation.

(F) Size.

(G) Reserve Size (available through RASH, FIX and QIX only).

(H) A Time-in-Force other than IOC. (A Price to Display Order entered with a Time-in-Force of IOC would be processed as a Non-Displayed Order with a Time-in-Force of IOC).

(I) Designation as an ISO. In accordance with Regulation NMS, a Price to Display Order designated as an ISO would be processed at its entered limit price, since such a designation reflects a representation by the Participant that it has simultaneously routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Price to Display Order would lock or cross.

(J) Routing (available through RASH, FIX and QIX only).

(K) Primary Pegging and Market Pegging (available through RASH, FIX, and QIX only).

(L) Discretion (available through RASH, FIX and QIX only).

(M) Participation in the Nasdaq Opening Cross and/or the Nasdaq Closing Cross.

(N) Attribution. All Price to Display Orders are Attributable Orders.

(O) Display. A Price to Display Order is always displayed (but may also have Reserve Size).

(P) Trade Now (available through OUCH, RASH, FLITE and FIX).

(E) (A) A “Non-Displayed Order” is an Order Type that is not displayed to other Participants, but nevertheless remains available for potential execution against incoming Orders until executed in full or cancelled. In addition to the Non-Displayed Order Type, there are other Order Types that are not displayed on the Nasdaq Book. Thus, “Non- Display” is both a specific Order Type and an Order Attribute of certain other Order Types.

When a Non-Displayed Order is entered, the Non-Displayed Order will be executed against previously posted Orders on the Nasdaq Book that are priced equal to or better than the price of the Non-Displayed Order, up to the full amount of such previously posted Orders, unless such executions would trade through a Protected Quotation. Any portion of the Non-Displayed Order that cannot be executed in this manner will be posted to the Nasdaq Book (unless the Non-Displayed Order has a Time-in-Force of IOC) and/or routed if it has been designated as Routable.

During Market Hours, the price at which a Non-Displayed Order is posted is determined in the following manner. If the entered limit price of the Non-Displayed Order would lock a Protected Quotation, the Non-Displayed Order will be placed on the Nasdaq Book at the locking price. If the Non-Displayed Order would cross a Protected Quotation, the Non-Displayed Order will be repriced to a price that would lock the Protected Quotation and will be placed on the Nasdaq Book at that price. For example, if a Non-Displayed Order to buy at $11 would cross a Protected Offer of $10.99, the Non-Displayed Order will be repriced and posted at $10.99. A Non-Displayed Order to buy at $10.99 would also be posted at $10.99.

During Pre-Market Hours and Post-Market Hours, a Non-Displayed Order will be posted at its entered
limit price without adjustment.

(B) If a Non-Displayed Order is entered through RASH, QIX, or FIX, during Market Hours the Non-Displayed Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book (unless the Order is assigned a Routing Order Attribute that would cause it to be routed to another market center rather than remaining on the Nasdaq Book):

(4) If the original entered limit price of a Non-Displayed Order is higher than the Best Offer (for an Order to buy) or lower than the Best Bid (for an Order to sell) and the NBBO moves toward the original entered limit price of the Non-Displayed Order, the price of the Non-Displayed Order will be adjusted repeatedly in accordance with changes to the NBBO. For example, if a Non-Displayed Order to buy at $11.02 would cross a Protected Offer of $11, the Non-Displayed Order will be priced and posted at $11. If the Best Offer then changes to $11.01, the price of the Non-Displayed Order will be changed to $11.01. The Order may be repriced repeatedly in this manner, receiving a new timestamp each time its price is changed, until the Non-Displayed Order is posted at its original entered limit price. The Non-Displayed Order will not thereafter be repriced under this paragraph (B), except as provided below with respect to crossing a Protected Quotation.

(5) If, after being posted to the Nasdaq Book, the NBBO changes so that the Non-Displayed Order would cross a Protected Quotation, the Non-Displayed Order will be repriced at a price that would lock the new NBBO and receive a new timestamp. For example, if a Non-Displayed Order to buy at $11 would lock a Protected Offer of $11, the Non-Displayed Order will be posted at $11. If the Best Offer then changes to $10.99, the Non-Displayed Order will be repriced at $10.99, receiving a new timestamp. The Non-Displayed Order may be repriced and receive a new timestamp repeatedly.

If a Non-Displayed Order is entered through OUCH or FLITE, during Market Hours the Non-Displayed Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

(F) If the original entered limit price of the Non-Displayed Order locked or crossed a Protected Quotation and the NBBO changes so that the Non-Displayed Order could be posted at a price at or closer to its original entered limit price without crossing a Protected Quotation, the Non-Displayed Order may either remain on the Nasdaq Book unchanged or may be cancelled back to the Participant, depending on its choice. For example, if a Non-Displayed Order to buy at $11 would lock a Protected Offer of $11, the Order will be priced at $11. If the Best Offer changes to $11.01, the Order will not be repriced, but rather will either remain at its current $11 price or be cancelled back to the Participant, depending on its choice. A Participant’s choice with regard to maintaining the Non-Displayed Order or cancelling it is set in advance for each port through which the Participant enters Orders.

(G) If, after a Non-Displayed Order is posted to the Nasdaq Book, the NBBO changes so that the Non-Displayed Order would cross a Protected Quotation, the Non-Displayed Order will be cancelled back to the Participant. For example, if a Non-Displayed Order to buy at $11 would lock a Protected Offer of $11, the Non-Displayed Order will be posted at $11. If the Best Offer then changes to $10.99, the Non-Displayed Order will be cancelled back to the Participant.

(H) If a Non-Displayed Order entered through OUCH or FLITE is assigned a Midpoint Pegging Order Attribute, and if, after being posted to the Nasdaq Book, the NBBO changes so that the Non-Displayed Order is no longer at the Midpoint between the NBBO, the Non-Displayed Order will be cancelled back to the Participant. In addition, if a Non-Displayed Order entered through OUCH or FLITE is assigned a Midpoint Pegging Attribute and also has a limit price that is lower than the midpoint between the NBBO for an Order to buy (higher than the midpoint between the NBBO for an Order to sell), the Order will nevertheless be accepted at its limit price and will be cancelled if the midpoint between the NBBO moves lower than
(higher than) the price of an Order to buy (sell).

(C) The following Order Attributes may be assigned to a Non-Displayed Order:

(c) Price. As described above, the price of the Order may be adjusted to avoid crossing a Protected Quotation.

(d) Size.

(e) Minimum Quantity.

(f) Time-in-Force.

(g) Designation as an ISO. In accordance with Regulation NMS, a Non-Displayed Order designated as an ISO would be processed at its entered limit price, since such a designation reflects a representation by the Participant that it has simultaneously routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Non-Displayed Order would cross. As discussed above, a Non-Displayed Order would be accepted at a price that locked a Protected Quotation, even if the Order was not designated as an ISO, because the non-displayed nature of the Order allows it to lock a Protected Quotation under Regulation NMS. Accordingly, the system would not interpret receipt of a Non-Displayed Order marked ISO that locked a Protected Quotation as the basis for determining that the Protected Quotation had been executed for purposes of accepting additional Orders at that price level.

(h) Routing (available through RASH, FIX and QIX only).

(i) Primary Pegging and Market Pegging (available through RASH, FIX, and QIX only).

(j) Pegging to the Midpoint (see Rule 4703(d) with respect to differences between OUCH and FLITE and RASH, FIX, and QIX).

(k) Discretion (available through RASH, FIX and QIX only).

(l) Participation in the Nasdaq Opening Cross and/or the Nasdaq Closing Cross.

(m) Trade Now (available through OUCH, RASH, FLITE and FIX).

(F) (A) A “Post-Only Order” is an Order Type designed to have its price adjusted as needed to post to the Nasdaq Book in compliance with Rule 610(d) under Regulation NMS by avoiding the display of quotations that lock or cross any Protected Quotation in a System Security during Market Hours, or to execute against locking or crossing quotations in circumstances where economically beneficial to the Participant entering the Post-Only Order.

During Market Hours, a Post-Only Order is evaluated at the time of entry with respect to locking or crossing other Orders on the Nasdaq Book, Protected Quotations, and potential execution as follows:

(B) If a Post-Only Order would lock or cross a Protected Quotation, the Post Only Order may either be adjusted or be cancelled back to the Participant, depending on the Participant’s choice; provided, however, the Post-Only Order will execute if (i) it is priced below $1.00 and the value of price improvement associated with executing against an Order on the Nasdaq Book (as measured against the original limit price of the Order) equals or exceeds the sum of fees charged for such execution and the value of any rebate that would be provided if the Order posted to the Nasdaq Book and subsequently provided liquidity, or (ii) it is priced at $1.00 or more and the value of price improvement associated with executing against an Order on the Nasdaq Book (as measured against the original limit price of the Order) equals or exceeds $0.01 per share. If the Participant elects to have the Post Only Order adjusted, the price of the Order will first be adjusted. If the Order is Attributable, its adjusted price will be one minimum price increment lower than the current Best Offer (for bids) or higher than the current Best Bid (for offers). If the Order is not Attributable, its adjusted price will be equal
to the current Best Offer (for bids) or the current Best Bid (for offers). However, the Order will not post or execute until the Order, as adjusted, is evaluated with respect to Orders on the Nasdaq Book.

If the adjusted price of the Post-Only Order would not lock or cross a Order on the Nasdaq Book, the Order will be posted in the same manner as a Price to Comply Order (if it is not Attributable) or a Price to Display Order (if it is Attributable). Specifically, if the Post-Only Order is not Attributable, it will be displayed on the Nasdaq Book at a price one minimum price increment lower than the current Best Offer (for bids) or higher than the current Best Bid (for offers) but will be ranked on the Nasdaq Book with a non-displayed price equal to the current Best Offer (for bids) or to the current Best Bid (for offers). For example, if a Post-Only Order to buy at $11 would lock a Protected Offer of $11, the Order will be ranked at a non-displayed price of $11 but will be displayed at $10.99. If the Post-Only Order is Attributable, it will be ranked and displayed on the Nasdaq Book at a price one minimum increment lower than the current Best Offer (for bids) or higher than the current Best Bid (for offers). Thus, in the preceding example, the Post-Only Order to buy would be ranked and displayed at $10.99.

If the adjusted price of the Post-Only Order would lock or cross a displayed Order at its displayed price on the Nasdaq Book, the Post Only Order may either be adjusted or be cancelled back to the Participant, depending on the Participant’s choice; provided, however, the Post-Only Order will execute if (i) it is priced below $1.00 and the value of price improvement associated with executing against an Order on the Nasdaq Book (as measured against the original limit price of the Order) equals or exceeds the sum of fees charged for such execution and the value of any rebate that would be provided if the Order posted to the Nasdaq Book and subsequently provided liquidity, or (ii) it is priced at $1.00 or more and the value of price improvement associated with executing against an Order on the Nasdaq Book (as measured against the original limit price of the Order) equals or exceeds $0.01 per share. If the Participant elects to have the Post Only Order adjusted, the Post Only Order will be repriced, ranked, and displayed at one minimum price increment below the current best displayed price to sell on the Nasdaq Book (for bids) or above the current best displayed price to buy on the Nasdaq Book (for offers); provided, however, the Post-Only Order will execute if it meets the criteria above. For example, if a Participant entered a Non-Attributable Post-Only Order to buy at $11.01, another market center is displaying a Protected Offer at $11, and there is an Order on the Nasdaq Book to sell at $11, the adjusted price of the Post-Only Order will be $11. However, because the Post-Only Order would be executable against the Order on the Nasdaq Book and would receive $0.01 price improvement (as measured against the original $11.01 price of the Post-Only Order), the Post-Only Order would execute.

If the adjusted price of the Post-Only Order would lock or cross a non-displayed price on the Nasdaq Book, the Post-Only Order will be posted in the same manner as a Price to Comply Order; provided, however, the Post-Only Order will execute if (i) it is priced below $1.00 and the value of price improvement associated with executing against an Order on the Nasdaq Book (as measured against the original limit price of the Order) equals or exceeds the sum of fees charged for such execution and the value of any rebate that would be provided if the Order posted to the Nasdaq Book and subsequently provided liquidity, or (ii) it is priced at $1.00 or more and the value of price improvement associated with executing against an Order on the Nasdaq Book (as measured against the original limit price of the Order) equals or exceeds $0.01 per share. For example, if a Participant entered a
Non-Attributable Post-Only Order to buy at $11.01, another market center is
displaying a Protected Offer at $11, and there is a Non-Displayed Order on the
Nasdaq Book to sell at $11, the adjusted price of the Post-Only Order will be $11. However, because the Post-Only Order would be executable against the Non-Displayed Order on the Nasdaq Book and would receive $0.01 price improvement (as measured against the original $11.01 price of the Post-Only Order), the Post-Only Order would execute.

(9) If the Post-Only Order would not lock or cross a Protected Quotation but would lock or cross a displayed Order at its displayed price on the Nasdaq Book, the Post Only Order may either be adjusted or be cancelled back to the Participant, depending on the Participant’s choice; provided, however, the Post-Only Order will execute if (i) it is priced below $1.00 and the value of price improvement associated with executing against an Order on the Nasdaq Book (as measured against the original limit price of the Order) equals or exceeds the sum of fees charged for such execution and the value of any rebate that would be provided if the Order posted to the Nasdaq Book and subsequently provided liquidity, or (ii) it is priced at $1.00 or more and the value of price improvement associated with executing against an Order on the Nasdaq Book (as measured against the original limit price of the Order) equals or exceeds $0.01 per share. If the Participant elects to have the Post Only Order adjusted, the Post Only Order will be repriced, ranked, and displayed at one minimum price increment below the current best-priced Order to sell on the Nasdaq Book (for bids) or above the current best-priced Order to buy on the Nasdaq Book (for offers); provided, however, the Post-Only Order will execute if it meets the criteria above. For example, if a Participant entered a Post-Only Order to buy at $11.02, the Best Offer on an away exchange was $11.04, and there was a Displayed Order on the Nasdaq Book to sell at $11.02, the Post-Only Order would be ranked and displayed at $11.01. However, if a Participant entered a Post-Only Order to buy at $11.03, the Order would execute against the Order on the Nasdaq Book at $11.02, receiving $0.01 per share price improvement.

(10) If the Post-Only Order would not lock or cross a Protected Quotation but would lock or cross a non-displayed Order on the Nasdaq Book, the Post-Only Order will be posted, ranked, and displayed at its limit price; provided, however, the Post-Only Order will execute if (i) it is priced below $1.00 and the value of price improvement associated with executing against an Order on the Nasdaq Book equals or exceeds the sum of fees charged for such execution and the value of any rebate that would be provided if the Order posted to the Nasdaq Book and subsequently provided liquidity, or (ii) it is priced at $1.00 or more and the value of price improvement associated with executing against an Order on the Nasdaq Book equals or exceeds $0.01 per share. For example, if a Participant entered a Post-Only Order to buy at $11.02, the Best Offer was $11.04, and there was a Non-Displayed Order on the Nasdaq Book to sell at $11.02, the Post-Only Order would be ranked and displayed at $11.02. However, if a Participant entered a Post-Only Order to buy at $11.03, the Order would execute against the Order on the Nasdaq Book at $11.02, receiving $0.01 per share price improvement.

(11) If a Post-Only Order is entered with a Time-in-Force of IOC, the Order will be evaluated for possible execution in the same manner as any other Post-Only Order but will be cancelled rather than posted if the Order cannot execute.

(12) If a Post-Only Order would not lock or cross an Order on the Nasdaq Book or any Protected Quotation, it will be posted on the Nasdaq Book at its entered limit price.

During Pre-Market and Post-Market Hours, a Post-Only Order will be processed in a manner identical to Market Hours with respect to locking or crossing Orders on the Nasdaq Book, but will not be cancelled or have its price adjusted with respect to locking or crossing the quotations of other market centers.
(B) If a Post-Only Order is entered through RASH, QIX, or FIX, during System Hours the Post-Only Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

(3) If the original entered limit price of the Post-Only Order is not being displayed, the displayed price (and non-displayed price, if any) of the Order will be adjusted repeatedly in accordance with changes to the NBBO or the best price on the Nasdaq Book, as applicable; provided, however, that if the quotation of another market center moves in a manner that would lock or cross the displayed price of a Post-Only Order, the price(s) of the Post-Only Order will not be adjusted. For example, if a Non-Attributable Post-Only Order to buy at $11.02 would cross a Protected Offer of $11, the Order will be ranked at a non-displayed price of $11 but will be displayed at $10.99. If the Best Offer then moves to $11.01, the displayed price will be changed to $11 and the non-displayed price at which the Order is ranked will be changed to $11.01. However, if another market center then displays an offer of $11 (thereby locking the previously displayed price of the Post-Only Order notwithstanding Rule 610(d) under Regulation NMS), the price of the Post-Only Order will not be changed. The Order may be repriced repeatedly until such time as the Post-Only Order is able to be displayed at its original entered limit price ($11.02 in the example). The Post-Only Order receives a new timestamp each time its price is changed.

(4) If the original entered limit price of the Post-Only Order would no longer lock or cross a Protected Quotation or a displayed Order on the Nasdaq Book, the Post-Only Order will be ranked and displayed at that price and will receive a new timestamp, and will not thereafter be adjusted under this paragraph (B).

If a Post-Only Order is entered through OUCH or FLITE, the Post-Only Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

(3) During Market Hours, if the original entered limit price of the Post-Only Order locked or crossed a Protected Quotation, the Post-Only Order may be adjusted after initial entry in the same manner as a Price to Comply Order (or a Price to Display Order, if it is Attributable). Thus, in the case of a Non-Attributable Post-Only Order that crossed a Protected Quotation, if the NBBO changed so that the Post-Only Order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the Post-Only Order may either remain on the Nasdaq Book unchanged or may be cancelled back to the Participant, depending on its choice. In the case of a Non-Attributable Post-Only Order that locked a Protected Quotation, the Post-Only Order may either remain on the Nasdaq Book unchanged, may be cancelled back to the Participant, or may be ranked and displayed at its original entered limit price, depending on the Participant’s choice, and will not thereafter be adjusted under this paragraph (B). If the Post-Only Order is displayed at its original entered limit price, it will receive a new timestamp. Finally, in the case of an Attributable Post-Only Order that locked or crossed a Protected Quotation, if the NBBO changed so that the Post-Only Order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the Post-Only Order may either remain on the Nasdaq Book unchanged or may be cancelled back to the Participant, depending on the Participant’s choice. A Participant’s choice with regard to adjustment of Post-Only Orders is set in advance for each port through which the Participant enters Orders.

(4) During System Hours, if the original entered limit price of the Post-Only Order locked or crossed a displayed Order on the Nasdaq Book and the Nasdaq Book changes so that the original entered limit price would no longer lock or cross an Order on the Nasdaq Book, the Post-Only Order may either remain on the Nasdaq Book unchanged or may be cancelled back to the Participant, depending on the Participant’s choice. For example, if a Post-Only Order to buy at $11 would lock a displayed Order on the Nasdaq Book priced at $11, the Post-Only Order will be ranked and displayed at $10.99. If the Order at $11 is cancelled or
executed, the Post-Only Order may either remain with a displayed price of $10.99 or be cancelled back to the Participant, depending on the Participant’s choice. A Participant’s choice with regard to maintaining the Post-Only Order or cancelling it is set in advance for each port through which the Participant enters Orders.

(C) The following Order Attributes may be assigned to a Post-Only Order:

(C) Price. As described above, the price of the Order may be adjusted to avoid locking or crossing a Protected Quotation, and may include a displayed price as well as a non-displayed price.

(D) Size.

(E) Time-in-Force; provided, however, that a Post-Only Order with a Time-in-Force of IOC may not be entered through RASH, QIX, or FIX.

(F) Designation as an ISO. In accordance with Regulation NMS, a Post-Only Order designated as an ISO that locked or crossed a Protected Quotation would be processed at its entered limit price, since such a designation reflects a representation by the Participant that it has simultaneously routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Post-Only Order would lock or cross. However, as described above, a Post-Only Order designated as an ISO that locked or crossed an Order on the Nasdaq Book would either execute at time of entry, post at its limit price, or would have its price adjusted prior to posting. Accordingly, the System would not interpret receipt of a Post-Only Order marked ISO that had its price adjusted prior to posting as the basis for determining that any Protected Quotation at the Order’s original entered limit price level had been executed for purposes of accepting additional Orders at that price level. However, if the Post-Only Order is ranked and displayed at its adjusted price, the System would consider the adjusted price level to be open for purposes of accepting additional Orders at that price level. For example, assume that there is a Protected Offer at $11 and a Participant enters a Post-Only Order marked ISO to buy at $11. If there are no Orders to sell at $11 on the Nasdaq Book, the Order to buy will be displayed and ranked at $11, since the designation of the Order as an ISO reflects the Participant’s representation that it has routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Post-Only Order would lock or cross. However, if there was also a displayed Order to sell at $11 on the Nasdaq Book, the Post-Only Order will be repriced, ranked, and displayed at $10.99. In that case, the mere fact that the Post-Only Order was designated as an ISO would not allow Nasdaq to conclude that the $11 price level was “open” for receiving orders to buy at that price; the $11 price level would be considered open only if market data received by the System demonstrated that the Protected Offer at $11 had been removed or if a subsequent Displayed Order marked ISO was received and ranked at that price.

(G) Attribution.

(H) Participation in the Nasdaq Opening Cross and/or the Nasdaq Closing Cross (available through OUCH and FLITE only).

(I) Display. A Post-Only Order is always displayed, although as provided above, may also have a non-displayed price.

(J) Trade Now (available through OUCH, RASH, FLITE and FIX).

(G) (A) A “Midpoint Peg Post-Only Order” is an Order Type with a Non-Display Order Attribute that is priced at the midpoint between the NBBO and that will execute upon entry only in circumstances where economically beneficial to the party entering the Order. The Midpoint Peg Post-Only Order is available during Market Hours only.
A Midpoint Peg Post-Only Order must be assigned a limit price. When a Midpoint Peg Post-Only Order is entered, it will be priced at the midpoint between the NBBO, unless such midpoint is higher than (lower than) the limit price of an Order to buy (sell), in which case the Order will be priced at its limit price. If the NBBO is locked, the Midpoint Peg Post-Only Order will be priced at the locking price, if the NBBO is crossed or if there is no NBBO, the Order will not be accepted. The Midpoint Peg Post-Only Order will post to the Nasdaq Book unless it is a buy (sell) Order that is priced higher than (lower than) a sell (buy) Order on the Nasdaq Book, in which case it will execute at the price of the Order on the Nasdaq Book; provided, however, that if the Order has a Time-in-Force of IOC, the Order will be cancelled after determining whether it can be executed. For example, if the Best Bid was $11 and the Best Offer was $11.06, the price of the Midpoint Peg Post-Only Order would be $11.03. If there was a Non-Displayed Order (or another Order with a Non-Display Order Attribute) on the Nasdaq Book to sell at $11.02, the incoming Midpoint Peg Post-Only Order to buy would execute against it at $11.02. However, if there was a Non-Displayed Order (or another Order with a Non-Display Order Attribute) to sell at $11.03, the Midpoint Peg Post-Only Order to buy would post at $11.03. While a Midpoint Peg Post-Only Order that posts to the Nasdaq Book is locking a preexisting Order, the Midpoint Peg Post-Only Order will execute against an incoming Order only if the price of the incoming sell (buy) Order is lower (higher) than the price of the preexisting Order. Thus, in the previous example, if the incoming Midpoint Peg Post-Only Order locked the preexisting Non-Displayed Order at $11.03, the Midpoint Peg Post-Only Order could execute only against an incoming Order to sell priced at less than $11.03. A Midpoint Peg Post-Only Order that would be assigned a price of $1 or less per share will not be accepted.

(B) If a Midpoint Peg Post-Only Order is entered through RASH, QIX, or FIX, the Midpoint Peg Post-Only Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

(v) The price of the Midpoint Peg Post-Only Order will be updated repeatedly to equal the midpoint between the NBBO; provided, however, that the Order will not be priced higher (lower) than the limit price of an Order to buy (sell). In the event that the midpoint between the NBBO becomes higher than (lower than) the limit price of an Order to buy (sell), the price of the Order will stop updating and the Order will post (with a Non-Display Attribute) at its limit price, but will resume updating if the midpoint becomes lower than (higher than) the limit price of an Order to buy (sell). Similarly, if a Midpoint Peg Post-Only Order is on the Nasdaq Book and subsequently the NBBO is crossed, or if there is no NBBO, the Order will be removed from the Nasdaq Book and will be re-entered at the new midpoint once there is a valid NBBO that is not crossed. The Midpoint Peg Post-Only Order receives a new timestamp each time its price is changed.

If a Midpoint Peg Post-Only Order is entered through OUCH or FLITE, the Midpoint Peg Post-Only Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

(iii) The price at which the Midpoint Peg Post-Only Order is ranked on the Nasdaq Book is the midpoint between the NBBO, unless the Order has a limit price that is lower than the midpoint between the NBBO for an Order to buy (higher than the midpoint between the NBBO for an Order to sell), in which case the Order will be ranked on the Nasdaq Book at its limit price. The price of the Order will not thereafter be adjusted based on changes to the NBBO. If, after being posted to the Nasdaq Book, the NBBO changes so that midpoint between the NBBO is lower than (higher than) the price of a Midpoint Peg Post-Only Order to buy (sell), or the NBBO is crossed, or there is no NBBO, the Midpoint Peg Post-Only Order will be cancelled back to the Participant. For example, if the Best Bid is $11 and the Best Offer is $11.06, a Midpoint Peg Post-Only Order to buy would post at $11.03. If, thereafter, the Best Offer is reduced to $11.05, the Midpoint Peg Post-Only Order will be cancelled back to the Participant.

(C) The following Order Attributes may be assigned to a Midpoint Peg Post-Only Order:
(c) Price of more than $1 per share.

(d) Size.

(e) Time-in-Force; provided, however, that a Midpoint Peg Post-Only Order with a Time-in-Force of IOC may not be entered through RASH, QIX or FIX, and provided further that regardless of the Time-in-Force entered, a Midpoint Peg Post-Only Order may not be active outside of Market Hours. Midpoint Peg Post-Only Orders may not participate in the Nasdaq Opening Cross, Nasdaq Halt Cross, or the Nasdaq Closing Cross. A Midpoint Peg Post-Only Order entered prior to the beginning of Market Hours will be rejected. Midpoint Peg Post-Only Orders will be cancelled by the System when a trading halt is declared, and any Midpoint Peg Post-Only Orders entered during a trading halt will be rejected. A Midpoint Peg Post-Only Order remaining on the Nasdaq Book at 4:00 p.m. ET will be cancelled by the System.

(f) Pegging to the midpoint is required for Midpoint Peg Post-Only Orders entered through RASH, QIX or FIX. As discussed above, the price of a Midpoint Peg Post-Only Order entered through OUCH or FLITE will be pegged to the midpoint upon entry and not adjusted thereafter.

(g) Minimum Quantity.

(h) Non-Display. All Midpoint Peg Post-Only Orders are Non-Displayed.

(i) Trade Now (available through OUCH, RASH, FLITE and FIX).

(H) A “Supplemental Order” is an Order Type with a Non-Display Order Attribute that is held on the Nasdaq Book in order to provide liquidity at the NBBO through a special execution process described in Rule 4757(a)(1)(D). A Supplemental Order may be entered through the OUCH protocol only.

Upon entry, a Supplemental Order will always post to the Nasdaq Book at a price equal to the Best Bid (for buys) or the Best Offer (for sells). Thereafter, the Supplemental Order may execute against an Order that is designated as eligible for routing, after the Order has executed against all other liquidity on the Nasdaq Book but before routing. An Order will execute against a Supplemental Order(s) only at the NBBO, only if the NBBO is not locked or crossed, and only if the Order can be executed in full. If a Supplemental Order is not executed in full, the remaining portion of the Supplemental Order shall remain on the Nasdaq Book as a Supplemental Order until the Supplemental Order is fully executed, the Supplemental Order is cancelled by the Participant that entered the Supplemental Order, or the size of the Supplemental Order is reduced to less than one normal unit of trading (in which case the Supplemental Order will be cancelled automatically).

(B) The following Order Attributes may be assigned to a Supplemental Order:

(v) Price. The Price of a Supplemental Order to buy is always equal to the Best Bid, and the price of a Supplemental Order to sell is always equal to the Best Offer.

(vi) Size. All Supplemental Orders must be entered with a size of one or more normal units of trading. When a Supplemental Order is reduced to less than one normal unit of trading, the remainder of the Supplemental Order will be cancelled automatically.

(vii) A Time-in-Force other than IOC. A Supplemental Order may be entered at any time during Pre-Market Hours or Market Hours, but is available for potential execution only during Market Hours. Any Supplemental Orders still on the Nasdaq Book at the conclusion of Market Hours will be cancelled. Supplemental Orders may not participate in the Nasdaq Opening Cross or the Nasdaq Closing Cross.

(viii) Primary Pegging. A Supplemental Order is not pegged to the NBBO through the regular Primary Pegging Order Attribute, and therefore does not have its price adjusted continually. However, if an incoming Order is potentially executable against a Supplemental Order, the System will set the price of the Supplemental Order at the NBBO on the same side of the
market, with no offset. As a result, a Supplemental Order may only execute at the NBBO.

(ix) Non-Display. All Supplemental Orders are Non-Displayed.

(A) A “Market Maker Peg Order” is an Order Type designed to allow a Market Maker to maintain a continuous two-sided quotation at a displayed price that is compliant with the quotation requirements for Market Makers set forth in Rule 4613(a)(2). The displayed price of the Market Maker Peg Order is set with reference to a “Reference Price” in order to keep the displayed price of the Market Maker Peg Order within a bounded price range. A Market Maker Peg Order may be entered through RASH, FIX or QIX only. A Market Maker Peg Order must be entered with a limit price beyond which the Order may not be priced. The Reference Price for a Market Maker Peg Order to buy (sell) is the then-current National Best Bid (National Best Offer) (including Nasdaq), or if no such National Best Bid or National Best Offer, the most recent reported last-sale eligible trade from the responsible single plan processor for that day, or if none, the previous closing price of the security as adjusted to reflect any corporate actions (e.g., dividends or stock splits) in the security.

Upon entry, the displayed price of a Market Maker Peg Order to buy (sell) is automatically set by the System at the Designated Percentage (as defined in Rule 4613) away from the Reference Price in order to comply with the quotation requirements for Market Makers set forth in Rule 4613(a)(2). For example, if the National Best Bid is $10 and the Designated Percentage for the security is 8%, the displayed price of a Market Marker Peg Order to buy would be $9.20. If the limit price of the Order is not within the Designated Percentage, the Order will be sent back to the Participant.

Once a Market Maker Peg Order has posted to the Nasdaq Book, it is repriced if needed as the Reference Price changes. Specifically, if as a result of a change to the Reference Price, the difference between the displayed price of the Market Maker Peg Order and the Reference Price reaches the Defined Limit (as defined in Rule 4613), a Market Maker Peg Order to buy (sell) will be repriced to the Designated Percentage away from the Reference Price. In the foregoing example, if the Defined Limit is 9.5% and the National Best Bid increased to $10.17, such that the displayed price of the Market Maker Peg Order would be more than 9.5% away, the Order will be repriced to $9.36, or 8% away from the National Best Bid. Note that prices will be rounded in a manner to ensure that they are calculated and displayed at a level that is consistent with the Designated Percentage and the permissible minimum increment of $0.01 or $0.0001, as applicable. If the limit price of the Order is outside the Defined Limit, the Order will be sent back to the Participant.

Similarly, if as a result of a change to the Reference Price, the displayed price of a Market Maker Peg Order to buy (sell) is at least one minimum price variation more than (less than) a price that is 4% less than (more than) the Reference Price, rounded up (down), then the Market Maker Peg Order to buy (sell) will be repriced to the Designated Percentage away from the Reference Price. For example, if the National Best Bid is $10 and the Designated Percentage for the security is 8%, the displayed price of a Market Marker Peg Order to buy would initially be $9.20. If the National Best Bid then moved to $9.57, such that the displayed price of the Market Maker Peg Order would be a minimum of $0.01 more than a price that is 4% less than the National Best Bid, rounded up (i.e. $9.57 – ($9.57 x 0.04) = $9.1872, rounding up to $9.19), the Order will be repriced to $8.81, or 8% away from the National Best Bid.

A Market Maker may enter a Market Maker Peg Order with a more aggressive offset than the Designated Percentage, but may not enter a less aggressive offset. A more aggressive offset will be expressed as a price difference from the Reference Price. Such a Market Maker Peg Order will be repriced in the same manner as a Price to Display Order with Attribution and Primary Pegging. As a result, the Order will be repriced whenever the price to which the Order is pegged is changed.

A new timestamp is created for a Market Maker Peg Order each time that it is repriced. In the absence of a Reference Price, a Market Maker Peg Order will be cancelled (if on the Nasdaq Book) or rejected (if it is an incoming Order). If, after entry, a Market Maker Peg Order has a displayed price based on a Reference Price other than the NBBO and such Market Maker Peg Order is established as the National Best Bid or National Best Offer, the Market Maker Peg Order will not be subsequently repriced.
in accordance with this rule until a new Reference Price is established. In such case, the new Reference Price may be established by a change in the NBBO based on another market center’s quotation or by the entry into the System of any Displayed Order with a price better than the displayed price of the Market Maker Peg Order, whether the new Order is at a price that is lower than, higher than or equal to the prior Reference Price.

Notwithstanding the availability of Market Maker Peg Order functionality, a Market Maker remains responsible for entering, monitoring, and resubmitting, as applicable, quotations that meet the requirements of Rule 4613.

(B) The following Order Attributes may be assigned to a Market Maker Peg Order:

(iii) Price. As discussed above, the displayed price of Market Maker Peg Order is established by the Nasdaq Market Center based on the Reference Price, the Designated Percentage (or a narrower offset established by the Market Maker), the Defined Limit, and the 4% minimum difference from the Reference Price.

(iv) Size.

(v) A Time-in-Force other than IOC or GTC.

(vi) Participation in the Nasdaq Opening Cross and/or the Nasdaq Closing Cross.

(vii) If the Market Maker designates a more aggressive offset than the Designated Percentage, Primary Pegging is required.

(viii) Attribution. All Market Maker Peg Orders are Attributable.

(ix) Display. Market Maker Peg Orders are always Displayed.

(x) Trade Now (available through RASH and FIX).

(J) (A) A “Market On Open Order” or “MOO Order” is an Order Type entered without a price that may be executed only during the Nasdaq Opening Cross. Subject to the qualifications provided below, MOO Orders may be entered, cancelled, and/or modified between 4 a.m. ET and immediately prior to 9:28 a.m. ET. An MOO Order may not be cancelled or modified at or after 9:28 a.m. ET. An MOO Order shall execute only at the price determined by the Nasdaq Opening Cross.

(B) The following Order Attributes may be assigned to a Market On Open Order:

(4) Price. An MOO Order is entered without a price and shall execute only at the price determined by the Nasdaq Opening Cross.

(5) Size.

(6) Time-in-Force. An MOO Order may execute only in the Nasdaq Opening Cross. However, a Participant may designate the Time-in-Force for an MOO Order either by designating a Time-in-Force of “On Open” or by entering another Order Type with a Market Pegging Attribute and flagging the Order to participate in the Nasdaq Opening Cross. An MOO Order entered through RASH or FIX with a Time-in-Force of IOC and flagged to participate in the Nasdaq Opening Cross that is entered after the time of the Nasdaq Opening Cross will be accepted but will be converted into a Non-Displayed Order with a Time-in-Force of IOC and a price established using the Market Pegging Order Attribute with no offset. An Order with a Market Pegging Attribute and a Time-in-Force other than IOC that is flagged to participate in the Nasdaq Opening Cross and entered at or after 9:28 a.m. will be held and entered into the System after the completion of the Nasdaq Opening Cross. All other MOO Orders entered at or after 9:28 a.m. will be rejected.

(7) Participation in the Nasdaq Opening Cross is required for this Order Type.

(K) (A) A “Limit On Open Order” or “LOO Order” is an Order Type entered with a price that may be
executed only in the Nasdaq Opening Cross, and only if the price determined by the Nasdaq Opening Cross is equal to or better than the price at which the LOO Order was entered. Subject to the qualifications provided below, LOO Orders may be entered, cancelled, and/or modified between 4 a.m. ET and immediately prior to 9:28 a.m. ET.

(B) The following Order Attributes may be assigned to a Limit On Open Order:

(4) Price.
(5) Size.
(6) Time-in-Force. In general, an LOO Order may execute only in the Nasdaq Opening Cross. However, a Participant may designate the Time-in-Force for an LOO Order either by designating a Time-in-Force of “On Open,” in which case the Order will execute solely in the Nasdaq Opening Cross, or by entering another Order Type and Time-in-Force and flagging the Order to participate in the Nasdaq Opening Cross. In the latter case, if the Participant designates a Time-in-Force of IOC, the Order will participate solely in the Nasdaq Opening Cross. If the Participant enters a Time-in-Force that continues after the time of the Nasdaq Opening Cross, the Order will participate in the Nasdaq Opening Cross like an LOO Order, while operating thereafter in accordance with its designated Order Type and Order Attributes (if not executed in full in the Nasdaq Opening Cross). Such an Order may be referred to as an “Opening Cross/Market Hours Order.” If such an Order has a Time-in-Force that continues until at least the time of the Nasdaq Closing Cross, the Order may be referred to as a “Cross to Cross Order.”

Following the Nasdaq Opening Cross, an Opening Cross/Market Hours Order may not operate as a Post-Only Order, Midpoint Peg Post-Only Order, a Supplemental Order, a Retail Order, or an RPI Order. In the case of a Market Maker Peg Order entered prior to 9:28 a.m. ET that is also designated to participate in the Nasdaq Opening Cross, the price of the Order for purposes of operating as an LOO Order will be established on entry and will not thereafter be pegged until after the completion of the Nasdaq Opening Cross. An Opening Cross/Market Hours Order that is entered between 9:28 a.m. and the time of the Nasdaq Opening Cross will be (i) held and entered into the System after the completion of the Nasdaq Opening Cross if it has been assigned a Pegging Attribute or Routing Attribute, (ii) treated as an Opening Imbalance Only Order and entered into the System after the completion of the Nasdaq Opening Cross if entered through RASH, QIX, or FIX but not assigned a Pegging Attribute or Routing Attribute, or (iii) treated as an Opening Imbalance Only Order and cancelled after the Nasdaq Opening Cross if entered through OUCH or FLITE. An Opening Cross/Market Hours Order entered through RASH or FIX after the time of the Nasdaq Opening Cross will be accepted but the Nasdaq Opening Cross flag will be ignored. A Routable Order flagged to participate in the Nasdaq Opening Cross with a Time-in-Force other than IOC and entered at or after 9:28 a.m. will be held and entered into the System after the Nasdaq Opening Cross. All other LOO Orders and Opening Cross/Market Hours Orders entered at or after 9:28 a.m. will be rejected.

(7) Participation in the Nasdaq Opening Cross is required for this Order Type.

(L) An “Opening Imbalance Only Order” or “OIO Order” is an Order Type entered with a price that may be executed only in the Nasdaq Opening Cross and only against MOO Orders, LOO Orders, or Early Market Hours Orders (as defined in Rule 4752). OIO Orders may be entered between 4:00 a.m. ET until the time of execution of the Nasdaq Opening Cross, but may not be cancelled or modified at or after 9:28 a.m. ET. If the entered price of an OIO Order to buy (sell) is higher than (lower than) the highest bid (lowest offer) on the Nasdaq Book, the price of the OIO Order will be modified repeatedly to equal the highest bid (lowest offer) on the Nasdaq Book; provided, however, that the price of the Order will not be moved beyond its stated limit price. Thus, for example, if an OIO Order to buy was entered with a price of $11 and the current highest bid on the Nasdaq Book was $10.99, the OIO Order would
be priced at $10.99. If the highest bid subsequently became $10.98, the OIO Order would again be repriced. However, if the highest bid moved to $11.01, the OIO Order would not be repriced.

(B) The following Order Attributes may be assigned to an Opening Imbalance Only Order:

(4) Price.

(5) Size.

(6) Time-in-Force. An OIO Order may execute only in the Nasdaq Opening Cross. An OIO Order entered after the time of the execution of the Nasdaq Opening Cross will be rejected.

(7) Participation in the Nasdaq Opening Cross is required for this Order Type.

(M) (A) A "Market On Close Order" or "MOC Order" is an Order Type entered without a price that may be executed only during the Nasdaq Closing Cross. Subject to the qualifications provided below, MOC Orders may be entered, cancelled, and/or modified between 4 a.m. ET and immediately prior to 3:55 p.m. ET. Between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET, an MOC Order can be cancelled and/or modified only if the Participant requests that Nasdaq correct a legitimate error in the Order (e.g., Side, Size, Symbol, or Price, or duplication of an Order). MOC Orders cannot be cancelled or modified at or after 3:58 p.m. ET for any reason. An MOC Order shall execute only at the price determined by the Nasdaq Closing Cross.

(B) The following Order Attributes may be assigned to a Market On Close Order:

(4) Price. An MOC Order is entered without a price and shall execute only at the price determined by the Nasdaq Closing Cross.

(5) Size.

(6) Time-in-Force. An MOC Order may execute only in the Nasdaq Closing Cross. However, a Participant may designate the Time-in-Force for an MOC Order either by designating a Time-in-Force of "On Close" or by entering a Time-in-Force of IOC and flagging the Order to participate in the Nasdaq Closing Cross. All MOC Orders entered at or after 3:55 p.m. ET will be rejected. Participation in the Nasdaq Closing Cross is required for this Order Type.

(N) (A) A "Limit On Close Order" or "LOC Order" is an Order Type entered with a price that may be executed only in the Nasdaq Closing Cross, and only if the price determined by the Nasdaq Closing Cross is equal to or better than the price at which the LOC Order was entered. Subject to the qualifications provided below, LOC Orders may be entered, cancelled, and/or modified between 4 a.m. ET and immediately prior to 3:55 p.m. ET. Between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET, an LOC Order may be entered provided that there is a First Reference Price. During this time period an LOC Order can also be cancelled but not modified, and only if the Participant requests that Nasdaq correct a legitimate error in the Order (e.g., Side, Size, Symbol, or Price, or duplication of an Order).

An LOC Order entered between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET will be accepted at its limit price, unless its limit price is higher (lower) than the First Reference Price for an LOC Order to buy (sell), in which case the LOC Order will be handled consistent with the Participant’s instruction that the LOC Order is to be: (1) rejected; or (2) re-priced to the First Reference Price, provided that the First Reference Price is not at a permissible minimum increment, the First Reference Price will be rounded (i) to the nearest permitted minimum increment (with midpoint prices being rounded up) if there is no imbalance, (ii) up if there is a buy imbalance, or (iii) down if there is a sell imbalance. The default configuration for Participants that do not specify otherwise will be to have such LOC Orders re-priced rather than rejected.

(B) The following Order Attributes may be assigned to a Limit On Close Order:

(5) Price.
(6) **Size.**

(7) **Time-in-Force.** In general, an LOC Order may execute only in the Nasdaq Closing Cross. However, a Participant may designate the Time-in-Force for an LOC Order either by designating a Time-in-Force of “On Close,” in which case the Order will execute solely in the Nasdaq Closing Cross, or by entering another Order Type and Time-in-Force and flagging the Order to participate in the Nasdaq Closing Cross.

In the latter case, if the Participant designates a Time-in-Force of IOC, the Order will participate solely in the Nasdaq Closing Cross. A Midpoint Peg Post-Only Order, Supplemental Order, or Market Maker Peg Order may not be flagged to solely participate in the Nasdaq Closing Cross.

If the Participant enters a Time-in-Force that continues after the time of the Nasdaq Closing Cross, the Order will participate in the Nasdaq Closing Cross like an LOC Order, while operating thereafter in accordance with its designated Order Type and Order Attributes (if not executed in full in the Nasdaq Closing Cross). Such an Order may be referred to as a “Closing Cross/Extended Hours Order.”

A Post-Only Order, Midpoint Peg Post-Only Order, Supplemental Order, or Market Maker Peg Order may not operate as a Closing Cross/Extended Hours Order. A Closing Cross/Extended Hours Order will be rejected if it has been assigned a Pegging Attribute. A Closing Cross/Extended Hours Order entered through OUCH, FLITE, RASH, or FIX with a Time-in-Force other than IOC after the time of the Nasdaq Closing Cross will be accepted but the Nasdaq Closing Cross flag will be ignored. All other LOC Orders and Closing Cross/Extended Hours Orders entered at or after 3:58 p.m. ET will be rejected.

(8) Participation in the Nasdaq Closing Cross is required for this Order Type.

(O) (A) An “Imbalance Only Order” or “IO Order” is an Order entered with a price that may be executed only in the Nasdaq Closing Cross and only against MOC Orders or LOC Orders. IO Orders may be entered between 4:00 a.m. ET until the time of execution of the Nasdaq Closing Cross, but may not be cancelled or modified at or after 3:55 p.m. ET. Between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET, however, an IO Order can be cancelled and/or modified if the Participant requests that Nasdaq correct a legitimate error in the Order (e.g., Side, Size, Symbol, or Price, or duplication of an Order). IO Orders cannot be cancelled or modified at or after 3:58 p.m. ET for any reason.

If the price of an IO Order to buy (sell) is higher (lower) than the highest bid (lowest offer) on the Nasdaq Book, the price of the IO Order will be modified repeatedly to equal the highest bid (lowest offer) on the Nasdaq Book; provided, however, that the price of the Order will not be moved beyond its stated limit price. Thus, for example, if an IO Order to buy was entered with a price of $11 and the current highest bid on the Nasdaq Book was $10.99, the IO Order would be priced at $10.99. If the highest bid subsequently became $10.98, the IO Order would again be repriced. However, if the highest bid moved to $11.01, the IO Order would not be repriced.

(B) The following Order Attributes may be assigned to an Imbalance Only Order:

(C) **Price.**

(D) **Size.**

(E) **Time-in-Force.** An IO Order may execute only in the Nasdaq Closing Cross. An IO Order entered after the time of the Nasdaq Closing Cross will be rejected.

(F) Participation in the Nasdaq Closing Cross is required for this Order Type.

(P) (A) A “Midpoint Extended Life Order” is an Order Type with a Non-Display Order Attribute that is priced at the midpoint between the NBBO and that will not be eligible to execute until a minimum period of one half of a second (“Holding Period”) has passed after acceptance of the Order by the System.
Eligible Midpoint Extended Life Orders may only execute against other eligible Midpoint Extended Life Orders. Buy (sell) Midpoint Extended Life Orders will be ranked in time order at the midpoint among other Buy (Sell) Midpoint Extended Life Orders. A Midpoint Extended Life Order may be cancelled at any time. If a Midpoint Extended Life Order is modified by a member (other than to decrease the size of the Order or to modify the marking of a sell Order as long, short, or short exempt) during the Holding Period, the System will restart the Holding Period. If a Midpoint Extended Life Order is modified by a member (other than to decrease the size of the Order or to modify the marking of a sell Order as long, short, or short exempt) after it is eligible to execute, the Order will have to satisfy a new Holding Period to become eligible to execute.

If a limit price is assigned to a Midpoint Extended Life Order, the Order will be: (1) eligible for execution in time priority if upon acceptance of the Order by the System, the midpoint price is within the limit set by the participant; or (2) held until the midpoint falls within the limit set by the participant at which time the Holding Period will commence and thereafter the System will make the Order eligible for execution in time priority. For example, if the Best Bid was $11 and the Best Offer was $11.06, the price of the Midpoint Extended Life Order would be $11.03. If a participant enters a Midpoint Extended Life Order to buy with a limit of $11.02, the Holding Period would not begin until the midpoint price reached $11.02. If a Midpoint Extended Life Order has met the Holding Period requirement but the midpoint is no longer within its limit, it will nonetheless be ranked in time priority among other Midpoint Extended Life Orders if the NBBO later moves such that it is within the Order’s limit price. Midpoint Extended Life Orders will not execute if there is a resting non-displayed Order priced more aggressively than the midpoint between the NBBO, and will be held for execution until the resting non-displayed Order is no longer on the Nasdaq Book or the midpoint of the NBBO matches the price of the resting non-displayed Order.

Midpoint Extended Life Orders in existence at the time a halt is initiated will be ineligible to execute and held by the System until trading has resumed and the NBBO has been received by Nasdaq.

Nasdaq will publish on Nasdaqtrader.com weekly aggregated number of shares and transactions of Midpoint Extended Life Orders executed on Nasdaq by security. The weekly aggregated data would be published with a delay of two weeks for NMS stocks in Tier 1 of the NMS Plan to Address Extraordinary Market Volatility, and four weeks for all other NMS stocks. Nasdaq will also publish on Nasdaqtrader.com monthly aggregated block-sized trading statistics of total shares and total transactions of Midpoint Extended Life Orders executed on Nasdaq. A transaction would be considered “block-sized” if it meets any of the following categories of criteria: (1) 10,000 or more shares; (2) $200,000 or more in value; (3) 10,000 or more shares and $200,000 or more in value; (4) 2,000 to 9,999 shares; (5) $100,000 to $199,999 in value; or (6) 2,000 to 9,999 shares and $100,000 to $199,999 in value. For each of these categories, Nasdaq will publish monthly transaction count and share executed volume information. The data will be published no earlier than one month following the end of the month for which trading was aggregated.

(B) The following Order Attributes may be assigned to a Midpoint Extended Life Order:

(F) Minimum Quantity.

(G) Size. A Midpoint Extended Life Order must be entered with a size of at least one round lot. Any shares of a Midpoint Extended Life Order remaining after an execution that are less than a round lot will be cancelled by the System.

(H) A Time-in-Force other than IOC; provided that regardless of the Time-in-Force entered, a Midpoint Extended Life Order may not be active outside of Market Hours. A Midpoint Extended Life Order entered during Pre-Market Hours will be held by the System in time priority until Market Hours. Midpoint Extended Life Orders entered during Post-Market Hours will not be accepted by the System. A Midpoint Extended Life Order remaining unexecuted after 4:00 p.m. ET will be cancelled by the System.

(I) Non-Display. All Midpoint Extended Life Orders are Non-Displayed.
Changes to this rule have been approved, but are not yet implemented. For additional information, see the attached file.

As described in Rule 4702, the following Order Attributes may be assigned to those Order Types for which they are available.

(a) Time-in-Force

The “Time-in-Force” assigned to an Order means the period of time that the Nasdaq Market Center will hold the Order for potential execution. Participants specify an Order’s Time-in-Force by designating a time at which the Order will become active and a time at which the Order will cease to be active. The available times for activating Orders are:

(D) The time of the Order’s receipt by the Nasdaq Market Center;
(E) the Nasdaq Opening Cross (or 9:30 a.m. ET in the case of a security for which no Nasdaq Opening Cross occurs);
(F) Market Hours, beginning after the completion of the Nasdaq Opening Cross (or at 9:30 a.m. ET in the case of a security for which no Nasdaq Opening Cross occurs);
(G) the Nasdaq Closing Cross (or the end of Market Hours in the case of a security for which no Nasdaq Closing Cross occurs);
(H) 7:00 a.m. ET, in the case of an Order using the SCAN or RTFY routing strategy that is entered prior to 7:00 a.m. ET;
(I) 8:00 a.m. ET, in the case of an Order using the SCAN or RTFY routing strategy that is entered prior to 8:00 a.m. ET
(J) the beginning of the Display-Only Period, in the case of a security that is the subject of a trading halt and for which trading will resume pursuant to a halt cross; and
(K) the resumption of trading, in the case of a security that is the subject of a trading halt and for which trading resumes without a halt cross.

The available times for deactivating Orders are:

(3) “Immediate” (i.e., immediately after determining whether the Order is marketable);
(4) the end of Market Hours;
(5) the end of System Hours;
(6) one year after entry; or
(7) a specific time identified by the Participant; provided, however, that an Order specifying an expire time beyond the current trading day will be cancelled at the end of the current trading day.

Notwithstanding the Time-in-Force originally designated for an Order, a Participant may always cancel an Order after it is entered.

The following Times-in-Force are referenced elsewhere in Nasdaq’s Rules by the designations noted below:

(7) An Order that is designated to deactivate immediately after determining whether the Order is marketable may be referred to as having a Time in Force of “Immediate or Cancel” or “IOC”. Except as provided in Rule 4702 with respect to Opening Cross/Market Hours Orders and Closing Cross/Extended Hours Orders, MOO, LOO, OIO, MOC, LOC and OI Orders all have a Time in Force of IOC, because they are designated for execution in the Nasdaq Opening Cross or the Nasdaq Closing
Cross, as applicable, and are cancelled after determining whether they are executable in such cross. Such an Order may also be referred to as having a Time-in-Force of “On Open” or “On Close”, respectively. An MOO, LOO, OIO, MOC, LOC or IO Order, or any other Order with a Time-in-Force of IOC entered between 9:30 a.m. ET and 4:00 p.m. ET, may be referred to as having a Time-in-Force of “Market Hours Immediate or Cancel” or “MIOC”. An Order with a Time-in-Force of IOC that is entered at any time between 4:00 a.m. ET and 8:00 p.m. ET may be referred to as having a Time-in-Force of “System Hours Immediate or Cancel” or “SIOC”.

(8) An Order that is designated to deactivate at 8:00 p.m. may be referred to as having a Time in Force of “System Hours Day” or “SDAY”.

(9) An Order that is designated to deactivate one year after entry may be referred to as a “Good-till-Cancelled” or “GTC” Order. If a GTC Order is designated as eligible for execution during Market Hours only, it may be referred to as having a Time in Force of “Market Hours Good-till-Cancelled” or “MGTC”. If a GTC is designated as eligible for execution during System Hours, it may be referred to as having a Time in Force of “System Hours Good-till-Cancelled” or “SGTC”.

(10) An Order that is designated to deactivate at the time specified in advance by the entering Participant may be referred to as having a Time-in-Force of “System Hours Expire Time” or “SHEX”.

(11) An Order that is designated to activate at any time during Market Hours and deactivate at the completion of the Nasdaq Closing Cross may be referred to as having a Time-in-Force of “Market Hours Day” or “MDAY”. An Order entered with a Time-in-Force of MDAY after the completion of the Nasdaq Closing Cross will be rejected.

(12) An Order that is designated to activate when entered and deactivate at the completion of the Nasdaq Closing Cross may be referred to as having a Time in Force of “Good-till-Market Close” or “GTMC”. GTMC Orders entered after 4:00 p.m. ET will be rejected.

(13) A Participant entering an Order using the SCAN or RTFY routing strategy may designate the Order to activate upon entry, at 7:00 a.m. ET if entered prior to 7:00 a.m. ET on the same day, or at 8:00 a.m. ET if entered prior to 8:00 a.m. ET on the same day.

(b) Size. Except as otherwise provided, an Order may be entered in any whole share size between one share and 999,999 shares. Orders for fractional shares are not permitted. The following terms may be used to describe particular Order sizes:

c) “normal unit of trading” or “round lot” means the size generally employed by traders when trading a particular security, which is 100 shares in most instances;

d) “mixed lot” means a size of more than one normal unit of trading but not a multiple thereof; and

e) “odd lot” means a size of less than one normal unit of trading.

(c) Price. With limited exceptions, all Orders must have a price, such that they will execute only if the price available is equal to or better than the price of the Order. The maximum price that the System will accept is $199,999.99. MOO and MOC Orders are not assigned a price by the entering party and execute at the price of the Nasdaq Opening Cross and Nasdaq Closing Cross, respectively. Moreover, certain Orders have a price that is determined by the Nasdaq Market Center based on the NBBO or other reference prices, rather than by the Participant. As described below with respect to the Pegging Order Attribute, an Order may have a price that is pegged to the opposite side of the market, in which case the Order will behave like a “market order” or “unpriced order” (i.e., an Order that executes against accessible liquidity on the opposite side of the market, regardless of its price).

(d) Pegging. Pegging is an Order Attribute that allows an Order to have its price automatically set with reference to the NBBO; provided, however, that if Nasdaq is the sole market center at the Best Bid or Best Offer (as applicable), then the price of any Displayed Order with Primary Pegging (as defined below) will be set with reference to the highest bid or lowest offer disseminated by a market center other than Nasdaq. An Order with a Pegging Order Attribute may be referred to as a “Pegged Order.” For purposes of this rule, the price to which an
Order is pegged will be referred to as the Inside Quotation, the Inside Bid, or the Inside Offer, as appropriate. There are three varieties of Pegging:

(iii) Primary Pegging means Pegging with reference to the Inside Quotation on the same side of the market. For example, if the Inside Bid was $11, an Order to buy with Primary Pegging would be priced at $11.

(iv) Market Pegging means Pegging with reference to the Inside Quotation on the opposite side of the market. For example, if the Inside Offer was $11.06, an Order to buy with Market Pegging would be priced at $11.06.

(v) Midpoint Pegging means Pegging with reference to the midpoint between the Inside Bid and the Inside Offer (the "Midpoint"). Thus, if the Inside Bid was $11 and the Inside Offer was $11.06, an Order with Midpoint Pegging would be priced at $11.03. An Order with Midpoint Pegging is not displayed. An Order with Midpoint Pegging may be executed in sub-pennies if necessary to obtain a midpoint price.

Pegging is available only during Market Hours. An Order with Pegging may specify a limit price beyond which the Order may not be executed; provided, however, that if an Order has been assigned a Pegging Order Attribute and a Discretion Order Attribute, the Order may execute at any price within the discretionary price range, even if beyond the limit price specified with respect to the Pegging Order Attribute. If an Order with Pegging is priced at its limit price, the price of the Order may nevertheless be changed to a less aggressive price based on changes to the Inside Quotation. In addition, an Order with Primary Pegging or Market Pegging may specify an Offset Amount, such that the price of the Order will vary from the Inside Quotation by the selected Offset Amount. The Offset Amount may be either aggressive or passive. Thus, for example, if a Participant entered an Order to buy with Primary Pegging and a passive Offset Amount of $0.05 and the Inside Bid was $11, the Order would be priced at $10.95. If the Participant selected an aggressive Offset Amount of $0.02, however, the Order would be priced at $11.02. An Order with Primary Pegging and an Offset Amount will not be Displayed, unless the Order is Attributable. An Order with Midpoint Pegging will not be Displayed. An Order with Market Pegging and no Offset behaves as a “market order” with respect to any liquidity on the Nasdaq Book at the Inside Quotation on the opposite side of the market because it is immediately executable at that price. If, at the time of entry, there is no price to which a Pegged Order can be pegged, the Order will be rejected; provided, however, that a Displayed Order that has Market Pegging, or an Order with a Non-Display Attribute that has Primary Pegging or Market Pegging, will be accepted at its limit price. In the case of an Order with Midpoint Pegging, if the Inside Bid and Inside Offer are locked, the Order will be priced at the locking price, if the Inside Bid and Inside Offer are crossed or if there is no Inside Bid and/or Inside Offer, the Order will not be accepted. However, even if the Inside Bid and Inside Offer are locked, an Order with Midpoint Pegging that locked an Order on the Nasdaq Book would execute (provided, however, that a Midpoint Peg Post-Only Order would execute or post as described in Rule 4702(b)(5)(A)).

Primary Pegging and Market Pegging are available through RASH, QIX, and FIX only. An Order entered through OUCH or FLITE with Midpoint Pegging will have its price set upon initial entry to the Midpoint, unless the Order has a limit price that is lower than the Midpoint for an Order to buy (higher than the Midpoint for an Order to sell), in which case the Order will be ranked on the Nasdaq Book at its limit price. Thereafter, if the Inside Bid and Inside Offer changes so that: the Midpoint is lower than (higher than) the price of an Order to buy (sell), the Inside Bid and Inside Offer are crossed or if there is no Inside Bid and/or Inside Offer, the Order will be cancelled back to the Participant.

An Order entered through RASH, QIX or FIX with Pegging will have its price set upon initial entry and will thereafter have its price reset in accordance with changes to the relevant Inside Quotation. An Order with Pegging receives a new timestamp whenever its price is updated and therefore will be evaluated with respect to possible execution (and routing, if it has been assigned a Routing Order Attribute) in the same manner as a newly entered Order. If the price to which an Order is pegged is not available, the Order will be rejected. For an Order with Midpoint Pegging, if the Inside Bid and Inside Offer become crossed or if there is no Inside Bid and/or Inside Offer, the Order will be removed from the Nasdaq Book and will be re-entered at the new midprice once there is a valid Inside Bid and Inside Offer that is not crossed.

Primary Pegging Orders and Market Pegging Orders are subject to a collar. Any portion of a Primary Pegging
Order or Market Pegging Order that would execute, either on the Exchange or when routed to another market center, at a price of more than $0.25 or 5 percent worse than the NBBO at the time when the order reaches the System, whichever is greater, will be cancelled.

Orders with Midpoint Pegging will be cancelled by the System when a trading halt is declared, and any Orders with Midpoint Pegging entered during a trading halt will be rejected.

(e) Minimum Quantity. Minimum Quantity is an Order Attribute that allows a Participant to provide that an Order will not execute unless a specified minimum quantity of shares can be obtained. An Order with a Minimum Quantity Order Attribute may be referred to as a “Minimum Quantity Order.” For example, a Participant could enter an Order with a Size of 1000 shares and specify a Minimum Quantity of 500 shares.

A Participant may specify two alternatives with respect to the processing of a Minimum Quantity Order at time of entry:

(3) First, the Participant may specify that the minimum quantity condition may be satisfied by execution against multiple Orders. In that case, upon entry, the System would determine whether there were one or more posted Orders executable against the incoming Order with an aggregate size of at least the minimum quantity (500 shares in the above example). If there were not, the Order would post on the Nasdaq Book in accordance with the characteristics of its underlying Order Type.

(4) Second, the Participant may specify that the minimum quantity condition must be satisfied by execution against one or more Orders, each of which must have a size that satisfies the minimum quantity condition. If there are such Orders but there are also other Orders that do not satisfy the minimum quantity condition, the Minimum Quantity Order will execute against Orders on the Nasdaq Book in accordance with Rule 4757 (pertaining to execution priority) until it reaches an Order that does not satisfy the minimum quantity condition, and then the remainder of the Order will be cancelled. For example, if a Participant entered an Order to buy at $11 with a size of 1,500 shares and a minimum quantity condition of 500 shares, and there were three Orders to sell at $11 on the Nasdaq Book, two with a size of 500 shares each and one with a size of 200 shares, with the 200 share Order ranked in time priority between the 500 share Orders, the 500 share Order with the first time priority would execute and the remainder of the Minimum Quantity Order would be cancelled. Alternatively, if the Order would lock or cross Orders on the Nasdaq Book but none of the resting Orders would satisfy the minimum quantity condition, an Order with a minimum quantity condition to buy (sell) will be repriced to one minimum price increment lower than (higher than) the lowest price (highest price) of such Orders. For example, if there was an Order to buy at $11 with a minimum quantity condition of 500 shares, and there were resting Orders on the Nasdaq Book to sell 200 shares at $10.99 and 300 shares at $11, the Order would be repriced to $10.98 and ranked at that price.

Once posted to the Nasdaq Book, a Minimum Quantity Order retains its Minimum Quantity Order Attribute, such that the Order may execute only against incoming Orders with a size of at least the minimum quantity condition. An Order that has a Minimum Quantity Order Attribute and that posts to the Nasdaq Book will not be displayed.

Upon entry, an Order with a Minimum Quantity Order Attribute must have a size of at least one round lot. An Order entered through OUCH or FLITE may have a minimum quantity condition of any size of at least one round lot. An Order entered through RASH, QIX or FIX must have a minimum quantity of one round lot or any multiple thereof, and a mixed lot minimum quantity condition will be rounded down to the nearest round lot. In the event that the shares remaining in the size of an Order with a Minimum Quantity Order Attribute following a partial execution thereof are less than the minimum quantity specified by the Participant entering the Order, the minimum quantity value of the Order will be reduced to the number of shares remaining. An Order with a Minimum Quantity Order Attribute may not be displayed; if a Participant marks an Order with both a Minimum Quantity Order Attribute and a Display Order Attribute, the System will accept the Order but will give a Time-in-Force of IOC, regardless of the Time-in-Force marked by the Participant. An Order marked with a Minimum Quantity Order Attribute and a Routing Order Attribute will be rejected. An Order with a Minimum Quantity Order Attribute is ineligible to participate in the Nasdaq Opening, Halt or Closing Crosses, and is not included in the calculation of the Cross price.
Routing. Routing is an Order Attribute that allows a Participant to designate an Order to employ one of several Routing Strategies offered by Nasdaq, as described in Rule 4758; such an Order may be referred to as a "Routable Order." Upon receipt of an Order with the Routing Order Attribute, the System will process the Order in accordance with the applicable Routing Strategy. In the case of a limited number of Routing Strategies, the Order will be sent directly to other market centers for potential execution. For most other Routing Strategies, the Order will attempt to access liquidity available on Nasdaq in the manner specified for the underlying Order Type and will then be routed in accordance with the applicable Routing Strategy. Shares of the Order that cannot be executed are then returned to Nasdaq, where they will (i) again attempt to access liquidity available on Nasdaq and (ii) post to the Nasdaq Book or be cancelled, depending on the Time-in-Force of the Order. Under certain Routing Strategies, the Order may be routed again if the System observes an accessible quotation of another market center, and returned to Nasdaq again for potential execution and/or posting to the Nasdaq Book. In connection with the trading of securities governed by Regulation NMS, all Orders shall be routed for potential execution in compliance with Regulation NMS. Where appropriate, Routable Orders will be marked as Intermarket Sweep Orders.

Discretion. Discretion is an Order Attribute under which an Order has a non-displayed discretionary price range within which the entering Participant is willing to trade; such an Order may be referred to as a “Discretionary Order.” Thus, an Order with Discretion has both a price (for example, buy at $11) and a discretionary price range (for example, buy up to $11.03). Depending on the Order Type used, the price may be displayed (for example, a Price to Display Order) or non-displayed (for example, a Non-Displayed Order). The discretionary price range is always non-displayed. In addition, it should be noted that the Discretion Order Attribute may be combined with the Pegging Order Attribute, in which case either the price of the Order or the discretionary price range or both may be pegged in the ways described in Rule 4702(d) with respect to the Pegging Order Attribute. For example, an Order with Discretion to buy might be pegged to the Best Bid with a $0.05 passive Offset and might have a discretionary price range pegged to the Best Bid with a $0.02 passive Offset. In that case, if the Best Bid was $11, the price of the Order would be $10.95, with a discretionary price range up to $10.98. If the Best Bid moved to $10.99, the price of the Order would then be $10.94, with a discretionary price range up to $10.97. Alternatively, if the price of the Order was pegged but the discretionary price range was not, the price of the Order would be $10.94, but the discretionary price range would continue to range up to $10.98. Likewise, if the discretionary price range was pegged but the price of the Order was not, the Order would remain priced at $10.95 but with a discretionary price range of up to $10.97. A Participant may also specify a limit price beyond which the discretionary price range may not extend.

Under the circumstances described below, the Nasdaq Market Center processes an Order with Discretion by generating a Non-Displayed Order with a Time-in-Force of IOC (a "Discretionary IOC") that will attempt to access liquidity available within the discretionary price range. The Discretionary IOC will not be permitted to execute, however, if the price of the execution would trade through a Protected Quotation. If more than one Order with Discretion satisfies conditions that would cause the generation of a Discretionary IOC simultaneously, the order in which such Discretionary IOCs are presented for execution is random, based on the respective processing time for each such Order. Whenever a Discretionary IOC is generated, the underlying Order with Discretion will be withheld or removed from the Nasdaq Book and will then be routed and/or placed on the Nasdaq Book if the Discretionary IOC does not exhaust the full size of the underlying Order with Discretion, with its price determined by the underlying Order Type and Order Attributes selected by the Participant. Because the circumstances under which a Discretionary IOC will be generated are dependent upon a range of factors, several specific scenarios are described below.

If an Order has been assigned a Discretion Order Attribute, but has not been assigned a Routing Order Attribute, upon entry of the Order, the Nasdaq Market Center will automatically generate a Discretionary IOC with a price equal to the highest price for an Order with Discretion to buy (lowest price for an Order with Discretion to sell) within the discretionary price range and a size equal to the full size of the underlying Order to determine if there are any Orders within the discretionary price range on the Nasdaq Book. If the Discretionary IOC does not exhaust the full size of the Order with Discretion, the remaining size of the Order with Discretion will post to the Nasdaq Book in accordance with the parameters that apply to the underlying Order Type. Thus, for example, if a Participant enters a Price...
to Display Order to buy at $11 with a discretionary price range of up to $11.03, upon entry the Nasdaq Market Center will generate a Discretionary IOC to buy priced at $11.03. If there is an Order on the Nasdaq Book to sell priced at $11.02 and an execution at $11.02 would not trade through a Protected Quotation, the Discretionary IOC will execute against the Order on the Nasdaq Book, up to the full size of each Order. Any remaining size of the Price to Display Order would post to the Nasdaq Book in accordance with its parameters.

(v) After the Order posts to the Nasdaq Book, the Nasdaq Market Center System will examine whether at any time there is an Order on the Nasdaq Book with a price in the discretionary price range against which the Order with Discretion could execute. In doing so, the Nasdaq Market Center System will examine all Orders (including Orders that are not Displayed). If the Nasdaq Market Center System observes such an Order, it will generate a Discretionary IOC with a price equal to the highest price for an Order to buy (lowest price for an Order to sell) within the discretionary price range and a size equal to the full size of the Order.

(vi) If an Order that uses a passive routing strategy (i.e., a strategy that does not seek routing opportunities after posting to the Nasdaq Book) has been assigned a Discretion Order Attribute but does not have a pegged discretionary price range, upon entry of the Order, the Nasdaq Market Center will examine all Orders (including Orders that are not Displayed) on the Nasdaq Book to determine if there is an Order on the Nasdaq Book with a price in the discretionary price range against which the Order with Discretion could execute. If the Nasdaq Market Center System observes such an Order, it will generate a Discretionary IOC with a price equal to the price of the Order on the Nasdaq Book and a size equal to the applicable size of the Order on the Nasdaq Book. The Nasdaq Market Center System will also determine if there are any accessible quotations with prices that are within the discretionary price range at destinations on the applicable routing table for the selected routing strategy. If there are such quotations, the Nasdaq Market Center System will generate one or more Discretionary IOCs to route to such destinations, with a price and size that match the price and size of the market center’s quotation. If necessary to maximize execution opportunities and comply with Regulation NMS, the System’s routing broker may mark such Discretionary IOCs as Intermarket Sweep Orders. If the Discretionary IOC(s) do not exhaust the full size of the Order with Discretion, the remaining size of the Order with Discretion will post to the Nasdaq Book in accordance with the parameters that apply to the underlying Order Type. The Nasdaq Market Center System will then examine whether at any time there is an Order on the Nasdaq Book with a price in the discretionary price range against which the Order with Discretion could execute. In doing so, the Nasdaq Market Center System will examine all Orders (including Orders that are not Displayed). If the Nasdaq Market Center System observes such an Order, it will generate a Discretionary IOC with a price equal to the price of the Order on the Nasdaq Book and a size equal to the applicable size of the Order on the Nasdaq Book.

(vii) If an Order that uses a reactive routing strategy (i.e., a strategy that seeks routing opportunities after posting to the Nasdaq Book) has been assigned a Discretion Order Attribute but does not have a pegged discretionary price range, upon entry of the Order, the Nasdaq Market Center will examine all Orders (including Orders that are not Displayed) on the Nasdaq Book to determine if there is an Order on the Nasdaq Book with a price in the discretionary price range against which the Order with Discretion could execute. If the Nasdaq Market Center System observes such an Order, it will generate a Discretionary IOC with a price equal to the price of the Order on the Nasdaq Book and a size equal to the applicable size of the Order on the Nasdaq Book. The Nasdaq Market Center System will also determine if there are any accessible quotations with prices that are within the discretionary price range at destinations on the applicable routing table for the selected routing strategy. If there are such quotations, the Nasdaq Market Center System will generate one or more Discretionary IOCs to route to such destinations, with a price and size that match the price and size of the market center’s quotation. If necessary to maximize execution opportunities and comply with Regulation NMS, the System may mark such Discretionary IOCs as Intermarket Sweep Orders. If the Discretionary IOC(s) do not exhaust the full size of the Order with Discretion, the remaining size of the Order with Discretion will post to the Nasdaq Book in accordance with the parameters that apply to the underlying Order Type. The Nasdaq
Market Center System will then examine whether at any time there is an Order on the Nasdaq Book or an accessible quotation at another trading venue with a price in the discretionary price range against which the Order with Discretion could execute. In examining the Nasdaq Book, the Nasdaq Market Center System will examine all Orders (including Orders that are not Displayed). If the Nasdaq Market Center System observes such an Order or quotation, it will generate a Discretionary IOC with a price equal to the price of such the Order or quotation and a size equal to the applicable size of the Order on the Nasdaq Book or the displayed size of the quotation.

(viii) If an Order that uses a passive routing strategy has been assigned a Discretion Order Attribute and does have a pegged discretionary price range, upon entry of the Order, the Nasdaq Market Center will examine all Orders (including Orders that are not Displayed) on the Nasdaq Book to determine if there is an Order on the Nasdaq Book with a price in the discretionary price range against which the Order with Discretion could execute. If the Nasdaq Market Center System observes such an Order, it will generate a Discretionary IOC with a price equal to the price of the Order on the Nasdaq Book and a size equal to the applicable size of the Order on the Nasdaq Book. The Nasdaq Market Center System will also determine if there are any accessible quotations with prices that are within the discretionary price range at destinations on the applicable routing table for the selected routing strategy. If there are such quotations, the Nasdaq Market Center System will generate one or more Discretionary IOCs to route to such destinations, with a price and size that match the price and size of the market center’s quotation. If necessary to maximize execution opportunities and comply with Regulation NMS, the System may mark such Discretionary IOCs as Intermarket Sweep Orders. If the Discretionary IOC(s) do not exhaust the full size of the Order with Discretion, the remaining size of the Order with Discretion will post to the Nasdaq Book in accordance with the parameters that apply to the underlying Order Type. Thereafter, the Order will not generate further Discretionary IOCs unless the Order is updated in a manner that causes it to receive a new timestamp, in which case the Order will behave in the same manner as a newly entered Order.

(ix) If an Order that uses a reactive routing strategy has been assigned a Discretion Order Attribute and does have a pegged discretionary price range, upon entry of the Order, the Nasdaq Market Center will examine all Orders (including Orders that are not Displayed) on the Nasdaq Book to determine if there is an Order on the Nasdaq Book with a price in the discretionary price range against which the Order with Discretion could execute. If the Nasdaq Market Center System observes such an Order, it will generate a Discretionary IOC with a price equal to the price of the Order on the Nasdaq Book and a size equal to the applicable size of the Order on the Nasdaq Book. The Nasdaq Market Center System will also determine if there are any accessible quotations with prices that are within the discretionary price range at destinations on the applicable routing table for the selected routing strategy. If there are such quotations, the Nasdaq Market Center System will generate one or more Discretionary IOCs to route to such destinations, with a price and size that match the price and size of the market center’s quotation. If necessary to maximize execution opportunities and comply with Regulation NMS, the System may mark such Discretionary IOCs as Intermarket Sweep Orders. If the Discretionary IOC(s) do not exhaust the full size of the Order with Discretion, the remaining size of the Order with Discretion will post to the Nasdaq Book in accordance with the parameters that apply to the underlying Order Type. The Nasdaq Market Center System will then examine whether at any time there is an Order on the Nasdaq Book or an accessible quotation at another trading venue with a price in the discretionary price range against which the Order with Discretion could execute. In examining the Nasdaq Book, the Nasdaq Market Center System will examine Displayed Orders but will not examine Non-Displayed Orders. If the Nasdaq Market Center System observes such an Order or quotation, it will generate a Discretionary IOC with a price equal to the price of such the Order or quotation and a size equal to the applicable size of the Order on the Nasdaq Book or the displayed size of the quotation.

(h) Reserve Size. Reserve Size is an Order Attribute that permits a Participant to stipulate that an Order Type that is displayed may have its displayed size replenished from additional non-displayed size. An Order with Reserve Size may be referred to as a “Reserve Order.” At the time of entry, the displayed size of such an Order selected by the Participant must be one or more normal units of trading; an Order with a displayed size of a
mixed lot will be rounded down to the nearest round lot. A Reserve Order with displayed size of an odd lot will be accepted but with the full size of the Order displayed. Reserve Size is not available for Orders that are not displayed; provided, however, that if a Participant enters Reserve Size for a Non-Displayed Order with a Time-in-Force of IOC, the full size of the Order, including Reserve Size, will be processed as a Non-Displayed Order.

Whenever a Participant enters an Order with Reserve Size, the Nasdaq Market Center will process the Order as two Orders: a Displayed Order (with the characteristics of its selected Order Type) and a Non-Displayed Order. Upon entry, the full size of each such Order will be processed for potential execution in accordance with the parameters applicable to the Order Type. For example, a Participant might enter a Price to Display Order with 200 shares displayed and an additional 3,000 shares non-displayed. Upon entry, the Order would attempt to execute against available liquidity on the Nasdaq Book, up to 3,200 shares. Thereafter, unexecuted portions of the Order would post to the Nasdaq Book as a Displayed Price to Display Order and a Non-Displayed Order; provided, however, that if the remaining total size is less than the display size stipulated by the Participant, the Displayed Order will post without Reserve Size. Thus, if 3,050 shares executed upon entry, the Price to Display Order would post with a size of 150 shares and no Reserve Size.

When an Order with Reserve Size is posted, if there is an execution against the Displayed Order that causes its size to decrease below a normal unit of trading, another Displayed Order will be entered at the level stipulated by the Participant while the size of the Non-Displayed Order will be reduced by the same amount. Any remaining size of the original Displayed Order will remain on the Nasdaq Book. The new Displayed Order will receive a new timestamp, but the Non-Displayed Order (and the original Displayed Order, if any) will not; although the new Displayed Order will be processed by the System as a new Order in most respects at that time, if it was designated as Routable, the System will not automatically route it upon reentry. For example, if a Price to Comply Order with Reserve Size posted with a Displayed Size of 200 shares, along with a Non-Displayed Order of 3,000 and the 150 shares of the Displayed Order was executed, the remaining 50 shares of the original Price to Comply Order would remain, a new Price to Comply Order would post with a size of 200 shares and a new timestamp, and the Non-Displayed Order would be decremented to 2,800 shares. Because a new Displayed Order is entered and the Non-Displayed Order is not reentered, there are circumstances in which the Displayed Order may receive a different price than the Non-Displayed Order. For example, if, upon reentry, a Price to Display Order would lock or cross a newly posted Protected Quotation, the price of the Order will be adjusted but its associated Non-Displayed Order would not be adjusted. In that circumstance, it would be possible for the better priced Non-Displayed Order to execute prior to the Price to Display Order.

A Participant may stipulate that the Displayed Order should be replenished to its original size. Alternatively, the Participant may stipulate that the original and subsequent displayed size will be an amount randomly determined based on factors selected by the Participant. Specifically, the Participant would select both a theoretical displayed size and a range size, which may be any share amount less than the theoretical displayed size. The actual displayed size will then be determined by the System within a range in which the minimum size is the theoretical displayed size minus the range size, and the maximum size is (i) the minimum size plus (ii) an amount that is two times the range size minus one round lot. For example, if the theoretical displayed size is 600 shares and the range size is 500, the minimum displayed size will be 100 shares (600-500), and the maximum size will be 1,000 shares ((600-500) + ((2 x 500) – 100)).

When the Displayed Order with Reserve Size is executed and replenished, applicable market data disseminated by Nasdaq will show the execution and decrementation of the Displayed Order, followed by replenishment of the Displayed Order.

In all cases, if the remaining size of the Non-Displayed Order is less than the fixed or random amount stipulated by the Participant, the full remaining size of the Non-Displayed Order will be displayed and the Non-Displayed Order will be removed.

(i) Attribution. Attribution is an Order Attribute that permits a Participant to designate that the price and size of the Order will be displayed next to the Participant’s MPID in market data disseminated by Nasdaq. An Order with Attribution is referred to as an “Attributable Order” and an Order without attribution is referred to as a “Non-Attributable Order.”

(j) Intermarket Sweep Order. Designation of an Order as an Intermarket Sweep Order, or ISO, is an Order
Attribute that allows the Order to be executed within the Nasdaq Market Center by Participants at multiple price levels without respect to Protected Quotations of other market centers within the meaning of Rule 600(b) under Regulation NMS. ISOs are immediately executable within the Nasdaq Market Center against Orders against which they are marketable. An Order designated as an ISO may not be assigned a Routing Order Attribute; provided, however, that an Order using the Directed Order strategy may be designated as an ISO with respect to the market center to which it is directed. In connection with the trading of securities governed by Regulation NMS, Intermarket Sweep Orders shall be executed exclusively within the System and the entering Participant shall be responsible for compliance with Rules 610 and 611 under Regulation NMS with respect to order protection and locked and crossed markets with respect to such Orders. Orders eligible for execution outside the System shall be processed in compliance with Regulation NMS, including accessing Protected Quotations and resolving locked and crossed markets, as instructed.

Simultaneously with the routing of an ISO to the System, one or more additional limit orders, as necessary, are routed by the entering Participant to execute against the full displayed size of any Protected Quotation with a price that is superior to the price of the Order identified as an Intermarket Sweep Order (as defined in Rule 600(b) under Regulation NMS). These additional routed orders must be identified as Intermarket Sweep Orders.

Upon receipt of an ISO, the System will consider the stated price of the ISO to be available for other Orders to be entered at that price, unless the ISO is not itself accepted at that price level (for example, a Post-Only Order that has its price adjusted to avoid executing against an Order on the Nasdaq Book) or the ISO is not Displayed.

In addition, as described with respect to various Order Types, such as the Price to Comply Order, Orders on the Nasdaq Book that had their price adjusted may be eligible to be reentered at the stated price of the ISO. For example, if a Price to Comply Order to buy at $11 would lock a Protected Offer at $11, the Price to Comply Order will be posted with a non-displayed price of $11 and a displayed price of $10.99. If the System then receives an ISO to buy at $11, the ISO will be posted at $11 and the Price to Comply Order will be reentered at $11 (if the Participant opted to have its Orders reentered). The respective priority of such reentered Orders will be maintained among multiple repriced Orders; however, other new Orders may also be received after receipt of the ISO but before the repricing of the Price to Comply Order is complete; accordingly, the priority of an Order on the Nasdaq Book vis-à-vis a newly entered Order is not guaranteed.

(k) Display. Display is an Order Attribute that allows the price and size of an Order to be displayed to market participants via market data feeds. All Orders that are Attributable are also displayed, but an Order may be displayed without being Attributable. As discussed in Rule 4702, a Non-Displayed Order is a specific Order Type, but other Order Types may also be non-displayed if they are not assigned a Display Order Attribute; however, depending on context, all Orders that are not displayed may be referred to as “Non-Displayed Orders.” An Order with a Display Order Attribute may be referred to as a “Displayed Order.”

(l) Participation in the Nasdaq Opening Cross or the Nasdaq Closing Cross. All Order Types except Midpoint Peg Post-Only Orders and Supplemental Orders participate in the Nasdaq Opening Cross and/or the Nasdaq Closing Cross if the Order has a Time-in-Force that would cause the Order to be in effect at the time of the Nasdaq Opening Cross and/or Nasdaq Closing Cross. MOO Orders, LOO Orders, and IOI Orders participate in the Nasdaq Opening Cross in the manner specified in Rule 4752. Other Order Types eligible to participate in the Nasdaq Opening Cross operate as “Market Hours Orders” or “Open Eligible Interest” as specified in Rule 4752. MOC Orders, LOC Orders and IO Orders participate in the Nasdaq Closing Cross in the manner specified in Rule 4754. Other Order Types eligible to participate in the Nasdaq Closing Cross operate as “Close Eligible Interest” in the manner specified in Rule 4754. For purposes of the Nasdaq Opening Cross or Closing Cross, an Order to buy (sell) that is locked or crossed at its non-displayed price by a Post-Only Order on the Nasdaq Book shall be deemed to have a price at one minimum price increment below (above) the price of the Post-Only Order.

(m) Trade Now. Trade Now is an Order Attribute that allows a resting Order that becomes locked by an incoming Displayed Order to execute against a locking or crossing Order(s) as a liquidity taker, and any remaining shares of the resting Order will remain posted on the Nasdaq Book with the same priority.

(F) An Order entered through RASH or FIX protocol with a Trade Now Order Attribute will execute against locking interest automatically. When entered through RASH or FIX protocol, the Trade Now Order
Attribute may be enabled on an order-by-order or a port-level basis.

(G) An Order entered through OUCH or FLITE may not be assigned a Trade Now attribute upon entry, but rather the Participant that entered the Order must send a Trade Now instruction after the Order becomes locked. If a Trade Now instruction is given when there is no locking or crossing interest, the instruction will be ignored by the System and the Order will remain on the Nasdaq Book with the same priority. When entered through OUCH or FLITE protocol, the Trade Now instruction must be sent on an order-by-order basis.


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Nasdaq Stock Market Rules, Regulation, 4752., Nasdaq, Opening Process

(a) **Definitions.** For the purposes of this rule the term:

1. "**Imbalance**" shall mean the number of shares of buy or sell MOO, LOO or Early Market Hours orders that may not be matched with other MOO, LOO, Early Market Hours, or OIO order shares at a particular price at any given time.

2. "**Order Imbalance Indicator**" shall mean a message disseminated by electronic means containing information about MOO, LOO, OIO, and Early Market Hours orders and the price at which those orders would execute at the time of dissemination. The Order Imbalance Indicator shall disseminate the following information:

   (A) "**Current Reference Price**" shall mean:
   - The single price that is at or within the current Nasdaq Market Center best bid and offer at which the maximum number of shares of MOO, LOO, OIO, and Early Market Hours orders can be paired.
   - If more than one price exists under subparagraph (i), the Current Reference Price shall mean the price that minimizes any Imbalance.
   - If more than one price exists under subparagraph (ii), the Current Reference Price shall mean the entered price at which shares will remain unexecuted in the cross.
   - If more than one price exists under subparagraph (iii), the Current Reference Price shall mean the price that minimizes the distance from the bid-ask midpoint of the inside quotation prevailing at the time of the order imbalance indicator dissemination.

   (B) the number of shares represented by MOO, LOO, OIO, and Early Market Hours orders that are paired at the Current Reference Price;

   (C) the size of any Imbalance;

   (D) the buy/sell direction of any Imbalance; and

   (E) indicative prices at which the Nasdaq Opening Cross would occur if the Nasdaq Opening Cross were to occur at that time and the percent by which the indicative prices are outside the then current Nasdaq Market Center best bid or best offer, whichever is closer. The indicative prices shall be:
   - "**Near Clearing Price**" which shall mean the price at which both the MOO, LOO, OIO, and Early Market Hours orders and Open Eligible Interest in the Nasdaq Market Center would execute, and
   - "**Far Clearing Price**" which shall mean the price at which the MOO, LOO, OIO, and Early Market Hours orders in the Nasdaq Opening Book would execute.
   - If marketable buy (sell) shares would remain unexecuted above (below) the Near Clearing Price or Far Clearing Price, Nasdaq shall disseminate an indicator for "market buy" or "market sell".

3. "**Limit On Open Order**" or "LOO" shall have the meaning provided in Rule 4702.

4. "**Market on Open Order**" or "MOO" shall have the meaning provided in Rule 4702.

5. "**Nasdaq Opening Cross**" shall mean the process for determining the price at which orders shall be
executed at the open and for executing those orders.

(6) "Opening Imbalance Only Order" or "OIO" shall have the meaning provided in Rule 4702.

(7) "Market Hours Orders" shall mean any order that may be entered into the system and designated with a time-in-force of MIOC, MDAY, MGTC. Market Hours Orders shall be designated as "Early Market Hours Orders" if entered into the system prior to 9:28 a.m. and shall be treated as market-on-open and limit-on-open orders, as appropriate, for the purposes of the Nasdaq Opening Cross. Orders entered into the system at 9:28 a.m. or after shall be designated as "Late Market Hours Orders" and shall be treated as imbalance-only orders for the purposes of the cross. Beginning at 9:28 a.m., requests to cancel or modify Market Hours Orders shall be suspended until after completion of the Opening Cross at which time such requests shall be processed, to the extent that such orders remain available within the System.

(8) "Open Eligible Interest" shall mean any quotation or any order that may be entered into the system and designated with a time-in-force of SDAY, SGTC, SHEX, or GTMC.

(9) "Nasdaq Order Imbalance Snapshot" shall mean a message disseminated by electronic means containing a subset of information contained in the Order Imbalance Indicator using a format optimized for newswire services.

(b) Trading Prior To Normal Market Hours. The system shall process all eligible Quotes/Orders at 4:00 a.m.:

(1) At 4:00 a.m., the system shall add in time priority all eligible Orders in accordance with each order's defined characteristics.

(2) No earlier than between 9:25 a.m. and 9:30 a.m., the system shall open all remaining unopened Quotes in accordance with each firm's instructions.

(3) Nasdaq Quoting Market Participants may instruct Nasdaq to open their Quotes as follows:

   (A) At the price of the firm's quote when the quote was closed by the participant during the previous trading day with a normal unit of trading displayed size;

   (B) At a price and size entered by the participant between 4:00 a.m. and 9:24:59 a.m.

(4) All trades executed prior to 9:30 shall be automatically appended with the ".T" modifier

(c) System securities in which no Nasdaq Opening Cross occurs shall begin trading at 9:30 a.m. by integrating Market Hours orders into the book in time priority and executing in accordance with market hours rules.

(d) Processing of Nasdaq Opening Cross. For System securities, the Nasdaq Opening Cross shall occur at 9:30, and market hours trading shall commence when the Nasdaq Opening Cross concludes.

(1) Beginning at 9:28 a.m., Nasdaq shall disseminate by electronic means an Order Imbalance Indicator every second until market open.

(2) (A) The Nasdaq Opening Cross shall occur at the price that maximizes the number of shares of MOO, LOO, OIO, Early Market Hours orders, and executable quotes and orders in the Nasdaq Market Center to be executed.

   (B) If more than one price exists under subparagraph (A), the Nasdaq Opening Cross shall occur at the price that minimizes the number of shares of buy or sell MOO, LOO or Early Market Hours orders that may not be matched with other MOO, LOO, Early Market Hours, Open Eligible Interest, or OIO
order shares.

(C) If more than one price exists under subparagraph (B), the Nasdaq Opening Cross shall occur at the entered price at which shares will remain unexecuted in the cross.

(D) If more than one price exists under subparagraph (C), the Nasdaq Opening Cross shall occur at the price that minimizes the distance from the bid-ask midpoint of the inside quotation prevailing at 9:30 a.m.

(E) If the Nasdaq Opening Cross price established by subparagraphs (A) through (D) is outside the benchmarks established by Nasdaq by a threshold amount, the Nasdaq Opening Cross shall occur at a price within the threshold amounts that best satisfies the conditions of subparagraphs (A) through (D). Nasdaq management shall set and modify such benchmarks and thresholds from time to time upon prior notice to market participants.

(F) Opening Cross Eligibility: In addition to the Nasdaq Opening Cross price process of subparagraphs (A) through (E), each security in the Nasdaq Opening Cross must also pass one of the Opening Cross Price Tests in subparagraphs (i) through (iii) below or all MOO, LOO, OIO, and Early Market Hours orders in the Nasdaq Opening Cross in the security will be cancelled back to Participants, no Nasdaq Opening Cross in that security will occur, and the security will open for regular market hours trading consistent with paragraph (c) above. Each Opening Cross Price Test applies a price range within which the Opening Cross Price, as calculated by subparagraphs (A) through (E) above, must fall to pass the individual Opening Cross Price Test. For each Opening Cross Price Test, Nasdaq will calculate the price range by using a threshold applied to the unique measures under each test. Nasdaq will establish and publish the thresholds used in the Opening Cross Price Tests below. Nasdaq management shall set and modify the Opening Cross Price Test thresholds from time to time upon prior notice to market participants.

(i) Opening Cross Price Test A. For Nasdaq listed securities, the Opening Cross price range for Test A is established by adding and subtracting the Opening Cross Price Test A threshold from the Nasdaq Official Closing Price of the security for the previous trading day. For non-Nasdaq listed securities, the Opening Cross price range for Test A is established by adding and subtracting the Opening Cross Price Test A threshold from the consolidated closing price of the security for the previous trading day. For new Exchange Traded Products that do not have a Nasdaq Official Closing Price, the Opening Cross price range is established by adding and subtracting the Opening Cross Price Test A threshold from the offering price. For securities subject to a corporate action where the exchange can calculate a derived price based on the terms of the corporate action, the Opening Cross price range for Test A is established by adding and subtracting the Opening Cross Price Test A threshold from such derived price. If the Nasdaq Opening Cross price is higher or lower than the Opening Cross price range established by this subparagraph or the security does not have a Nasdaq Official Closing Price or consolidated closing price for the previous trading day, offering price, or derived price, as applicable, Opening Cross Price Test B will be performed.

(ii) Opening Cross Price Test B. The Opening Cross price range for Test B is established by adding and subtracting the Opening Cross Price Test B threshold from the Nasdaq last sale (either round or odd lot) after 9:15 a.m. ET but prior to the Opening Cross. If the Nasdaq Opening Cross price is higher or lower than the Opening Cross price range established by this subparagraph or if there is no Nasdaq last sale, Opening Cross Price Test C will be performed.

(iii) Opening Cross Price Test C. The Opening Cross price range for Test C is established by adding to and subtracting the Opening Cross Price Test C threshold from the Nasdaq best bid (for Opening Cross prices that would be higher than the price used under subparagraph (i) above) or Nasdaq best offer (for Opening Cross prices that would be lower than the price used under subparagraph (i) above). For purposes of this test, if a security does not have a Nasdaq Official
Closing Price or consolidated closing price for the previous trading day, offering price, or derived price, as applicable, Nasdaq will use a price of $0. If the Nasdaq Opening Cross price is higher or lower than the Opening Cross price range established by this subparagraph all Orders in the Opening Cross will be cancelled back to Participants, no Opening Cross will occur, and the security will open for regular market hours trading consistent with paragraph (c) above.

(3) If the Nasdaq Opening Cross price is selected and fewer than all shares of MOO, LOO, OIO and Early Market Hours Orders that are available in the Nasdaq Market Center would be executed, all Quotes and Orders shall be executed at the Nasdaq Opening Cross price in the following priority:

(A) MOO and Early Market Hours market peg orders, with time as the secondary priority;

(B) LOO orders, Early Market Hours limit orders, OIO orders, SDAY limit orders, SGTC limit orders, GTMC limit orders, SHEX limit orders, displayed quotes and reserve interest priced more aggressively than the Nasdaq Opening Cross price based on limit price with time as the secondary priority. An Order to buy (sell) that is locked or crossed at its non-displayed price by a Post-Only Order on the Nasdaq Book in Early Market Hours, and which has been deemed to have a price at one minimum price increment below (above) the price of the Post-Only Order, shall be ranked in time priority ahead of all orders one minimum price increment below (above) the price of the Post-Only Order but behind all orders at the price at which the Order was posted to the Nasdaq Book;

(C) LOO orders, OIO Orders, Early Market Hours and displayed interest of quotes, SDAY limit orders, SGTC limit orders, GTMC limit orders, and SHEX limit orders at the Nasdaq Opening Cross price with time as the secondary priority;

(D) Reserve interest of quotes, SDAY limit orders, SGTC limit orders, and GTMC limit orders and SHEX limit orders at the Nasdaq Opening Cross price with time as the secondary priority; and

(4) All Quotes and Orders executed in the Nasdaq Opening Cross shall be executed at the Nasdaq Opening Cross price, trade reported anonymously, and disseminated via a national market system plan. The Nasdaq Opening Cross price shall be the Nasdaq Official Opening Price for stocks that participate in the Nasdaq Opening Cross.
Nasdaq Stock Market Rules, Regulation, 4753., Nasdaq, Nasdaq Halt Cross

(a) Definitions.

For the purposes of this rule the term:

(1) "Imbalance" shall mean the number of shares of Eligible Interest that may not be matched with other order shares at a particular price at any given time.

(2) "Market Order Imbalance" shall mean the number of shares of Eligible Interest entered through market orders that would not be matched with other order shares at the time of the dissemination of an Order Imbalance Indicator.

(3) "Order Imbalance Indicator" shall mean a message disseminated by electronic means containing information about Eligible Interest and the price at which such interest would execute at the time of dissemination. The Order Imbalance Indicator shall disseminate the following information:

(A) "Current Reference Price" shall mean:

(i) The single price at which the maximum number of shares of Eligible Interest can be paired.

(ii) If more than one price exists under subparagraph (i), the Current Reference Price shall mean the price that minimizes any Imbalance.

(iii) If more than one price exists under subparagraph (ii), the Current Reference Price shall mean the entered price at which shares will remain unexecuted in the cross.

(iv) If more than one price exists under subparagraph (iii), the Current Reference Price shall mean:

(c) In the case of an IPO, the price that is closest to the Issuer’s Initial Public Offering Price;

(d) In the case of the initial pricing of a security listing under Listing Rule IM-5315-1, for a security that has had recent sustained trading in a Private Placement Market (as defined in Rule 5005(a)(34)) prior to listing, the most recent transaction price in that market or, if none, a price determined by the Exchange in consultation with the financial advisor to the issuer identified pursuant to Rule 4120(c)(9).

(e) In the case of another halt type in which the security has already traded during normal market hours on that trading day, the price that is closest to the last Nasdaq execution prior to the trading halt; and

(f) In the case of another halt type in which the security has not already traded during normal market hours on that trading day, the price that is closest to the previous Nasdaq Official Closing Price.

Notwithstanding the foregoing, the Order Imbalance Indicator will not include the Current Reference Price if there is a Market Order Imbalance.

(B) the number of shares of Eligible Interest that are paired at the Current Reference Price;

(C) the size of any Imbalance or Market Order Imbalance, as applicable;

(D) the buy/sell direction of any Imbalance or Market Order Imbalance, as applicable; and

(E) indicative prices at which the Nasdaq Halt Cross would occur if the Nasdaq Halt Cross were to
occur at that time. The indicative prices shall be:
(iii) The Far Clearing Price which shall be the same as the Current Reference Price, and
(iv) The Near Clearing Price which shall be the same as the Current Reference Price.

(F) For purposes of a Trading Pause initiated pursuant to Rule 4120(a)(12), “Order Imbalance
Indicator” will include Auction Reference Prices and Auction Collars, as defined in Rule 4120(c)(10)(A).

(4) "Nasdaq Halt Cross” shall mean the process for determining the price at which Eligible Interest shall
be executed at the open of trading for a halted security and for executing that Eligible Interest.

(5) "Eligible Interest” shall mean any quotation or any order that has been entered into the system and
designated with a time-in-force that would allow the order to be in force at the time of the Halt Cross.

(6) "Nasdaq Order Imbalance Snapshot” shall mean a message disseminated by electronic means
containing a subset of information contained in the Order Imbalance Indicator using a format optimized for
newswire services.

(b) Processing of Nasdaq Halt Cross. For Nasdaq-listed securities that are the subject of a trading halt or
pause initiated pursuant to Rule 4120(a)(1), (4), (5), (6), (7) or (11), the Nasdaq Halt Cross shall occur at the
time specified by Nasdaq pursuant to Rule 4120, and Market hours trading shall commence when the
Nasdaq Halt Cross concludes.

(1) At the beginning of the Display Only Period and continuing through the resumption of trading, Nasdaq
shall disseminate by electronic means an Order Imbalance Indicator every second.

(2) (A) The Nasdaq Halt Cross shall occur at the price that maximizes the number of shares of Eligible
Interest in the Nasdaq Market Center to be executed.

(B) If more than one price exists under subparagraph (A), the Nasdaq Halt Cross shall occur at the
price that minimizes any Imbalance.

(C) If more than one price exists under subparagraph (B), the Nasdaq Halt Cross shall occur at the
entered price at which shares will remain unexecuted in the cross.

(D) If more than one price exists under subparagraph (C), the Nasdaq Halt Cross shall occur at:
   (iii) In the case of an IPO, the price that is closest to the Issuer’s Initial Public Offering Price;
   (iv) In the case of the initial pricing of a security listing under Listing Rule IM-5315-1, for a
security that has had recent sustained trading in a Private Placement Market (as defined in
Rule 5005(a)(34)) prior to listing, the most recent transaction price in that market or, if none, a
price determined by the Exchange in consultation with the financial advisor to the issuer
identified pursuant to Rule 4120(c)(9).
   (v) In the case of another halt type in which the security has already traded during normal market
hours on that trading day, the price that is closest to the last Nasdaq execution prior to the
trading halt; and
   (vi) In the case of another halt type in which the security has not already traded during normal
market hours on that trading day, the price that is closest to the previous Nasdaq Official
Closing Price.

(3) If the Nasdaq Halt Cross price is selected and fewer than all shares of Eligible Interest that are
available in the Nasdaq Market Center would be executed, all Eligible Interest shall be executed at the
Nasdaq Halt Cross price in price/time priority. An Order to buy (sell) that is locked or crossed at its non-
displayed price by a Post-Only Order on the Nasdaq Book, and which has been deemed to have a price at one minimum price increment below (above) the price of the Post-Only Order, shall be ranked in time priority ahead of all orders one minimum price increment below (above) the price of the Post-Only Order but behind all orders at the price at which the Order was posted to the Nasdaq Book.

(4) All Eligible Interest executed in the Nasdaq Halt Cross shall be executed at the Nasdaq Halt Cross price, trade reported anonymously, and disseminated via a national market system plan. The Nasdaq Halt Cross price shall be the Nasdaq Official Opening Price for stocks that participate in the Nasdaq Halt Cross unless the stock has already been traded during normal market hours on that trading day.

c) Nasdaq-listed securities that are the subject of a trading halt initiated pursuant to Rule 4120(a) and in which no Halt Cross occurs, shall open for trading at the time specified by Nasdaq pursuant to Rule 4120 in the following manner:

(1) Orders shall be added to the book in time priority.

(2) The Nasdaq Official Opening Price for such securities shall be the first Nasdaq market center execution following trade resumption unless the security has already traded during Market hours on that trading day.

d) For purposes of the Nasdaq Halt Cross, an Order to buy (sell) that is locked or crossed at its non-displayed price by a Post-Only Order on the Nasdaq Book prior to the trading halt shall be deemed to have a price at one minimum price increment below (above) the price of the Post-Only Order.


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Nasdaq Stock Market Rules, Regulation, 4754., Nasdaq, Nasdaq Closing Cross

(a) Definitions. For the purposes of this rule the term:

(1) "Close Eligible Interest" shall mean any quotation or any order that may be entered into the system and designated with a time-in-force of SDAY, SGTC, MDAY, MGTC, SHEX, or GTMC.

(2) "Imbalance" shall mean the number of shares of buy or sell MOC or LOC orders that cannot be matched with other MOC or LOC, or IO order shares at a particular price at any given time.

(3) "Imbalance Only Order" or "IO" shall have the meaning provided in Rule 4702.

(4) "Limit On Close Order" or "LOC" shall have the meaning provided in Rule 4702.

(5) "Market on Close Order or MOC" shall have the meaning provided in Rule 4702.

(6) "Nasdaq Closing Cross" shall mean the process for determining the price at which orders shall be executed at the close and for executing those orders.

(7) "Order Imbalance Indicator" shall mean a message disseminated by electronic means containing information about MOC, LOC, IO, and Close Eligible Interest and the price at which those orders would execute at the time of dissemination. The Order Imbalance Indicator shall disseminate the following information:

(A) "Current Reference Price" shall mean:
   (v) The single price that is at or within the current Nasdaq Market Center best bid and offer at which the maximum number of shares of MOC, LOC, and IO orders can be paired.
   (vi) If more than one price exists under subparagraph (i), the Current Reference Price shall mean the price that minimizes any Imbalance.
   (vii) If more than one price exists under subparagraph (ii), the Current Reference Price shall mean the entered price at which shares will remain unexecuted in the cross.
   (viii) If more than one price exists under subparagraph (iii), the Current Reference Price shall mean the price that minimizes the distance from the bid-ask midpoint of the inside quotation prevailing at the time of the order imbalance indicator dissemination.

(B) the number of shares represented by MOC, LOC, and IO orders that are paired at the Current Reference Price;

(C) the size of any Imbalance;

(D) the buy/sell direction of any Imbalance; and

(E) indicative prices at which the Nasdaq Closing Cross would occur if the Nasdaq Closing Cross were to occur at that time and the percent by which the indicative prices are outside the then current Nasdaq Market Center best bid or best offer, whichever is closer. The indicative prices shall be:
   (iii) "Far Clearing Price" which shall mean the price at which the MOC, LOC, and IO orders would execute, and
   (iv) "Near Clearing Price" which shall mean the price at which the MOC, LOC, IO, and Eligible Interest would execute.
(v) If marketable buy (sell) shares would remain unexecuted above (below) the Near Clearing Price or Far Clearing Price, Nasdaq shall disseminate an indicator for "market buy" or "market sell".

(8) "Nasdaq Order Imbalance Snapshot" shall mean a message disseminated by electronic means containing a subset of information contained in the Order Imbalance Indicator using a format optimized for newswire services.

(9) "First Reference Price" shall mean the Current Reference Price in the first Order Imbalance Indicator disseminated at or after 3:55 p.m. ET.

(10) "Early Order Imbalance Indicator" shall mean a message disseminated by electronic means containing the same information as the Order Imbalance Indicator, except that it will exclude information about indicative prices, as set forth in subparagraph (a)(7)(E) herein.

(b) Processing of Nasdaq Closing Cross. The Nasdaq Closing Cross will begin at 4:00:00 p.m. EST, and post-market hours trading will commence when the Nasdaq Closing Cross concludes.

(1) Early Order Imbalance Indicator and Order Imbalance Indicator.
   (iii) Beginning at 3:50 p.m., or 10 minutes prior to the early closing time on a day when Nasdaq closes early, Nasdaq shall disseminate by electronic means an Early Order Imbalance Indicator every 10 seconds until the Order Imbalance Indicator begins to disseminate.
   (iv) Beginning at 3:55 p.m., or five minutes prior to the early closing time on a day when Nasdaq closes early, Nasdaq shall disseminate by electronic means an Order Imbalance Indicator every second until market close.

(2) (A) The Nasdaq Closing Cross will occur at the price that maximizes the number of shares of Eligible Interest in the Nasdaq Market Center to be executed.
   (B) If more than one price exists under subparagraph (A), the Nasdaq Closing Cross shall occur at the price that minimizes the number of shares of buy or sell MOC or LOC orders that cannot be matched with other MOC or LOC, Close Eligible interest, or IO order shares.
   (C) If more than one price exists under subparagraph (B), the Nasdaq Closing Cross shall occur at the entered price at which shares will remain unexecuted in the cross.
   (D) If more than one price exists under subparagraph (C), the Nasdaq Closing Cross shall occur at: a price that minimizes the distance from the System bid-ask midpoint at the time of the Nasdaq Closing Cross.
   (E) If the Nasdaq Closing Cross price established by subparagraphs (A) through (D) above is outside the benchmarks established by Nasdaq by a threshold amount, the Nasdaq Closing Cross will occur at a price within the threshold amounts that best satisfies the conditions of subparagraphs (A) through (D) above. Nasdaq management shall set and modify such benchmarks and thresholds from time to time upon prior notice to market participants.

(3) If the Nasdaq Closing Cross price is selected and fewer than all MOC, LOC IO and Close Eligible Interest would be executed, orders will be executed at the Nasdaq Closing Cross price in the following priority:
   (A) MOC orders, with time as the secondary priority;
   (B) LOC orders, limit orders, IO orders, displayed quotes and reserve interest priced more
aggressively than the Nasdaq Closing Cross price based on price with time as the secondary priority. An Order to buy (sell) that is locked or crossed at its non-displayed price by a Post-Only Order on the Nasdaq Book, and which has been deemed to have a price at one minimum price increment below (above) the price of the Post-Only Order, shall be ranked in time priority ahead of all orders one minimum price increment below (above) the price of the Post-Only Order but behind all orders at the price at which the Order was posted to the Nasdaq Book;

(C) LOC orders, IO Orders displayed interest of limit orders, and displayed interest of quotes at the Nasdaq Closing Cross price with time as the secondary priority;

(D) Reserve interest at the Nasdaq Closing Cross price with time as the secondary priority; and

(E) Unexecuted MOC, LOC, and IO orders will be canceled.

(4) All orders executed in the Nasdaq Closing Cross will be executed at the Nasdaq Closing Cross price, trade reported anonymously, and disseminated via the consolidated tape. The Nasdaq Closing Cross price will be the Nasdaq Official Closing Price for stocks that participate in the Nasdaq Closing Cross. Fifteen minutes after the close of trading, Nasdaq will disseminate via the network processor a trade message setting the Nasdaq Official Closing Price as the official Consolidated Last Sale Price in each Nasdaq-listed security in which one round lot or more is executed in the Nasdaq Closing Cross where the closing price differs from the Consolidated Last Sale Price.

(5) Auxiliary Procedures. When significant trading volume is expected at the close of Market hours, Nasdaq may apply auxiliary procedures for the Closing Cross to ensure a fair and orderly market. The determination to implement auxiliary procedures for the Closing Cross shall be made by the President of Nasdaq or any Executive Vice President designated by the President. Nasdaq shall inform market participants of such auxiliary procedures as far in advance as practicable. Auxiliary procedures shall include:

(A) Setting an earlier time or times for the end of the order entry periods set forth in paragraph (a) for IO, MOC, and LOC orders. Nasdaq may end the order entry period as early as 3:40 p.m.

(B) Setting an earlier time for the order modification and cancellation periods in paragraph (a) for IO, MOC, and LOC orders. Nasdaq may end the order modification and cancellation periods as early as 3:40 p.m.

(C) Setting an earlier time for the dissemination times and frequencies set forth in paragraph (b) for the Order Imbalance Indicator. Nasdaq may begin disseminating the Order Imbalance Indicator as early as 3:40 p.m. and may increase or decrease the frequency with which the Order Imbalance Indicator is disseminated.

(D) Adjusting the threshold values set forth in subparagraph (b)(2)(E) to no greater than 20 percent.

(6) LULD Closing Cross Following Limit-Up-Limit-Down Trading Pause. When a Trading Pause pursuant to Rule 4120(a)(12) exists at or after 3:50 p.m. and before 4:00 p.m., the stock shall resume trading via a modified Nasdaq Closing Cross ("LULD Closing Cross"). The LULD Closing Cross shall operate as defined in this rule with the following exceptions:

(A)(i) For Trading Pauses triggered at or after 3:50 and before 4:00 p.m., the LULD Closing Cross shall occur at 4:00 p.m. After Hours Trading shall commence after the LULD Closing Cross executes.

(ii) If there is insufficient trading interest in the Nasdaq system to execute a LULD Closing Cross,
Nasdaq will not conduct a Cross in that security and shall instead use the last sale on Nasdaq as the Nasdaq Official Closing Price in that security for that trading day. After Hours Trading shall commence after Nasdaq publishes the Nasdaq Official Closing Price.

(iii) If an order imbalance as defined in Rule 4120(c)(7)(C) (1) and (3) exists at the time designated for the LULD Closing Cross to occur, Nasdaq shall extend the time of the LULD Closing Cross by one minute until the order imbalance no longer exists. If this condition persists until 5:00 p.m., Nasdaq will not conduct a Cross in that security and shall instead use the last-sale on Nasdaq as the Nasdaq Official Closing Price in that security for that trading day. After Hours Trading shall commence after the LULD Closing Cross executes, unless the volatility condition persists until 5:00 p.m. In that case, Nasdaq will commence a process of cancelling all orders (other than orders with a time-in-force of good-till-cancelled), and After Hours Trading will commence upon the completion of that process.

(B) Nasdaq shall continue disseminating the NOII every second until After Hours Trading begins. The Near Price, Far Price, and Reference Prices contained in the NOII will all represent the price at which the LULD Closing Cross would execute should the cross conclude at that time. If marketable buy (sell) shares would remain unexecuted above (below) the Near Clearing Price or Far Clearing Price, Nasdaq shall disseminate an indicator for "market buy" or "market sell".

(C) Orders eligible to participate:

(i) In the event of an LULD Closing Cross, MOC, LOC and IO orders intended for the closing cross entered into the system and placed on the book prior to the Trading Pause will remain on the book to participate in the LULD Closing Cross. Such orders may not be modified or cancelled.

(ii) All orders entered into the system and placed on the continuous book prior to the LULD pause will remain on the book to participate in the LULD Closing Cross. Such orders may be modified or cancelled up until the time of the LULD Closing Cross.

(iii) During the pause and prior to 4:00pm, new orders (other than MOC or LOC orders) may be entered, modified, and cancelled and may participate in the LULD Closing Cross. After 4:00pm, entry of market pegged orders is prohibited. New Imbalance Only Orders may also be entered and modified to increase shares represented, but can’t be cancelled during the pause.

(D) Orders participating in the LULD Closing Cross shall be executed in price/time priority order rather than the priority set forth in subsection (b)(3) above. For purposes of determining priority, eligible IO orders will be priced to the closing price and executed in time priority with other orders at that price. Any order not executed in the LULD Closing Cross will be processed according to the entering firm’s instructions.

(7) Primary Contingency Procedures. When a disruption occurs that prevents the execution of the Closing Cross as set forth above, Nasdaq shall apply either Primary Contingency Procedures pursuant to this paragraph (7) or Secondary Contingency Procedures pursuant to paragraph (8) below.

Nasdaq will employ the Primary Contingency Procedures if at all possible, and it will employ the Secondary Contingency Procedures only if it determines that both the standard procedures and the Primary Contingency Procedures are unavailable. The determination to employ Primary or Secondary Contingency Procedures will be based upon all available information, including the type of disruption, the system or sub-system disrupted, the availability of testing and diagnostic data, and observed member and market impact.

The determination to implement Primary or Secondary Contingency Procedures shall be made by the President of Nasdaq or any Senior Executive designated by the President. If such disruption occurs,
Nasdaq shall publicly announce at the earliest possible time the initiation of Primary or Secondary Contingency Procedures via system status alerts, Equity Trader Alerts, and email notification directories. If Nasdaq determines to initiate Primary Contingency Procedures, the following provisions shall apply.

(A) For each security, Nasdaq shall identify the last regular-way trade reported by the network processor prior to 4:00 p.m. and shall publish that price as the Nasdaq Official Closing Price for that security. For securities in which there has been no consolidated trading in that security for that day, there shall be no Nasdaq Official Closing Price and no Closing Cross.

(B) Nasdaq shall identify and segregate all MOC Orders entered prior to 3:55 p.m., all LOC Orders entered prior to 3:58 p.m., and all Imbalance Only orders entered prior to 4:00 p.m. Only these MOC, LOC, and Imbalance Only Orders shall be eligible to participate in the Contingency Closing Cross.

(C) Nasdaq shall cross and execute eligible MOC and LOC Orders in price time priority in order to maximize the trading interest executed at the Nasdaq Official Closing Price. If an order imbalance exists, Nasdaq shall include in the cross Imbalance Only Orders on the side of the market with less trading interest in price/time priority, and then execute all MOC, LOC and Imbalance Only Orders at the Nasdaq Official Closing Price.

(D) Nasdaq shall report the results of the Contingency Closing Cross to the network processor for each security, and deliver execution reports to members.

(E) After hours trading shall begin either as scheduled at 4:00 p.m. or upon resolution of the disruption that triggered Nasdaq to operate the Contingency Closing Cross.

(8) Secondary Contingency Procedures. When a determination to implement Secondary Contingency Procedures has been made by the President of Nasdaq or any Senior Executive designated by the President pursuant to paragraph (7) above, Nasdaq shall publicly announce this determination at the earliest possible time via system status alerts, Equity Trader Alerts, and email notification directories. The following procedures shall apply.

(A) If Nasdaq determines to follow Secondary Contingency Procedures for one or more securities at or before 3:00 p.m., Nasdaq will designate an alternate exchange and the Nasdaq Official Closing Price for those securities will be:

(iv) the official closing price established for such security under the rules of the designated alternate exchange; or

(v) if there is no official closing price in a security on the designated alternate exchange, the Nasdaq Official Closing Price will be the volume-weighted average price of the consolidated last-sale eligible prices of the last five minutes of trading during regular trading hours, including any closing transactions on an exchange and any trade breaks or corrections up to the time the VWAP is processed; or

(vi) if there were no consolidated last-sale eligible trades in the last five minutes of trading during regular trading hours, the Nasdaq Official Closing Price of such security will be the last consolidated last-sale eligible trade for such security during regular trading hours on that trading day; or

(vii) if there were no consolidated last-sale eligible trades the Nasdaq Official Closing Price of such security will be the prior day’s Nasdaq Official Closing Price; or

(viii) If no Nasdaq Official Closing Price for a security can be determined under subsections (i), (ii), (iii) or (iv) above, the Exchange would not publish an Official Closing Price for such security.

(B) If Nasdaq determines to follow Secondary Closing Procedures for one or more securities after 3:00 p.m., the Nasdaq Official Closing Price for those securities will be:
(v) the volume-weighted average price of the consolidated last-sale eligible prices of the last five minutes of trading during regular trading hours, including any closing transactions on an exchange and any trade breaks or corrections up to the time the VWAP is processed; or

(vi) if there were no consolidated last-sale eligible trades in the last five minutes of trading during regular trading hours, the Nasdaq Official Closing Price of such security will be the last consolidated last-sale eligible trade for such security during regular trading hours on that trading day

(vii) if there were no consolidated last-sale eligible trades on the day in question, the Nasdaq Official Closing Price of such security will be the prior day’s Nasdaq Official Closing Price.

(viii) If no Nasdaq Official Closing Price for a security can be determined under subsections (i), (ii) or (iii) above, the Exchange would not publish an Official Closing Price for such security.

(C) Nasdaq shall cancel all open interest designated for the Nasdaq close residing in Nasdaq systems to give members the opportunity to route their orders to alternative execution venues.

(D) After hours trading shall begin either as scheduled at 4:00 p.m. or upon resolution of the disruption that triggered Nasdaq to operate the Secondary Contingency Closing Procedures.
Nasdaq Stock Market Rules, Regulation, 4755., Nasdaq,  Reserved


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Nasdaq Stock Market Rules, Regulation, 4756., Nasdaq, Entry and Display of Quotes and Orders

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(a) Entry of Orders—Participants can enter orders into the System, subject to the following requirements and conditions:

(1) Participants shall be permitted to transmit to the System multiple orders at a single as well as multiple price levels. Each order shall indicate the amount of Reserve Size (if applicable).

(2) The System shall time-stamp an order which shall determine the time ranking of the order for purposes of processing the order.

(3) Orders can be entered into the System (or previously entered Orders cancelled or modified) from 4:00 a.m. until 8:00 p.m. ET. Participants may modify a previously entered Order without cancelling it or affecting the priority of the Order on the Nasdaq Book solely for the purpose of modifying the marking of a sell Order as long, short, or short exempt; provided, however, that such a modification may be made only with respect to Orders entered through OUCH or FLITE; and provided further, that if an Order is redesignated as short, a Short Sale Period is in effect under Rule 4763, and the Order is not priced at a Permitted Price or higher under Rule 4763(e), the Order will be cancelled. In addition, a partial cancellation of an Order to reduce its share size will not affect the priority of the Order on the book; provided, however, that such a partial cancellation may not be made with respect to an MOO Order, an LOO Order, an OIO Order, an MOC Order, an LOC Order, an IO Order, or a Pegged Order (including a Discretionary Order that is Pegged). Except as provided in Rule 4761, all other modifications of orders will result in the replacement of the original order with a new order with a new time stamp.

(4) Each Order is subject to a daily limit on the number of changes that may occur with respect to the Order; if the daily limit is reached, the Order will be cancelled. The number of permissible changes may vary by Order Type or Order Attribute and may change from time to time. Nasdaq will post on its website what is considered a change for a particular Order Type and Order Attribute, and the current limits on the number of such changes.

(b) Entry of Quotes—Nasdaq Market Makers and Nasdaq ECNs can enter Quotes into the System from 4:00 a.m. to 8:00 p.m. Eastern Time. Quotes will be processed as Attributable Orders, with such time-in-force designation as the Nasdaq Market Maker or Nasdaq ECN may assign. Entry of Quotes will be subject to the requirements and conditions set forth in section (a) above.

(c) Display of Quotes and Orders—The System will display quotes and orders submitted to the System as follows:

(1) System Book Feed—quotes and orders resident in the System available for execution will be displayed via the System Book Feed.

(2) Best Priced Order Display - Pursuant to Rule 602 of Regulation NMS under the Exchange Act, Nasdaq will transmit for display to the appropriate network processor for each System Security:

(iii) the highest price to buy wherein the aggregate size of all displayed buy interest in the System greater than or equal to that price is one round lot or greater;

(iv) the aggregate size of all displayed buy interest in the System greater than or equal to the price in (i), rounded down to the nearest round lot;

(v) the lowest price to sell wherein the aggregate size of all displayed sell interest in the System less than or equal to that price is one round lot or greater; and
(vi) the aggregate size of all displayed sell interest in the System less than or equal to the price in
(iii), rounded down to the nearest round lot.

(3) Exceptions—The following exceptions shall apply to the display parameters set forth in paragraphs
(1) and (2) above:

(A) Reserve Size—Reserve Size shall not be displayed in the System, but shall be accessible as
described in Rule 4757.

(B) Discretionary Orders—The discretionary portion of Discretionary Orders shall not be displayed but
shall be made available for execution only upon the appearance of contra-side marketable trading
interest, and shall be executed pursuant to Rule 4751(f) and Rule 4757.

(C) Non-Displayed Orders—Non-Displayed Orders are not displayed in the System, and have lower
priority within the System than an equally priced Displayed Order, regardless of time stamp, and shall
be executed pursuant to Rule 4757.

(4) Beginning March 5, 2007, in connection with the trading of securities governed by Regulation NMS,
pursuant to Rule 600(b)(4) of Regulation NMS under the Act, Nasdaq has implemented such systems,
procedures, and rules as are necessary to render it capable of meeting the requirements for automated
quotations, as defined in Rule 600(b)(3) of Regulation NMS under the Act; and immediately to identify its
quotations as manual whenever it has reason to believe it is not capable of displaying automated
quotations. Nasdaq has adopted policies and procedures for notifying members and other trading centers
that it has reason to believe it is not capable of displaying automated quotations or, once manual, that it
has restored the ability to display automated quotations and is preparing to identify its quotation as
automated. In addition, Nasdaq has adopted policies and procedures for responding to notices that it
receives from other trading centers indicating that they have elected to use the “self-help” exception of
Rule 611(b)(1) of Regulation NMS under the Act.

(SR-NASDAQ-2015-024); amended Mar. 16, 2016 (SR-NASDAQ-2016-039), operative Apr. 15, 2016; amended Nov. 16, 2018 (SR-

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Nasdaq Stock Market Rules, Regulation, 4757., Nasdaq, Book Processing

Orders on the Nasdaq Book shall be presented for execution against incoming Orders in the order set forth below:

1. Price/Display/Time Execution Algorithm. The System shall present Orders on the Nasdaq Book for execution against incoming Order in accordance with a price/display/time algorithm:

   A. Price. Better priced Orders will be presented for execution first. For example, an Order on the Nasdaq Book to buy at $10.00 will be ranked ahead of an Order to buy at $9.99.

   B. Display and Time. Equally priced Orders with a Display Attribute will be ranked in time priority.

   C. Non-Display and Time. Orders with a Non-Display Attribute, including the Non-Displayed portion of an Order with Reserve Size, will be ranked in time priority.

   D. Supplemental Orders in accordance with the following process: Between 9:30 a.m. and 4:00 p.m., an Order with a Routing Attribute that has not been fully executed pursuant Rule 4757(a)(1)(A) – (C) shall be matched against posted Supplemental Orders in price/time priority among such Orders. An Order will be matched against Supplemental Order(s) only at the NBBO, and only if the size of the Order is less than or equal to the aggregate size of Supplemental Order interest available at the price of the Order. In addition, a Supplemental Order will not execute if the NBBO is locked or crossed.

2. Decrementation - Upon execution, an order shall be reduced by an amount equal to the size of that execution.

3. Price Improvement - Any potential price improvement resulting from an execution in the System shall accrue to the taker of liquidity.

Example:

Buy order resides on Nasdaq book at 10.
Incoming order to sell priced at 9 comes into the System
Order executes at 10 (seller get $1 price improvement)

4. Exception: Anti-Internalization - Market participants may direct that quotes/orders entered into the System not execute against quotes/orders entered under the same MPID. In addition, market participants using the OUCH order entry protocol may assign to orders entered through a specific order entry port a unique group identification modifier that will prevent quotes/orders with such modifier from executing against each other. In such a case, a market participant may elect from the following options:

   J. if the interacting quotes/orders are equivalent in size, both quotes/orders will be cancelled back to their entering parties. If the interacting quotes/orders are not equivalent in size, share amounts equal to size of the smaller of the two quotes/orders will be cancelled back to their originating parties with the remainder of the larger quote/order being retained by the System for potential execution;

   K. regardless of the size of the interacting quotes/orders, cancelling the oldest of them in full; or

   L. regardless of the size of the interacting quotes/orders, cancelling the most recent of them in full.

The foregoing options may be applied to all orders entered under the same MPID, or, in the case of market participants using the OUCH order entry protocol, may be applied to all orders entered through a specific order entry port.
(b) Market Access. In addition to the Exchange Rules regarding routing to away trading centers, Nasdaq Execution Services, as defined in Rule 4758(b), has, pursuant to Rule 15c3-5 under the Act, implemented certain tests designed to mitigate risks associated with providing the Exchange’s Members with access to such away trading centers. Pursuant to the policies and procedures developed by Nasdaq Execution Services to comply with Rule 15c3-5, if an order or series of orders are deemed to be violative of applicable pre-trade requirements of Rule 15c3-5, the order will be rejected prior to routing and/or NES will seek to cancel the order if it has been routed.

The text of Rule 4757(c) has been approved, but not implemented. The changes will be implemented no later than March 31, 2017. The Exchange will announce the specific date in advance through an Equities Trader Alert.

(c) Limit Order Protection (“LOP”). LOP is a feature of the Nasdaq Market Center that prevents certain Limit Orders at prices outside of pre-set standard limits (“LOP Limit”) from being accepted by the System.

(3) Applicability. LOP applies to all Quotes and Orders, including Quotes and Orders that have been modified, where the modification results in a new timestamp and priority. LOP does not apply to Orders with Market and Primary Pegging, Market Maker Peg Orders or Intermarket Sweep Orders. A Midpoint Pegging Order with a discretion price would not be subject to LOP. LOP is operational each trading day, except for orders designated for opening, reopening and closing crosses and initial public offerings. LOP is not operational during trading halts and pauses. LOP would not apply in the event there is no established LOP Reference Price or the National Best Bid, when used as the LOP Reference Price, is equal to or less than $0.50.

(4) LOP Limit. The LOP Limit shall be the greater of 10% of the LOP Reference Price or $0.50 for all securities across all trading sessions.

(5) LOP Reference Price. The LOP Reference Price shall be the current National Best Bid or Best Offer, the bid for sell orders and the offer for buy orders.

(6) LOP Reference Threshold. The LOP Reference Threshold for buy orders will be the LOP Reference Price (offer) plus the applicable LOP Limit. The LOP Reference Threshold for sell orders will be the LOP Reference Price (bid) minus the applicable LOP Limit.

(7) Acceptance of Orders. LOP will reject incoming Limit Orders that exceed the LOP Reference Threshold. Limit Orders will be rejected if the price of the Limit Order is greater than the LOP Reference Threshold for a buy Limit Order. Limit Orders will be rejected if the price of the Limit Order is less than the LOP Reference Threshold for a sell Limit Order.


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Nasdaq Stock Market Rules, Regulation, 4758., Nasdaq, Order Routing

(a) Order Routing Process

(1) The Order Routing Process shall be available to Participants during System Hours, and shall route orders as described below. All routing of orders shall comply with Rule 611 of Regulation NMS under the Exchange Act.

(A) The System provides a variety of routing options. Routing options may be combined with all available Order Types and Times-in-Force, with the exception of Order Types and Times-in-Force whose terms are inconsistent with the terms of a particular routing option. The System will consider the quotations only of accessible markets. The term “System routing table” refers to the proprietary process for determining the specific trading venues to which the System routes Orders and the Order in which it routes them. Nasdaq reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The System routing options are:

(i) DOT is a routing option for orders that the entering firm wishes to designate for participation in the NYSE or NYSE American opening or closing processes. DOT orders are routed directly to NYSE or NYSE American, as appropriate. A DOT order may be designated to participate in the opening or closing only (as provided in the specifications of the destination market) or to remain in force after the opening or closing, as applicable. If a DOT order has been designated to participate in the opening only and is entered after the security has opened, the order will nevertheless be routed to NYSE or NYSE American; based on its designation as opening only, such an order would be expected to be rejected by the destination market, and would also be cancelled by Nasdaq if returned by the destination market. If a DOT order has been designated to participate in the closing only and is entered at 3:45 p.m. Eastern Time or later (or in the case of an early closing, is entered 15 minutes prior to the close or later), the order will be rejected. After attempting to execute in the opening or closing process, if applicable, DOT orders that are not designated opening or closing only and that have not been fully executed, rejected, or cancelled by the market to which they were routed thereafter check the System for available shares and are converted into SCAN or STGY orders, depending on the designation of the entering firm. DOT orders that are not designated as opening or closing only orders but that are entered after the time of the opening or closing, as applicable, will also be converted into SCAN or STGY orders, depending on the designation of the entering firm. DOT orders that are designated to participate in an opening process and that are received by Nasdaq before the destination market can receive them will be held until such time as the destination market can receive them. DOT orders entered in non-NYSE or NYSE American securities will be treated as SCAN or STGY orders depending on the designation of the firm.

(ii) a. DOTI is a routing option for orders that the entering firm wishes to direct to the NYSE or NYSE American without returning to the Nasdaq Market Center. DOTI orders check the System for available shares and then are sent to destinations on the System routing table before being sent to NYSE or NYSE American, as appropriate. DOTI orders do not return to the Nasdaq Market Center book after routing. A DOTI order may be designated to participate in the opening or closing only (as provided in the specifications of the destination market) or to remain in force after the opening or closing, as applicable. If a DOTI order has been designated to participate in the opening only and is entered after the security has opened, the order will nevertheless be routed to NYSE or NYSE American; based on its designation as opening only, such an order would be expected to be rejected by the destination market, and would also be cancelled by Nasdaq if returned by the destination market. If a DOTI order has
been designated to participate in the closing only and is entered at 3:45 p.m. Eastern Time or later (or in the case of an early closing, is entered 15 minutes prior to the close or later), the order will be rejected.

b. The entering firm may alternatively elect to have DOTI orders check the System for available shares and thereafter be directly sent to NYSE or NYSE American as appropriate.

c. DOTI orders that are designated to participate in an opening process and that are received by Nasdaq before the destination market can receive them will be held until such time as the destination market can receive them.

(iii) STGY is a routing option under which orders check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table. If shares remain un-executed after routing, they are posted on the book. Once on the book, should the order subsequently be locked or crossed by another accessible market center, the System shall route the order to the locking or crossing market center. SKNY is a form of STGY in which the entering firm instructs the System to bypass any market centers included in the STGY System routing table that are not posting Protected Quotations within the meaning of Regulation NMS.

(iv) SCAN is a routing option under which orders check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table. If shares remain un-executed after routing, they are posted on the book. Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center. SKIP is a form of SCAN in which the entering firm instructs the System to bypass any market centers included in the SCAN System routing table that are not posting Protected Quotations within the meaning of Regulation NMS.

(v) a. TFTY is a routing option under which orders check the System for available shares only if so instructed by the entering firm and are thereafter routed to destinations on the System routing table. If shares remain un-executed after routing, they are posted to the book. Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center.

b. RTFY is a routing option available for an order that qualifies as a Designated Retail Order under which orders check the System for available shares only if so instructed by the entering firm and are thereafter routed to destinations on the System routing table. If shares remain unexecuted after routing, they are posted to the book. Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center. RTFY is designed to allow orders to participate in the opening, reopening and closing process of the primary listing market for a security.

(vi) MOPP is a routing option under which orders route only to Protected Quotations and only for displayed size. If shares remain unexecuted after routing, they are posted to the book. Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center.

(vii) SAVE is a routing option under which orders may either (i) route to the Nasdaq Equities Market and Nasdaq PSX, check the System, and then route to other destinations on the System routing table, or (ii) may check the System first and then route to destinations on the System routing table. If shares remain unexecuted after routing, they are posted to the book. Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center.

(viii) SOLV is a routing option under which orders may either (i) route to the Nasdaq BX Equities Market and Nasdaq PSX, check the System, and then route to other destinations on the
System routing table, or (ii) may check the System first and then route to destinations on the System routing table. If shares remain un-executed after routing, they are posted to the book. Once on the book, should the order subsequently be locked or crossed by another accessible market center, the System shall route the order to the locking or crossing market center.

(ix) A “Directed Order” is an Order designed to use a routing strategy under which the Order is directed to an automated trading center (as defined in Regulation NMS) other than Nasdaq, as directed by the entering party, without checking the Nasdaq Book. If unexecuted, the order (or unexecuted portion thereof) shall be returned to the entering party. A Directed Order is not an Order Type, but rather an Order using the Directed Order routing strategy.

Directed Orders may be designated as Intermarket Sweep Orders by the entering party to execute against the full displayed size of any Protected Bid or Protected Offer (as defined in Rule 600(b) of Regulation NMS under the Act). A broker-dealer that designates an order as an Intermarket Sweep Order has the responsibility of complying with Rules 610 and 611 of Regulation NMS.

Directed Orders may not be directed to a facility of an exchange that is an affiliate of Nasdaq except for Directed Orders directed to the Nasdaq BX Equities Market or to the Nasdaq PSX facility of Nasdaq PHLX.

(x) LIST is a routing option designed to allow orders to participate in the opening and/or closing process of the primary listing market for a security, and to follow additional routing logic as described below. A LIST order received before the security has opened on its primary listing market will be routed to the primary listing market for participation in that market’s opening process. A LIST order may be designated to participate in the opening or closing only (as provided in the specifications of the destination market) or to remain in force after the opening or closing, as applicable. If a LIST order has been designated to participate in the opening only and is entered after the security has opened, the order will nevertheless be routed to the primary listing market; based on its designation as opening only, such an order would be expected to be rejected by the destination market, and would also be cancelled by Nasdaq if returned by the destination market. If a LIST order is received by Nasdaq before the destination market is able to receive orders for its opening process, the order will be held until such time as the destination market can receive it.

After the security has opened on its primary listing market, a LIST order that has not been designated opening only and that has not been fully executed, rejected, or cancelled by the market to which it was routed will be returned to the Nasdaq system. Thereafter, the order will check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table. Any remaining shares will be posted on the book. In addition, if a LIST order is entered after the security has opened on the primary listing market (but before a time that is two minutes before market close) and the order has not been designated to participate in the opening only, Nasdaq will check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table, with remaining shares posted on the book. Once on the book, if the order is subsequently locked or crossed by another market center, the System will not route the order to the locking or crossing market center. Two minutes before market close, all LIST orders on the book will begin routing to the security’s primary listing market for participation in its closing process. If a LIST order is received at or after a time that is two minutes before market close but before market close, Nasdaq will check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table; remaining shares will be routed to the security’s primary listing market to participate in its closing process. After the security has closed on the primary listing market, a LIST order that has not been designated as a closing only or MDAY order and that has not been fully executed, rejected, or cancelled by the market to which it was routed will be returned to the

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Nasdaq System and shares unexecuted in the closing process will be posted to the Nasdaq book. If a LIST order has been designated to participate in the closing only and is entered after the security has closed, the order will nevertheless be routed to the primary listing market unless the primary market for the security is NYSE or NYSE American; based on its designation as closing only, such an order would be expected to be rejected by the destination market, and would also be cancelled by Nasdaq if returned by the destination market. For NYSE and NYSE American securities, if a LIST order has been designated to participate in the closing only and is entered at 3:45 p.m. Eastern Time or later (or in the case of an early closing, is entered 15 minutes prior to the close or later), the order will be rejected. LIST orders received after market close that have not been designated as closing only and are eligible, based on the orders’ time-in-force, to participate in the after-hours market will check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table. Any remaining shares will be posted to the Nasdaq book.

If trading in the security is stopped across all markets, LIST orders will be sent to the primary listing market to participate in the re-opening process. When normal trading resumes, unexecuted shares will be removed from the primary listing market and posted on the Nasdaq book.

(x) CART is a routing option under which orders route to the Nasdaq BX Equities Market and Nasdaq PSX and then check the System. If shares remain un-executed, they are posted to the book or cancelled. Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center.

(xi) QDRK is a routing option under which orders check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table that are not posting Protected Quotations within the meaning of Regulation NMS. If shares remain un-executed after routing, they are posted on the book. Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center.

(xii) QCST is a routing option under which orders check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table that are not posting Protected Quotations within the meaning of Regulation NMS and to certain, but not all, exchanges. If shares remain un-executed after routing, they are posted on the book. Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center.

Orders that do not check the System for available shares prior to routing may not be sent to a facility of an exchange that is an affiliate of Nasdaq, except for orders that are sent to the Nasdaq BX Equities Market or to the Nasdaq PSX facility of Nasdaq PHLX.

(xiv) MOPB is a routing option under which orders route only to Protected Quotations and only for displayed size. If shares remain unexecuted after routing, they will be immediately cancelled. The entire MOPB order will be cancelled immediately if, at the time of entry, there is an insufficient share quantity in the MOPB order to fulfill the displayed size of all Protected Quotations.

(xv) SCAR is a routing option under which orders will check the System for available shares and simultaneously route to the Nasdaq BX Equities Market and Nasdaq PSX in accordance with the System routing table. If shares remain unexecuted after routing, they are posted on the book or cancelled. Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center.
(B) Priority of Routed Orders. Regardless of the routing option selected, orders sent by the System to other markets do not retain time priority with respect to other orders in the System and the System shall continue to execute other orders while routed orders are away at another market center. Once routed by the System, an order becomes subject to the rules and procedures of the destination market including, but not limited to, order cancellation. If a routed order is subsequently returned, in whole or in part, that order, or its remainder, shall receive a new time stamp reflecting the time of its return to the System.

(b) Routing Broker

(1) All routing by the System shall be performed by The Nasdaq Stock Market LLC’s affiliated broker-dealer, Nasdaq Execution Services, LLC (“NES”), which, in turn, shall route orders to other market centers as directed by The Nasdaq Stock Market LLC either directly or through one or more third-party unaffiliated routing broker-dealers. The Nasdaq Stock Market LLC will determine the logic that provides when, how, and where orders are routed away to other exchanges. Except as provided in subparagraph (8) below, the routing broker(s) cannot change the terms of an order or the routing instructions, nor does the routing broker have any discretion about where to route an order.

(2) NES will not engage in any business other than: (a) as an outbound router for The Nasdaq Stock Market LLC and (b) any other activities it may engage in as approved by the Commission.

(3) NES shall operate as a facility, as defined in Section 3(a)(2) of the Act, of The Nasdaq Stock Market LLC.

(4) For purposes of SEC Rule 17d-1, the designated examining authority of NES shall be a self-regulatory organization unaffiliated with The Nasdaq Stock Market LLC or any of its affiliates. The Nasdaq Stock Market LLC and NES may not use a routing broker for which the Exchange or any affiliate of the Exchange is the designated examining authority.

(5) The Nasdaq Stock Market LLC shall be responsible for filing with the Securities and Exchange Commission rule changes related to the operation of, and fees for services provided by, NES and NES shall be subject to exchange non-discrimination requirements.

(6) The books, records, premises, officers, agents, directors and employees of NES as a facility of The Nasdaq Stock Market LLC shall be deemed to be the books, records, premises, officers, agents, directors and employees of The Nasdaq Stock Market LLC for purposes of, and subject to oversight pursuant to, the Exchange Act. The books and records of NES as a facility of the Nasdaq Stock market LLC shall be subject at all times to inspection and copying by the Commission.

(7) Use of NES to route orders to other market centers will be optional. Parties that do not desire to use NES must enter orders into The Nasdaq Stock Market LLC as immediate-or-cancel orders or any other order-type available through The Nasdaq Stock Market LLC that is ineligible for routing.

(8) NES shall establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and proprietary information between The Nasdaq Stock Market LLC and its facilities (including NES as its routing facility) and any other entity; or, where there is a routing broker, the Exchange, the Routing Facility and any routing broker, and any other entity, including any affiliate of the routing broker (and if the routing broker or any of its affiliates engages in any other business activities other than providing routing services to the Exchange, between the segment of the routing broker or affiliate that provides the other business activities and the segment of the routing broker that provides the routing services).

(c) Market Access. In addition to the Exchange Rules regarding routing to away trading centers, NES has,
pursuant to Rule 15c3-5 under the Act, implemented certain tests designed to mitigate risks associated with providing the Exchange’s Members with access to such away trading centers. Pursuant to the policies and procedures developed by NES to comply with Rule 15c3-5, if an order or series of orders are deemed to be violative of applicable pre-trade requirements under Rule 15c3-5, the order will be rejected prior to routing and/or NES will seek to cancel the order if it has been routed.

(d) Cancellation of Orders and Error Account

(1) Nasdaq or NES may cancel orders as either deems to be necessary to maintain fair and orderly markets if a technical or systems issue occurs at Nasdaq, NES, or a routing destination. Nasdaq or NES shall provide notice of the cancellation to affected members as soon as practicable.

(2) NES shall maintain an error account for the purpose of addressing positions that result from a technical or systems issue at NES, Nasdaq, a routing destination, or a non-affiliate third-party Routing Broker that affects one or more orders (“error positions”).

(A) For purposes of this Rule 4758(d), an error position shall not include any position that results from an order submitted by a member to Nasdaq that is executed on Nasdaq and automatically processed for clearance and settlement on a locked-in basis.

(B) Except as provided in Rule 4758(d)(2)(C), NES shall not (i) accept any positions in its error account from an account of a member, or (ii) permit any member to transfer any positions from the member’s account to NES’s error account.

(C) If a technical or systems issue results in Nasdaq not having valid clearing instructions for a member to a trade, NES may assume that member’s side of the trade so that the trade can be automatically processed for clearance and settlement on a locked-in basis.

(3) In connection with a particular technical or systems issue, NES or Nasdaq shall either (i) assign all resulting error positions to members in accordance with subparagraph (A) below, or (ii) have all resulting error positions liquidated in accordance with subparagraph (B) below. Any determination to assign or liquidate error positions, as well as any resulting assignments, shall be made in a nondiscriminatory fashion.

(A) NES or Nasdaq shall assign all error positions resulting from a particular technical or systems issue to the members affected by that technical or systems issue if NES or Nasdaq:

(i) determines that it has accurate and sufficient information (including valid clearing information) to assign the positions to all of the members affected by that technical or systems issue;

(ii) determines that it has sufficient time pursuant to normal clearance and settlement deadlines to evaluate the information necessary to assign the positions to all of the members affected by that technical or systems issue; and

(iii) has not determined to cancel all orders affected by that technical or systems issue in accordance with subparagraph (d)(1) above.

(B) If NES or Nasdaq is unable to assign all error positions resulting from a particular technical or systems issue to all of the affected members in accordance with subparagraph (A) above, or if NES or Nasdaq determines to cancel all orders affected by the technical or systems issue in accordance with subparagraph (d)(1) above, then NES shall liquidate the error positions as soon as practicable. NES shall:

(i) provide complete time and price discretion for the trading to liquidate the error positions to a
third-party broker-dealer and shall not attempt to exercise any influence or control over the timing or methods of such trading; and

(ii) establish and enforce policies and procedures that are reasonably designed to restrict the flow of confidential and proprietary information between the third-party broker-dealer and NES/Nasdaq associated with the liquidation of the error positions.

(4) NES and Nasdaq shall make and keep records to document all determinations to treat positions as error positions and all determinations for the assignment of error positions to members or the liquidation of error positions, as well as records associated with the liquidation of error positions through the third-party broker-dealer.


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Nasdaq Stock Market Rules, Regulation, 4759., Nasdaq, Data Feeds Utilized

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(a) The Nasdaq System consumes quotation data from the below proprietary and network processor feeds for the handling, routing, and execution of orders, as well as for the regulatory compliance processes related to those functions. The Primary Source of data is used unless it is delayed by a configurable amount compared to the Secondary Source of data. The Exchange will revert to the Primary Source of data once the delay has been resolved. The configurable amount described in this rule will be made available to members via Equity Trader Alert.

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<td>X – Nasdaq PSX</td>
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<td>CQS/UQDF</td>
</tr>
<tr>
<td>Y – CBOE BYX</td>
<td>Direct Feed</td>
<td>CQS/UQDF</td>
</tr>
<tr>
<td>Z – CBOE BZX</td>
<td>Direct Feed</td>
<td>CQS/UQDF</td>
</tr>
</tbody>
</table>

(b) SIP Trade and Administrative Data. The SIP is the Primary Source of trade and administrative messages such as limit-up limit-down price bands, market-wide circuit breaker decline and status messages, Regulation SHO state messages, halts and resumes, and last sale information. Where available, the Direct Feeds are the Secondary Source of such information.


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Nasdaq Stock Market Rules, Regulation, 4760., Nasdaq, Anonymity

(a) Transactions executed in the System shall be cleared and settled anonymously. The transaction reports produced by the System will indicate the details of the transactions, and shall not reveal contra party identities.

(b) Nasdaq shall reveal a Participant's identity in the following circumstances:

1. when a registered clearing agency ceases to act for a participant, or the Participant's clearing firm, and the registered clearing agency determines not to guarantee the settlement of the Participant's trades;

2. for regulatory purposes or to comply with an order of an arbitrator or court;

3. if both Participants to the transaction consent;

4. Unless otherwise instructed by a member, Nasdaq will reveal to a member, no later than the end of the day on the date an anonymous trade was executed, when the member's Quote or Order has been decremented by another Quote or Order submitted by that same member.


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Nasdaq Stock Market Rules, Regulation, 4761., Nasdaq, Issuer Corporate Actions Related to a Dividend, Payment or Distribution

(a) Except as provided below, the Nasdaq Market Center will automatically cancel open quotes and/or orders in all Nasdaq Market Center eligible securities resident in the system in response to issuer corporate actions, including any dividend (whether payable in cash or securities or both), payment, distribution, forward or reverse stock split, symbol change, or change in primary listing venue, immediately prior to the opening of the System at 4:00 a.m. on the ex-date of such actions.

(b) A member may designate that all orders with a time-in-force of good-till-cancelled that are entered through one or more order entry ports specified by the member will be processed in the following manner in the event of certain issuer corporate actions as specified below. The member may opt for the processing provided in this paragraph (b) on a port-by-port basis, but all of the provisions of this paragraph shall apply to all good-till-cancelled orders entered through a port that has been specified by the member hereunder.

(1) Cash Dividend. If an issuer is paying a cash dividend, the price of an order to buy will be reduced by the amount of the sum of all dividends payable, rounded up to the nearest whole cent; provided, however, that there will be no adjustment if the sum of all dividends is less than $0.01. For example, if the sum of all dividends is $0.381, the price of the order will be reduced by $0.39. An order to sell will be retained but will receive no price adjustment.

(2) Forward Stock Split or Stock Dividend. If an issuer is implementing a forward stock split or a stock dividend (i.e., a corporate action in which additional shares are issued to holders), the order will be cancelled if its size is less than one round lot. If the order’s size is greater than one round lot, (i) the size of the order will be multiplied by the ratio of post-action shares to pre-action shares, with the result rounded downward to the nearest whole share, and (ii) the price of the order will be multiplied by the ratio of pre-action shares to post-action shares, with the result rounded down to the nearest whole penny in the case of orders to buy and rounded up to the nearest whole penny in the case of orders to sell. For example, if a member has entered a good-till-cancelled order to buy 375 shares at $10.95 per share and the issuer implemented a split or dividend under which an additional 1.25 shares would be issued for each share outstanding, the size of the order would be adjusted to 843 shares (375 x 2.25/1 = 843.75, rounded down to 843) and the price of the order would be adjusted to $4.86 per share ($10.95 per share x 1/2.25 = $4.8667 per share, rounded down to $4.86 per share). An order to sell at the same price and size would be adjusted to 843 shares with a price of $4.87 per share.

(3) Combination of Cash Dividend and Forward Stock Split or Stock Dividend. If an issuer is implementing a cash dividend and a forward stock split or stock dividend on the same date, the adjustments described above will both be applied, in the order described in the notice of the corporate actions received by Nasdaq.

(4) For other corporate actions, including symbol changes, changes in primary listing venue, reverse stock splits, and dividends payable in either cash or securities at the option of the stockholder, the order will be cancelled.

(5) All of the foregoing changes will be effected immediately prior to the opening of the System at 4:00 a.m. on the ex-date of the applicable corporate action. Open orders that are retained will be re-entered by the System (as adjusted above) immediately prior to the opening of the System, such that they will retain time priority over new orders entered at or after 4:00 a.m.


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Nasdaq Stock Market Rules, Regulation, 4762., Nasdaq, Clearly Erroneous Transactions

All matters related to clearly erroneous transactions executed in the System shall be initiated and adjudicated pursuant to Rule 11890.


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Nasdaq Stock Market Rules, Regulation, 4763., Nasdaq, Short Sale Price Test Pursuant to Rule 201 of Regulation SHO

(a) Definitions. For purposes of this Rule, the terms "covered security", "listing market", and "national best bid" shall have the same meaning as in Rule 201 of Regulation SHO.

(b) Short Sale Price Test. The System (as defined in Nasdaq Rule 4751(a)) shall not execute or display a short sale order with respect to a covered security at a price that is less than or equal to the current national best bid if the price of that security decreases by 10% or more, as determined by the listing market for the security, from the security’s closing price on the listing market as of the end of regular trading hours on the prior day ("Trigger Price").

(c) Determination of Trigger Price. For covered securities for which the Exchange is the listing market, the System shall determine whether a transaction in a covered security has occurred at a Trigger Price and shall immediately notify the single plan processor.

(1) The System will not calculate the Trigger Price of a covered security until:
   (A) after the completion of the Nasdaq Opening Cross pursuant to Rule 4752(d), for securities in which a Nasdaq Opening Cross occurs, or
   (B) after the System begins trading pursuant to Rule 4752(c) for securities in which no Nasdaq Opening Cross occurs.

(2) If a covered security did not trade on the Exchange on the prior trading day (due to a trading halt, trading suspension, or otherwise), the Exchange’s determination of the Trigger Price shall be based on the last sale price on the Exchange for that security on the most recent day on which the security traded.

(d) Duration of Short Sale Price Test. If the Short Sale Price Test is triggered by the listing market with respect to a covered security, the Short Sale Price Test shall remain in effect until the close of trading on the next trading day, as provided for in Regulation SHO Rule 201(b)(1)(ii) (the "Short Sale Period").

(1) If the Exchange determines pursuant to Rule 4762 that the Short Sale Price Test for a covered security was triggered because of a clearly erroneous execution, the Exchange may lift the Short Sale Price Test before the Short Sale Period ends for securities for which the Exchange is the listing market or, for securities listed on another market, notify the other market of the Exchange’s determination that the triggering transaction was a clearly erroneous execution. The Exchange may also lift the Short Sale Price Test before the Short Sale Period ends, for a covered security for which the Exchange is the listing market, if the Exchange has been informed by another exchange or a self-regulatory organization ("SRO") that a transaction in the covered security that occurred at the Trigger Price was a clearly erroneous execution, as determined by the rules of that exchange or SRO.

(2) If the Exchange determines that the prior day’s closing price for a listed security is incorrect in the System and resulted in an incorrect determination of the Trigger Price, the Exchange may correct the prior day’s closing price and lift the Short Sale Price Test before the Short Sale Period ends.

(e) Re-pricing of Orders during Short Sale Period. Except as provided below, during the Short Sale Period, short sale orders that are limited to the national best bid or lower and short sale market orders will be re-priced by the System one minimum allowable price increment above the current national best bid ("Permitted Price"). To reflect declines in the national best bid, the Exchange will continue to re-price a short sale order at the lowest Permitted Price down to the order’s original limit price, or if a market order, until the order is filled. Non-displayed orders between the Nasdaq bid and offer at the...
time of receipt will also be re-priced upward to a Permitted Price to correspond with a rise in the national best bid.

(1) During the Short Sale Period, immediate or cancel ("IOC") orders requiring that all or part of the order be executed immediately will be executed to the extent possible at a Permitted Price and higher and then cancelled, and will not be re-priced. Inter-market sweep orders not marked “short exempt” will be handled in the same manner as IOC orders.

(2) During the Short Sale Period, short sale orders that are Limit-on-Open and Market-on-Open Orders defined in Nasdaq Rule 4752(a)(3) and (a)(4) and Limit-on-Close and Market-on-Close Orders defined in Nasdaq Rule 4754(a)(4) and (a)(5) shall be re-priced as described above, unless the spread between the national best bid and offer is $0.01. In that case, such orders shall be converted to Mid-Point Peg Orders defined in Nasdaq Rule 4751(f)(4). Once converted, such orders will be priced at the midpoint of the national best bid and offer and may execute in subpennies if necessary to obtain a midpoint price.

(3) During the Short Sale Period, if an order was entered as a long sale order or a short sale exempt order but is subsequently marked pursuant to Nasdaq Rule 4756(a)(3) as a short sale order, the System will cancel the order unless it is priced at a Permitted Price or higher.

(f) Execution of Permissible Orders during the Short Sale Period. During the Short Sale Period, the System will execute and display a short sale order without regard to whether the order is at a Permitted Price or higher if, at the time of initial display of the short sale order, the order was at a price above the then current national best bid. Short sale orders that are entered into the Exchange prior to the Short Sale Period but are not displayed will be re-priced as described in (e) above.

(g) Short Exempt Orders. During the Short Sale Period, the System will execute and display orders marked "short exempt" without regard to whether the order is at a Permitted Price or higher. The System will accept orders marked "short exempt" at any time when the System is open for order entry, regardless of whether the Short Sale Price Test has been triggered.
Nasdaq Stock Market Rules, Regulation, 4770., Nasdaq, Compliance with Regulation NMS Plan to Implement a Tick Size Pilot

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(a) Tick Size Pilot Program

(1) Definitions.


(B) “Pilot Test Groups” means the three test groups established under the Plan, consisting of 400 Pilot Securities each, which satisfy the respective criteria established by the Plan for each such test group.

(C) Reserved.

(D) “Trade-at Intermarket Sweep Order” means a limit order for a Pilot Security that meets the following requirements:

(i) When routed to a Trading Center, the limit order is identified as a Trade-at Intermarket Sweep Order; and

(ii) Simultaneously with the routing of the limit order identified as a Trade-at Intermarket Sweep Order, one or more additional limit orders, as necessary, are routed to execute against the full size of any protected bid, in the case of a limit order to sell, or the full displayed size of any protected offer, in the case of a limit order to buy, for the Pilot Security with a price that is better than or equal to the limit price of the limit order identified as a Trade-at Intermarket Sweep Order. These additional routed orders also must be marked as Trade-at Intermarket Sweep Orders or Intermarket Sweep Orders.

(E) All capitalized terms not otherwise defined in this Rule shall have the meanings set forth in the Plan, Regulation NMS under the Exchange Act, or Exchange rules, as applicable.

(2) Exchange Participation in the Plan. The Exchange is a Participant in, and subject to the applicable requirements of, the Plan, which establishes a Tick Size Pilot Program that will allow the Securities and Exchange Commission, market participants, and the public to study and assess the impact of increment conventions on the liquidity and trading of the common stocks of small capitalization companies.

(3) Member Compliance. Members shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the applicable requirements of the Plan.

(4) Exchange Compliance with the Plan. Exchange systems will not display, quote or trade in violation of the applicable quoting and trading requirements for a Pilot Security specified in the Plan and this Rule, unless such quotation or transaction is specifically exempted under the Plan.

(5) Pilot Securities That Drop Below $1.00 during the Pilot Period. If the price of a Pilot Security drops below $1.00 during regular trading on any given business day, such Pilot Security will continue to be subject to the Plan and the requirements enumerated in (c)(1)-(3) below and will continue to trade in accordance with such Rules as if the price of the Pilot Security had not dropped below $1.00. However, if the Closing Price of a Pilot Security on any given business day is below $1.00, such Pilot Security will be moved out of its respective Pilot Test Group into the Control Group, and may then be quoted and traded at any price increment that is currently permitted by Exchange rules for the remainder of the Pilot Period. Notwithstanding anything contained herein to the contrary, at all times during the Pilot Period, Pilot Securities (whether in the Control Group or any Pilot Test Group) will continue to be
subject to the requirements contained in Paragraph (b).

(b) Compliance with Data Collection Requirements

(1) Policies and Procedures Requirement. A Member that operates a Trading Center shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the data collection and transmission requirements of Items I and II of Appendix B of the Plan, and a Member that is a Market Maker shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the data collection and transmission requirements of Item IV of Appendix B of the Plan and Item I of Appendix C of the Plan.

(2) The Exchange shall collect and transmit to the SEC the data described in Items I and II of Appendix B of the Plan relating to trading activity in Pre-Pilot Securities and Pilot Securities on a Trading Center operated by the Exchange. The Exchange shall transmit such data to the SEC in a pipe delimited format, on a disaggregated basis by Trading Center, within 30 calendar days following month end for:

(A) Each Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through thirty-one days prior to the first day of the Pilot Period; and

(B) Each Pilot Security for the period beginning thirty days prior to the first day of the Pilot Period through six months after the end of the Pilot Period. The Exchange also shall make such data publicly available on the Exchange web site within 120 calendar days following month end at no charge and shall not identify the Member that generated the data.

(3) Daily Market Maker Participation Statistics Requirement

(A) A Member that is a Market Maker shall collect and transmit to their DEA data relating to Item IV of Appendix B of the Plan, with respect to activity conducted on any Trading Center in Pre-Pilot Securities and Pilot Securities in furtherance of its status as a Market Maker, including a Trading Center that executes trades otherwise than on a national securities exchange, for transactions that have settled or reached settlement date. Market Makers shall transmit such data in a format required by their DEA by 12:00 p.m. EST on T+4:

(i) For transactions in each Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through thirty-one days prior to the first day of the Pilot Period; and

(ii) For transactions in each Pilot Security for the period beginning thirty days prior to the first day of the Pilot Period through six months after the end of the Pilot Period.

(B) A Member that is a Market Maker whose DEA is not a Participant to the Plan shall transmit the data collected pursuant to paragraph (3)(A) above to the Financial Industry Regulatory Authority, Inc. ("FINRA"). Market Makers shall transmit such data in a format required by FINRA by 12:00 p.m. EST on T+4 in accordance with paragraphs (3)(A)(i) and (ii) above.

(C) The Exchange shall transmit the data collected by the DEA or FINRA pursuant to paragraphs (3)(A) and (B) above relating to Market Maker activity on a Trading Center operated by the Exchange to the SEC in a pipe delimited format within 30 calendar days following month end. The Exchange also shall make such data publicly available on the Exchange web site within 120 calendar days following month end at no charge and shall not identify the Trading Center that generated the data.

(4) Market Maker Profitability

(A) A Member that is a Market Maker shall collect and transmit to their DEA the data described in Item I of Appendix C of the Plan with respect to executions on any Trading Center that have settled or reached settlement date. Market Makers shall transmit such data in a format required by their DEA by 12:00 p.m. EST on T+4 for executions during and outside of Regular Trading Hours in each:
(i) Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through thirty-one days prior to the first day of the Pilot Period; and

(ii) Pilot Security for the period beginning thirty days prior to the first day of the Pilot Period through six months after the end of the Pilot Period.

(B) A Member that is a Market Maker whose DEA is not a Participant to the Plan shall transmit the data collected pursuant to paragraph (4)(A) above to FINRA. Market Makers shall transmit such data in a format required by FINRA by 12:00 p.m. EST on T+4 for executions during and outside of Regular Trading Hours in accordance with paragraphs (4)(A)(i) and (ii) above.

(5) Market Maker Registration Statistics. The Exchange shall collect and transmit to the SEC the data described in Item III of Appendix B of the Plan relating to daily Market Maker registration statistics in a pipe delimited format within 30 calendar days following month end for:

(A) For transactions in each Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through the trading day immediately preceding the Pilot Period; and

(B) For transactions in each Pilot Security for the period beginning on the first day of the Pilot Period through six months after the end of the Pilot Period.

The Exchange also shall make such data publicly available on the Exchange web site within 120 calendar days following month end at no charge.

c) Compliance with Quoting and Trading Restrictions

(1) Pilot Securities in Test Group One will be subject to the following requirement: No member may display, rank, or accept from any person any displayable or non-displayable bids or offers, orders, or indications of interest in increments other than $0.05. However, orders priced to trade at the midpoint of the national best bid and national best offer ("NBBO") or best protected bid and best protected offer ("PBBO") and orders entered in a Participant-operated retail liquidity program may be ranked and accepted in increments of less than $0.05. Pilot Securities in Test Group One may continue to trade at any price increment that is currently permitted by Rule 4701(k).

(2) Pilot Securities in Test Group Two shall be subject to the following requirements:

(A) No member may display, rank, or accept from any person any displayable or non-displayable bids or offers, orders, or indications of interest in increments other than $0.05. However, orders priced to trade at the midpoint of the NBBO or PBBO and orders entered in a Participant-operated retail liquidity program may be ranked and accepted in increments of less than $0.05.

(B) Absent any of the exceptions listed in (C) below, no member may execute orders in any Pilot Security in Test Group Two in price increments other than $0.05. The $0.05 trading increment will apply to all trades, including Brokered Cross Trades.

(C) Pilot Securities in Test Group Two may trade in increments less than $0.05 under the following circumstances:

(i) Trading may occur at the midpoint between the NBBO or the PBBO;

(ii) Retail Investor Orders may be provided with price improvement that is at least $0.005 better than the PBBO;

(iii) Negotiated Trades may trade in increments less than $0.05; and

(iv) Execution of a customer order to comply with Rule 5320A following the execution of a proprietary trade by the member at an increment other than $0.05, where such proprietary trade was permissible pursuant to an exception under the Plan.
(3) Pilot Securities in Test Group Three shall be subject to the following requirements:

(A) No member may display, rank, or accept from any person any displayable or non-displayable bids or offers, orders, or indications of interest in increments other than $0.05. However, orders priced to trade at the midpoint of the NBBO or PBBO and orders entered in a Participant-operated retail liquidity program may be ranked and accepted in increments of less than $0.05.

(B) Absent any of the exceptions listed in (C) below, no member may execute orders in any Pilot Security in Test Group Three in price increments other than $0.05. The $0.05 trading increment will apply to all trades, including Brokered Cross Trades.

(C) Pilot Securities in Test Group Three may trade in increments less than $0.05 under the following circumstances:

(i) Trading may occur at the midpoint between the NBBO or PBBO;

(ii) Retail Investor Orders may be provided with price improvement that is at least $0.005 better than the Best Protected Bid or the Best Protected Offer;

(iii) Negotiated Trades may trade in increments less than $0.05; and

(iv) Execution of a customer order to comply with Rule 5320A following the execution of a proprietary trade by the member at an increment other than $0.05, where such proprietary trade was permissible pursuant to an exception under the Plan.

(D) Pilot Securities in Test Group Three will be subject to the following Trade-at Prohibition:

(i) “Trade-at Prohibition” means the prohibition against executions by a Trading Center of a sell order for a Pilot Security at the price of a Protected Bid or the execution of a buy order for a Pilot Security at the price of a Protected Offer during regular trading hours.

(ii) Absent any of the exceptions listed in (iii) below, no member may execute a sell order for a Pilot Security in Test Group Three at the price of a Protected Bid or execute a buy order for a Pilot Security in Test Group Three at the price of a Protected Offer.

(iii) Members may execute a sell order for a Pilot Security in Test Group Three at the price of a Protected Bid or execute a buy order for a Pilot Security in Test Group Three at the price of a Protected Offer if any of the following circumstances exist:

(a) The order is executed as agent or riskless principal by an independent trading unit, as defined under Rule 200(f) of Regulation SHO, of a Trading Center within a member that has a displayed quotation as agent or riskless principal, via either a processor or an SRO Quotation Feed, at a price equal to the traded-at Protected Quotation, that was displayed before the order was received, but only up to the full displayed size of that independent trading unit’s previously displayed quote;

(b) The order is executed by an independent trading unit, as defined under Rule 200(f) of Regulation SHO, of a Trading Center within a member that has a displayed quotation for the account of that Trading Center on a principal (excluding riskless principal) basis, via either a processor or an SRO Quotation Feed, at a price equal to the traded-at Protected Quotation, that was displayed before the order was received, but only up to the full displayed size of that independent trading unit’s previously displayed quote;

(c) The order is of Block Size at the time of origin and may not be:
(A) an aggregation of non-block orders; or

(B) broken into orders smaller than Block Size prior to submitting the order to a Trading Center for execution;

(d) The order is a Retail Investor Order executed with at least $0.005 price improvement;

(e) The order is executed when the Trading Center displaying the Protected Quotation that was traded at was experiencing a failure, material delay, or malfunction of its systems or equipment;

(f) The order is executed as part of a transaction that was not a “regular way” contract;

(g) The order is executed as part of a single-priced opening, reopening, or closing transaction on the Exchange;

(h) The order is executed when a Protected Bid was priced higher than a Protected Offer in the Pilot Security;

(i) The order is identified as a Trade-at Intermarket Sweep Order;

(j) The order is executed by a Trading Center that simultaneously routed Trade-at Intermarket Sweep Orders or Intermarket Sweep Orders to execute against the full displayed size of the Protected Quotation that was traded at;

(k) The order is executed as part of a Negotiated Trade;

(l) The order is executed when the Trading Center displaying the Protected Quotation that was traded at had displayed, within one second prior to execution of the transaction that constituted the Trade-at, a Best Protected Bid or Best Protected Offer, as applicable, for the Pilot Security with a price that was inferior to the price of the Trade-at transaction;

(m) The order is executed by a Trading Center which, at the time of order receipt, the Trading Center had guaranteed an execution at no worse than a specified price (a "stopped order"), where:

   (A) The stopped order was for the account of a customer;

   (B) The customer agreed to the specified price on an order-by-order basis; and

   (C) The price of the Trade-at transaction was, for a stopped buy order, equal to or less than the National Best Bid in the Pilot Security at the time of execution or, for a stopped sell order, equal to or greater than the National Best Offer in the Pilot Security at the time of execution, as long as such order is priced at an acceptable increment;

(n) The order is for a fractional share of a Pilot Security, provided that such fractional share order was not the result of breaking an order for one or more whole shares of a Pilot Security into orders for fractional shares or was not otherwise effected to evade the requirements of the Trade-at Prohibition or any other provisions of the Plan; or

(o) The order is to correct a bona fide error, which is recorded by the Trading Center in its error account. A bona fide error is defined as:
(A) The inaccurate conveyance or execution of any term of an order including, but not limited to, price, number of shares or other unit of trading; identification of the security; identification of the account for which securities are purchased or sold; lost or otherwise misplaced order tickets; short sales that were instead sold long or vice versa; or the execution of an order on the wrong side of a market;

(B) The unauthorized or unintended purchase, sale, or allocation of securities, or the failure to follow specific client instructions;

(C) The incorrect entry of data into relevant systems, including reliance on incorrect cash positions, withdrawals, or securities positions reflected in an account; or

(D) A delay, outage, or failure of a communication system used to transmit market data prices or to facilitate the delivery or execution of an order.

(iv) No member shall break an order into smaller orders or otherwise effect or execute an order to evade the requirements of the Trade-at Prohibition of this Rule or any other provisions of the Plan.

(d) Operation of Order Types and Order Attributes

This section sets forth Nasdaq's specific procedures for handling, executing, re-pricing and displaying of certain Order Types and Order Attributes applicable to Pilot Securities. Unless otherwise indicated, this section applies to orders in all three Test Group Pilot Securities.

(1) All Order Types. Any Order Type in a security of any of the Test Groups that requires a price and does not otherwise qualify for an exception, will not be accepted if it is in a minimum price increment other than $0.05. This minimum price increment applies to repricing and rounding by the System, unless otherwise noted below.

Subject to the provisions below, if the entered limit price of an Order in a Test Group Three Pilot Security, entered through RASH, QIX, or FIX, locked or crossed a Protected Quotation and the NBBO changes so that the Order can be ranked closer to its original entered limit price, the price of the Order will be adjusted repeatedly in accordance with changes to the NBBO.

(2) Price to Comply Order. A Price to Comply Order in a Test Group Pilot Security will operate as described in Rule 4702(b)(1) except as provided under this paragraph. If a Price to Comply Order for a Test Group Three Pilot Security is partially executed upon entry and the remainder would lock a Protected Quotation of another market center, the unexecuted portion of the Order will be cancelled. If the Order is not executable against any previously posted orders on the Nasdaq Book, and the limit price of a buy (sell) Price to Comply Order in a Test Group Three Pilot Security would lock or cross a Protected Quotation of another market center, the Order will display at one minimum price increment below (above) the Protected Quotation, and the Order will be ranked on the Nasdaq Book at the current midpoint of the NBBO.

A Price to Comply Order in a Test Group Three Pilot Security entered through OUCH or FLITE may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

- If entered at a price that locked a Protected Quotation, and if the NBBO changes such that it can be ranked and displayed at the price of the Protected Quotation that it locked, the Price to Comply Order will be adjusted to rank and display at its original entered limit price.

- If entered at a price that crossed a Protected Quotation, and if the NBBO changes such that it can be ranked at the price of the Protected Quotation it crossed, the Price to Comply Order, based on the participant’s choice, may either be (i) cancelled or (ii) adjusted to rank at the
If, after being posted on the Nasdaq Book, the non-displayed price of a Price to Comply Order becomes locked or crossed by a Protected Quotation due to a change in the NBBO, or if the Price to Comply Order is at an impermissible price under Regulation NMS or the Plan and it cannot otherwise be adjusted as above, the Price to Comply Order will be cancelled.

(3) Non-Displayed Order. A Non-Displayed Order in a Test Group Pilot Security will operate as described in Rule 4702(b)(3) except as provided under this paragraph. A resting Non-Displayed Order in a Test Group Three Pilot security cannot execute at the price of a Protected Quotation of another market center unless the incoming Order otherwise qualifies for an exception to the Trade-at prohibition provided under Rule 4770(c)(3)(D). If the limit price of a buy (sell) Non-Displayed Order in a Test Group Three Pilot Security would lock or cross a Protected Quotation of another market center, the Order will be ranked on the Nasdaq Book at either one minimum price increment below (above) the National Best Offer (National Best Bid) or at the midpoint of the NBBO, whichever is higher (lower). If a resting Non-Displayed Order in a Test Group Three Pilot Security entered through RASH, QIX, or FIX becomes locked or crossed by a Protected Quotation due to a change in the NBBO, or if the Non-Displayed Order is at an impermissible price under Regulation NMS or the Plan, the Non-Displayed Order will be repriced to a price that is at either one minimum price increment below (above) the National Best Offer (National Best Bid) or at the midpoint of the NBBO, whichever is higher (lower) and will receive a new timestamp.

For a Non-Displayed Order in a Test Group Three Pilot Security entered through OUCH or FLITE, if after such a Non-Displayed Order is posted to the Nasdaq Book, the NBBO changes so that the Non-Displayed Order would no longer be executable at its posted price due to the requirements of Regulation NMS or the Plan, the Non-Displayed Order will be cancelled back to the Participant.

A Non-Displayed Order in a Test Group Three Pilot Security entered through OUCH or FLITE may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

- If entered at a price that locked a Protected Quotation, and if the NBBO changes such that it can be ranked at the price of the Protected Quotation it locked, the Non-Displayed Order will be adjusted to rank at its original entered limit price.
- If entered at a price that crossed a Protected Quotation, and if the NBBO changes such that it can be ranked at the price of the Protected Quotation it crossed, the Order, based on the Participant’s choice, may either be (i) cancelled or (ii) adjusted to rank at the price of the Protected Quotation it crossed.
- If entered at a price that locked or crossed a Protected Quotation, and if the NBBO changes such that it cannot be ranked at the price of the Protected Quotation it locked or crossed but can be ranked closer to its original limit price, the Non-Displayed Order will be adjusted to the new midpoint of the NBBO.
- If, after being posted on the Nasdaq Book, the Non-Displayed Order becomes locked or crossed by a Protected Quotation due to a change in the NBBO, or if the Non-Displayed Order is at an impermissible price under Regulation NMS or the Plan and it cannot otherwise be adjusted as above, the Non-Displayed Order will be cancelled.

(4) Post-Only Order. A Post-Only Order in a Test Group Pilot Security will operate as described in Rule 4702(b)(4) except as provided under this paragraph. For orders that are not attributable, if the limit price of a buy (sell) Post-Only Order in a Test Group Three Pilot Security would lock or cross a Protected Quotation of another market center, the Order will display at one minimum price increment below (above) the Protected Quotation, and the Order will be ranked on the Nasdaq Book at the current midpoint of the NBBO.
A Non-Attributable Post-Only Order in a Test Group Three Pilot Security entered through OUCH or FLITE may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

- If entered at a price that locked a Protected Quotation, and if the NBBO changes such that it can be ranked and displayed at the price of the Protected Quotation that it locked, the Post-Only Order will be adjusted to rank and display at its original entered limit price.

- If entered at a price that crossed a Protected Quotation, and if the NBBO changes such that it can be ranked at the price of the Protected Quotation it crossed, the Post-Only Order, based on the Participant’s choice, may either be (i) cancelled or (ii) adjusted to rank at the price of the Protected Quotation it crossed upon entry with its displayed price remaining unchanged.

- If, after being posted on the Nasdaq Book, the non-displayed price of a resting Post-Only Order becomes locked or crossed by a Protected Quotation due to a change in the NBBO, or if the Post-Only Order is at an impermissible price under Regulation NMS or the Plan and it cannot otherwise be adjusted as above, the Post-Only Order will be cancelled.

(5) Midpoint Peg Post-Only Order. A Midpoint Peg Post-Only Order in a Test Group Pilot Security will operate as described in Rule 4702(b)(5) except as provided under this paragraph. A Midpoint Peg Post-Only Order in a Test Group Pilot Security may execute at the midpoint of the NBBO in an increment other than the minimum price increment.

(6) Supplemental Order. A Supplemental Order in a Test Group Pilot Security will operate as described in Rule 4702(b)(6) except as provided under this paragraph. A Supplemental Order in a Test Group Three Pilot Security will not be accepted by the System.

(7) Market Maker Peg Order. A Market Maker Peg Order in a Test Group Pilot Security will operate as described in Rule 4702(b)(7) except as provided under this paragraph. The displayed price of a Market Maker Peg Order in a Test Group Pilot Security will be rounded up (down) to the nearest minimum price increment for bids (offers), if it would otherwise display at an increment smaller than the minimum price increment. For example, if the NBB is $10.05 and NBO is $10.15, and the Designated Percentage (as defined in Rule 4613) is 28%, the displayed price of a Market Maker Peg Order to buy 100 shares of a Test Group Pilot Security would be $7.25 (i.e., $10.05 – ($10.05 x 0.28) = $7.236, rounded up to $7.25). Using the same market, but with a Market Maker Peg Order to sell 100 shares, the displayed price of the Order would be $12.95 (i.e., $10.15 + ($10.15 x 0.28) = $12.992, rounded down to $12.95).

(8) Midpoint Pegging. An Order with Midpoint Pegging in a Test Group Pilot Security will operate as described in Rule 4703(d) except as provided under this paragraph. An Order in a Test Group Pilot Security with Midpoint Pegging may execute at the midpoint of the NBBO in an increment other than the minimum price increment.

(9) Reserve Size. An Order with Reserve Size in a Test Group Pilot Security will operate as described in Rule 4703(h) except as provided under this paragraph. A resting Order in a Test Group Three Pilot Security with a Reserve Size (either a Price to Comply Order or a Price to Display Order through RASH, FIX or QIX) may not execute the non-displayed Reserve Size at the price of a Protected Quotation of another market center unless the incoming Order otherwise qualifies for an exception to the Trade-at prohibition provided under Rule 4770(c)(3)(D). If an Order with Reserve Size for a Test Group Three Pilot Security is partially executed upon entry and the remainder would lock a Protected Quotation of another market center, the unexecuted portion of the Order will be cancelled. If the Order is not executable against any previously posted orders on the Nasdaq Book, and the limit price of a buy (sell) Price to Comply Order with Reserve Size in a Test Group Three Pilot Security would lock or cross a Protected Quotation of another market center, the displayed portion of the Order will display at one minimum price increment below (above) the Protected Quotation, and the displayed and non-displayed portions of the Order will be ranked on the Nasdaq Book at the current midpoint of the NBBO. If the Order is not executable against any previously posted orders on the Nasdaq Book, and
the limit price of a buy (sell) Price to Display Order with Reserve Size in a Test Group Three Pilot Security would lock or cross a Protected Quotation of another market center, the displayed portion of the Order will display and be ranked at one minimum price increment below (above) the Protected Quotation, and the non-displayed portion of the Order will be ranked on the Nasdaq Book at the current midpoint of the NBBO. If after being posted to the Nasdaq Book, the NBBO changes so that the Order with Reserve Size in a Test Group Three Pilot Security would no longer be executable at its ranked price due to the requirements of Regulation NMS or the Plan, the order will be adjusted in the same manner as described above.

(10) Good-till-Cancelled. An Order with a Time-in-Force of Good-till-Cancelled in a Test Group Pilot Security will operate as described in Rule 4703(a)(3) except as provided under this paragraph. An Order in a Test Group Security with a Good-till-Cancelled Time-in-Force that is adjusted pursuant to Rule 4761(b) will be adjusted based on a $0.05 increment.

Commentary:
.01 The terms used in this Rule 4770 shall have the same meaning as provided in the Plan, unless otherwise specified.
.02 For purposes of the reporting requirement in Appendix B.II.(n), a Trading Center shall report “Y” to their DEA where it is relying upon the Retail Investor Order exception to Test Groups Two and Three, and “N” in all other instances.
.03 For purposes of Appendix B.I, the field “Affected by Limit-Up Limit-Down bands” shall be included. A Trading Center shall report a value of “Y” to their DEA when the ability of an order to execute has been affected by the Limit-Up Limit-Down (LULD) bands in effect at the time of order receipt. A Trading Center shall report a value of “N” to their DEA when the ability of an order to execute has not been affected by the LULD bands in effect at the time of order receipt. For purposes of Appendix B.I, the Participants shall classify all orders in Pilot and Pre-Pilot Securities that may trade in a foreign market as: (1) fully executed domestically or (2) fully or partially executed on a foreign market. For purposes of Appendix B.II, the Participants shall classify all orders in Pilot and Pre-Pilot Securities that may trade in a foreign market as: (1) directed to a domestic venue for execution; (2) may only be directed to a foreign venue for execution; or (3) fully or partially directed to a foreign venue at the discretion of the Member.
.04 (a) For purposes of Appendix B.I.a(14), B.I.a(15), B.I.a(21) and B.I.a(22), the time ranges shall be changed as follows:

(1) Appendix B.I.a(14A): The cumulative number of shares of orders executed from 100 microseconds to less than 1 millisecond after the time of order receipt;

(2) Appendix B.I.a(15): The cumulative number of shares of orders executed from 1 millisecond to less than 100 milliseconds after the time of order receipt;

(3) Appendix B.I.a(21A): The cumulative number of shares of orders canceled from 100 microseconds to less than 1 millisecond after the time of order receipt; and

(4) Appendix B.I.a(22): The cumulative number of shares of orders canceled from 1 millisecond to less than 100 milliseconds after the time of order receipt.

(b) For purposes of Appendix B.I.a(21) through B.I.a(27), unexecuted Immediate or Cancel orders shall be categorized separately irrespective of the duration of time after order receipt.
.05 For purposes of Appendix B.I.a(31)-(33), the relevant measurement is the time of order receipt.
.06 For purposes of Appendix B, the following order types and numbers shall be included and assigned the following numbers: “not held” orders (18); clean cross orders (19); auction orders (20); and orders that cannot otherwise be classified, including orders received when the NBBO is crossed (21); and limit order priced more than $0.10 away from the NBBO (22). For purposes of order types 12-14 in Appendix B, such order types shall include all orders and not solely “resting” orders.
.07 A Member shall not be deemed a Trading Center for purposes of Appendix B of the Plan where that Member
only executes orders otherwise than on a national securities exchange for the purpose of: (i) correcting a bona
fide error related to the execution of a customer order; (ii) purchases a security from a customer at a nominal
price solely for purposes of liquidating the customer’s position; or (iii) completing the fractional share portion
of an order.

.08 A Trading Center shall begin the data collection required pursuant to Appendix B.I.a(1) through B.II.(y) of
the Plan and Item I of Appendix C of the Plan on April 4, 2016. The requirement that the Exchange or their DEA
provide information to the SEC within 30 days following month end pursuant to Appendix B and C of the Plan
shall commence at the beginning of the Pilot Period. Notwithstanding the provisions of paragraphs (b)(2)(B),
(b)(3)(C), and (b)(5) of this Rule, with respect to data for the Pre-Pilot and Pilot Period, the requirement that the
Exchange or DEA make Appendix B data publicly available on the Exchange’s or DEA’s web site shall
commence on August 31, 2017. Notwithstanding the provisions of paragraph (b)(4) of this Rule, the Exchange or
DEA shall make Appendix C data for the Pre-Pilot Period through January 2017 publicly available on the
Exchange or DEA’s web site by February 28, 2017.

.09 For purposes of Appendix B.IV, the count of the number of Market Makers used in the calculation of share
(trade) participation shall be added to each category. For purposes of Appendix B.IV(b) and (c), share
participation and trade participation shall be calculated by using a total count instead of a share-weighted
average or a trade-weighted average. For purposes of Appendix B, B.IV(d) (cross-quote share (trade)
participation), (e) (inside-the-quote share (trade) participation), (f) (at-the-quote share (trade) participation), and
(g) (outside-the-quote share (trade) participation), shall be calculated by reference to the National Best Bid or
National Best Offer in effect immediately prior to the trade.

.10 For purposes of Item I of Appendix C, the Participants shall calculate daily Market Maker realized profitability
statistics for each trading day on a daily last in, first out (LIFO) basis using reported trade price and shall include
only trades executed on the subject trading day. The daily LIFO calculation shall not include any positions
carried over from previous trading days. For purposes of Item I.c of Appendix C, the Participants shall calculate
daily Market Maker unrealized profitability statistics for each trading day on an average price basis. Specifically,
the Participants must calculate the volume weighted average price of the excess (deficit) of buy volume over sell
volume for the current trading day using reported trade price. The gain (loss) of the excess (deficit) of buy
volume over sell volume shall be determined by using the volume weighted average price compared to the
closing price of the security as reported by the primary listing exchange. In calculating unrealized trading profits,
the Participant also shall report the number of excess (deficit) shares held by the Market Maker, the volume
weighted average price of that excess (deficit), and the closing price of the security as reported by the primary
listing exchange used in reporting unrealized profit.

.11 "Pre-Pilot Data Collection Securities" are the securities designated by the Participants for purposes of the
data collection requirements described in Items I, II and IV of Appendix B and Item I of Appendix C of the Plan
for the period beginning six months prior to the Pilot Period through thirty-one days prior to the Pilot Period. The
Participants shall compile the list of Pre-Pilot Data Collection Securities by selecting all NMS stocks with a
market capitalization of $5 billion or less, a Consolidated Average Daily Volume (CADV) of 2 million shares or
less and a closing price of $1 per share or more. The market capitalization and the closing price thresholds shall
be applied to the last day of the Pre-Pilot measurement period, and the CADV threshold shall be applied to the
duration of the Pre-Pilot measurement period. The Pre-Pilot measurement period shall be the three calendar
months ending on the day when the Pre-Pilot Data Collection Securities are selected. The Pre-Pilot Data
Collection Securities shall be selected thirty days prior to the commencement of the six-month Pre-Pilot Period.

.12 This Rule shall be in effect during a pilot period to coincide with the pilot period for the Plan (including any
extensions to the pilot period for the Plan).

.13 For purposes of qualifying for the Block Size exception under paragraph (c)(3)(D)(iii) of this Rule, the Order
must have a size of 5,000 shares or more and the resulting execution upon entry must have a size of 5,000
shares or more in aggregate.

Adopted July 28, 2006 (SR-NASDAQ-2006-019); amended Oct. 4, 2006 (SR-NASDAQ-2006-042); amended Sept. 1, 2008 (SR-
NASDAQ-2008-068); deleted Aug. 10, 2010 (SR-NASDAQ-2010-101), operative Sept. 13, 2010; amended Mar. 23, 2016 (SR-
NASDAQ-2016-043); amended June 24, 2016 (SR-NASDAQ-2016-093), operative July 24, 2016; amended Aug. 29, 2016 (SR-
NASDAQ-2016-125); amended Oct. 7, 2016 (SR-NASDAQ-2016-126); amended Oct. 17, 2016 (SR-NASDAQ-2016-143); amended

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(a) A member designated to Nasdaq for oversight pursuant to SEC Rule 17d-1 shall comply with FINRA Rule 4110 as if such Rule were part of Nasdaq’s Rules.

(b) For purposes of this Rule, references to Rule 9557 shall be construed as references to Nasdaq Rule 9557.


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Nasdaq Stock Market Rules, Regulation, 4120A., Nasdaq, Regulatory Notification and Business Curtailment

(a) A member designated to Nasdaq for oversight pursuant to SEC Rule 17d-1 shall comply with FINRA Rule 4120 as if such Rule were part of Nasdaq’s Rules.

(b) For purposes of this Rule, references to Rule 9557 shall be construed as references to Nasdaq Rule 9557.


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Nasdaq Stock Market Rules, Regulation, 4140A., Nasdaq, Audit

(a) A member designated to Nasdaq for oversight pursuant to SEC Rule 17d-1 shall comply with FINRA Rule 4140 as if such Rule were part of Nasdaq’s Rules.

(b) For purposes of this Rule, references to Rule 9557 shall be construed as references to Nasdaq Rule 9557.


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Nasdaq Stock Market Rules, Regulation, 4511A., Nasdaq, General Requirements

(a) Nasdaq members and persons associated with a member shall comply with FINRA Rule 4511 as if such Rule were part of the Nasdaq rules.

(b) For purposes of this Rule, references to “FINRA rules” shall be construed as references to “Nasdaq rules” and references to “FINRA books and records” shall be construed as references to “Nasdaq books and records”.


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Nasdaq Stock Market Rules, Regulation, 4512A., Nasdaq, Customer Account Information

(a) Nasdaq members and persons associated with a member shall comply with FINRA Rule 4512 as if such Rule were part of the Nasdaq rules.

(b) For purposes of this Rule:

(1) references to NASD 2510 (or any successor FINRA rule) shall be construed as references to Nasdaq Rule 2510;

(2) references to Rules 2070, 2090, and 4512 shall be construed as references to Nasdaq Rules 2070A, 2090A, and 4512A, respectively;

(3) references to “a prior FINRA rule” shall be construed as references to “a FINRA or Nasdaq rule in effect prior to the effectiveness of FINRA Rule 4512”;

(4) Nasdaq and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. Therefore, Nasdaq members are complying with Nasdaq Rule 4512A by complying with FINRA Rule 4512 as written, including, for example, providing information required by FINRA staff. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Nasdaq Rule 4512A are being performed by FINRA on behalf of Nasdaq.


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Nasdaq members and persons associated with a member shall comply with FINRA Rule 4513 as if such Rule were part of the Nasdaq rules.


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Nasdaq members and persons associated with a member shall comply with FINRA Rule 4514 as if such Rule were part of the Nasdaq rules.


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Nasdaq Stock Market Rules, Regulation, 4515A., Nasdaq, Approval and Documentation of Changes in Account Name or Designation

(a) Nasdaq members and persons associated with a member shall comply with FINRA Rule 4515 as if such Rule were part of the Nasdaq rules.

(b) For purposes of this rule, references to NASD Rule 2510 (or any successor FINRA rule) shall be construed as references to Nasdaq Rule 2510.

(a) A member designated to Nasdaq for oversight pursuant to SEC Rule 17d-1 shall comply with FINRA Rule 4521 as if such Rule were part of Nasdaq’s Rules.

Nasdaq Stock Market Rules, Regulation, 4000B., Nasdaq, Trading of Non-Convertible Bonds Listed on Nasdaq

(a) Unless otherwise specified, all orders in non-convertible bonds shall be received, processed, executed and reported by means of the Exchange's electronic system designated for such purpose. The Exchange system designated for this purpose shall be the "Nasdaq Bond Exchange."

(b) Applicability and Definitions.

(1) Applicability. The provisions in this Rule shall apply to (i) all transactions effected through the Nasdaq Bond Exchange; (ii) all bids and offers made through the Nasdaq Bond Exchange; (iii) the handling of orders and the conduct of accounts and other matters relating to bidding, offering and trading through the Nasdaq Bond Exchange; and (iv) any security that is traded on the Nasdaq Bond Exchange, which security, for purposes of this rule, shall be referred to as a "non-convertible bond."

(2) Definitions. As used in this rule and other rules in their application to the Nasdaq Bond Exchange, the following terms shall have the meanings specified below:

(A) The "Nasdaq Bond Exchange" shall refer to the Exchange's electronic system for receiving, processing, executing and reporting bids, offers and executions in non-convertible bonds.

(B) The Nasdaq Bond Exchange Order Types. The following types of orders may be entered on the Nasdaq Bond Exchange.

(i) A “Nasdaq Bond Exchange Good for Day Limit Order” is an order to buy or sell a stated quantity of units of non-convertible bonds at a specified price or at a better price which, if not executed or cancelled, will expire at the end of the Bond Trading Session on the day on which it was entered.

(ii) A “Nasdaq Bond Exchange Fill-or-Kill All-Or-None Order” (the “Nasdaq Bond Exchange FOK-AON Order”) is a Nasdaq Bond Exchange market order that is to be executed immediately in its entirety against one or more contra parties at the best price available, or if it is not executed immediately in its entirety, it is cancelled.

(C) "Clearly Erroneous Execution" refers to an execution involving an obvious error in any term of an order participating in such execution, such as price, unit of trading, or identification of the non-convertible bond.

(D) "User" means any Member of Nasdaq that has elected to receive access to the Nasdaq Bond Exchange.

(E) "Bond Trading Session" is the time during which non-convertible bonds will be available for trading on the Nasdaq Bond Exchange each day the Exchange is open for business, unless otherwise determined by the Exchange.

(c) The minimum unit of trading in the Nasdaq Bond Exchange is one non-convertible bond unless the issuer otherwise specifies a larger minimum unit of trading in the indenture agreement.

(d) The Nasdaq Bond Exchange will accept bids and offers in non-convertible bonds priced to three decimal places.

(e) Securities to be Traded.

Only such non-convertible bonds as the Exchange may specify shall be traded on the Nasdaq Bond Exchange. Any security traded on the Nasdaq Bond Exchange must be listed on Nasdaq.

(f) Trading Session.

The Nasdaq Bond Exchange holds one Bond Trading Session, which commences at 8:30 a.m. E.T. and
concludes at 4:00 p.m. E.T. Orders submitted outside of the Bond Trading Session will not be accepted.

(g) Display and Execution of Orders in Bond Trading Session.

(1) Buy and sell orders in the Nasdaq Bond Exchange shall be displayed, matched and executed in the Bond Trading Session in the following sequence:
   
   (A) According to price, with the highest bid price and the lowest offer price receiving highest priority.
   
   (B) Within each price, according to the time of the order entry in the Nasdaq Bond Exchange.
   
   (C) Exception: Anti-Internalization - Users may direct that orders entered into the Nasdaq Bond Exchange not execute against orders entered under the same MPID. In addition, Users using the FIX order entry protocol may assign to orders entered through a specific order entry port a unique group identification modifier that will prevent orders with such modifier from executing against each other. In such a case, a User may elect from the following options: (i) regardless of the size of the interacting orders, cancelling the oldest order in full; or (ii) regardless of the size of the interacting orders, cancelling the most recent order in full. The foregoing options may be applied to all orders entered under the same MPID, or, in the case of Users using the FIX order entry protocol, may be applied to all orders entered through a specific order entry port.

(2) The terms of an order entered into the Nasdaq Bond Exchange may not be modified after entry. An order may be cancelled at any time provided the order has not been executed.

(3) Users shall be promptly notified of their orders' executions.

(h) Clearly Erroneous Executions. All matters related to clearly erroneous transactions executed on the Nasdaq Bond Exchange shall be initiated and adjudicated pursuant to Rule 11890.

(i) Halting or Suspending Trading on the Nasdaq Bond Exchange

(1) The Exchange may halt or suspend trading in non-convertible bonds listed on the Nasdaq Bond Exchange when:
   
   (A) In the exercise of its regulatory function, the Exchange determines such action is necessary and appropriate to maintain a fair and orderly market, protect investors, or otherwise is in the public interest due to extraordinary circumstances or unusual market conditions; or
   
   (B) A class of equity issued by the same issuer as the non-convertible bond has been halted or suspended by, or de-listed from, the Exchange or by or from its primary listing exchange (NYSE or NYSE American), or
   
   (C) News reports have a material impact on the non-convertible bond, its issuer, or related stock of the issuer, or
   
   (D) If the non-convertible bond is to be called for redemption or will mature or become subject to retirement, and thereafter will be subject to de-listing, then the Exchange shall cease trading the non-convertible bond, effective not less than 10 days before the date when such de-listing becomes effective, pursuant to a delisting application that the Exchange submits to the Commission on Form 25 and consistent with Rule 12d2-2 and the Act.

(2) Bond Halts.
   
   (A) In the event of a trading halt on the Nasdaq Bond Exchange (a "Bond Halt"), a halt message shall be disseminated by the Exchange to signal both the commencement and the end of the Bond Halt.
   
   (B) Upon commencement of a Bond Halt, existing orders that are pending in the Nasdaq Bond Exchange shall be cancelled and new orders entered into the Nasdaq Bond Exchange during a Bond Halt will not be accepted.
(C) The Nasdaq Bond Exchange will begin accepting new orders and will resume trading upon the conclusion of a Bond Halt.

(j) Reports and Recordkeeping.

(1) The Nasdaq Bond Exchange Trading Reports and Records. Users of the Nasdaq Bond Exchange must comply with all relevant rules of the Exchange and the Securities and Exchange Commission in relation to reports and records of transactions on the Nasdaq Bond Exchange including, but not limited to, Rules 17a- 3 and 17a-4 under the Securities Exchange Act of 1934.


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Nasdaq Stock Market Rules, Regulation, Marketplace Rules - Listed Companies Only

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Nasdaq Stock Market Rules, Regulation, Nasdaq, 5001. The Qualification, Listing, and Delisting of Companies

This Rule Series 5000 (consisting of Rules 5000-5999) contains rules related to the qualification, listing and delisting of Companies on The Nasdaq Stock Market.

The Rule 5100 Series (consisting of Rules 5100-5199) discusses Nasdaq's general regulatory authority. The Rule 5200 Series (consisting of Rules 5200-5299) sets forth the procedures and prerequisites for gaining a listing on The Nasdaq Stock Market, as well as the disclosure obligations of listed Companies. The Rule 5300, 5400, and 5500 Series (consisting of Rules 5300-5399, 5400-5499, and 5500-5599, respectively) contain the specific the quantitative listing requirements for listing on the Global Select, Global Market, and Capital Market, respectively. The corporate governance requirements applicable to all Companies are contained in the Rule 5600 Series (consisting of Rules 5600-5699). Special listing requirements for securities other than common or preferred stock and warrants are contained in the Rule 5700 Series (consisting of Rules 5700-5799). The consequences of a failure to meet Nasdaq's listing standards are contained in the Rule 5800 Series (consisting of Rules 5800-5899). Finally, Company listing fees are described in the Rule 5900 Series (consisting of Rules 5900-5999).

Nasdaq exercises other authorities important to listed Companies discussed in other Rules Series in the Marketplace Rules. For example, Nasdaq may close markets upon request of the SEC (see Rule 4121). It may also halt the trading of a Company's securities under certain circumstances and pursuant to established procedures (See Rule 4120 and IM-5250-1 and IM-5810). These authorities are exercised primarily by the MarketWatch Department and are contained in the Rule 4000 series.

Nasdaq and Financial Industry Regulatory Authority, Inc. ("FINRA") are parties to a regulatory contract pursuant to which FINRA has agreed to perform certain functions described in the Rules on behalf of Nasdaq. Notwithstanding the fact that Nasdaq has entered into the regulatory contract with FINRA to perform some of Nasdaq's functions, Nasdaq shall retain ultimate legal responsibility for, and control of, such functions.


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Nasdaq Stock Market Rules, Regulation, 5005., Nasdaq, Definitions

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(a) The following is a list of definitions used throughout the Nasdaq Listing Rules. This section also lists various terms together with references to other rules where they are specifically defined. Unless otherwise specified by the Rules, these terms shall have the meanings set forth below. Defined terms are capitalized throughout the Listing Rules.

2. "Best efforts offering" means an offering of securities by members of a selling group under an agreement that imposes no financial commitment on the members of such group to purchase any such securities except as they may elect to do so.
4. "Cash flows", as it pertains to The Nasdaq Global Select Market, is defined in the Rule 5310(b).
5. "Commission" or "SEC" means the United States Securities and Exchange Commission.
6. "Company" means the issuer of a security listed or applying to list on Nasdaq. For purposes of the Rule 5000 Series, the term "Company" includes an issuer that is not incorporated, such as, for example, a limited partnership.
7. "Consolidated Quotation Service" (CQS) means the consolidated quotation collection system for securities listed on an exchange other than Nasdaq implementing Rule 602 of Regulation NMS under the Act.
8. "Country of Domicile" means the country under whose laws a Company is organized or incorporated.
9. "Covered Security" means a security described in Section 18(b) of the Securities Act of 1933.
10. "Direct Registration Program" means any program by a Company, directly or through its transfer agent, whereby a Shareholder may have securities registered in the Shareholder’s name on the books of the Company or its transfer agent without the need for a physical certificate to evidence ownership.
11. "Dually-Listed Security" means a security, listed on The Nasdaq Global Market or The Nasdaq Global Select Market, which is also listed on the New York Stock Exchange.
12. "EDGAR System" means the SEC's Electronic Data Gathering, Analysis, and Retrieval system.
13. "Equity Investment Tracking Stock" means a class of common equity securities that tracks on an unleveraged basis the performance of an investment by the issuer in the common equity securities of a single other company listed on Nasdaq. An Equity Investment Tracking Stock may track multiple classes of common equity securities of a single issuer, so long as all of those classes have identical economic rights and at least one of those classes is listed on Nasdaq.
15. "Executive Officer" is defined in Rule 5605(a)(1).
16. "Filed with Nasdaq" means submitted to Nasdaq directly or filed with the Commission through the EDGAR System.
17. "Firm Commitment Offering" means an offering of securities by participants in a selling syndicate under an agreement that imposes a financial commitment on participants in such syndicate to purchase
such securities.

(18) "Family Member" is defined in Rule 5605(a)(2).

(19) "Foreign Private Issuer" shall have the same meaning as under Rule 3b-4 under the Act.

(20) "Independent Director" is defined in Rule 5605(a)(2).

(21) "Index Warrants" is defined in Rule 5725(a).

(22) "Listed Securities" means securities listed on Nasdaq or another national securities exchange.

(23) "Market Value" means the consolidated closing bid price multiplied by the measure to be valued (e.g., a Company's Market Value of Publicly Held Shares is equal to the consolidated closing bid price multiplied by a Company's Publicly Held Shares).

(24) "Member" means a broker or dealer admitted to membership in Nasdaq.

(25) "Market Maker" means a dealer that, with respect to a security, holds itself out (by entering quotations in the Nasdaq Market Center) as being willing to buy and sell such security for its own account on a regular and continuous basis and that is registered as such.

(26) "The Nasdaq Global Market" or "Global Market" or "NGM" is a distinct tier of Nasdaq comprised of two segments: The Nasdaq Global Market and The Nasdaq Global Select Market. The Nasdaq Global Market is the successor to the Nasdaq National Market.

(27) "Nasdaq Global Market security" or "NGM security" means any security listed on Nasdaq that (1) satisfies all applicable requirements of the Rule 5100 and 5200 Series and meets the criteria set forth in the Rule 5400 Series; (2) is a right to purchase such security; (3) is a warrant to subscribe to such security; or (4) is an Index Warrant which meets the criteria set forth in Rule 5725(a).

(28) "The Nasdaq Capital Market" or "Capital Market" is a distinct tier of Nasdaq comprised of securities that meet the requirements of the Rule 5100, 5200 and 5500 Series, and are listed as Nasdaq Capital Market securities. The Nasdaq Capital Market is the successor to The Nasdaq SmallCap Market.

(29) "Nasdaq Capital Market security" means any security listed on The Nasdaq Capital Market that (1) satisfies all applicable requirements of the Rule 5100, 5200 and 5500 Series but that is not a Nasdaq Global Market security; (2) is a right to purchase such security; or (3) is a warrant to subscribe to such security.

(30) "The Nasdaq Global Select Market" or "Global Select Market" or "Global Select" or "NGSM" is a segment of The Nasdaq Global Market comprised of NGM securities that met the requirements for initial inclusion contained in the Rule 5100, 5200 and 5300 Series.

(31) "Nasdaq Global Select Market security" or "NGSM security" means any security listed on Nasdaq and included in The Nasdaq Global Select segment of The Nasdaq Global Market.

(32) "Other Regulatory Authority" means: (i) in the case of a bank or savings authority identified in Section 12(i) of the Act, the agency vested with authority to enforce the provisions of Section 12 of the Act; or (ii) in the case of an insurance company that is subject to an exemption issued by the Commission that permits the listing of the security, notwithstanding its failure to be registered pursuant to section 12(b), the Commissioner of Insurance (or other officer or agency performing a similar function) of its domiciliary state.

(33) "Primary Equity Security" means a Company's first class of Common Stock, Ordinary Shares, Shares or Certificates of Beneficial Interest of Trust, Limited Partnership Interests or American Depositary Receipts (ADR) or Shares (ADS).
(34) "Private Placement Market" is a trading system for unregistered securities operated by a national securities exchange or a registered broker-dealer.

(35) "Publicly Held Shares" means shares not held directly or indirectly by an officer, director or any person who is the beneficial owner of more than 10 percent of the total shares outstanding. Determinations of beneficial ownership in calculating publicly held shares shall be made in accordance with Rule 13d-3 under the Act.

(36) "Public Holders" means holders of a security that includes both beneficial holders and holders of record, but does not include any holder who is, either directly or indirectly, an Executive Officer, director, or the beneficial holder of more than 10% of the total shares outstanding.

(37) "Reverse Merger" means any transaction whereby an operating company becomes an Exchange Act reporting company by combining, either directly or indirectly, with a shell company which is an Exchange Act reporting company, whether through a reverse merger, exchange offer, or otherwise. However, a Reverse Merger does not include the acquisition of an operating company by a listed company satisfying the requirements of IM-5101-2 or a business combination described in Rule 5110(a). In determining whether a Company is a shell company, Nasdaq will look to a number of factors, including but not limited to: whether the Company is considered a “shell company” as defined in Rule 12b-2 under the Act; what percentage of the Company’s assets are active versus passive; whether the Company generates revenues, and if so, whether the revenues are passively or actively generated; whether the Company’s expenses are reasonably related to the revenues being generated; how many employees support the Company’s revenue-generating business operations; how long the Company has been without material business operations; and whether the Company has publicly announced a plan to begin operating activities or generate revenues, including through a near-term acquisition or transaction.

(38) "Round Lot" or "Normal Unit of Trading" means 100 shares of a security unless, with respect to a particular security, Nasdaq determines that a normal unit of trading shall constitute other than 100 shares. If a normal unit of trading is other than 100 shares, a special identifier shall be appended to the Company's Nasdaq symbol.

(39) "Round Lot Holder" means a holder of a Normal Unit of Trading. The number of beneficial holders will be considered in addition to holders of record.

(40) "Shareholder" means a record or beneficial owner of a security listed or applying to list. For purposes of the Rule 5000 Series, the term "Shareholder" includes, for example, a limited partner, the owner of a depository receipt, or unit.

(41) "Substantial Shareholder" is defined in Rule 5635(e)(3).

(42) "Substitution Listing Event" means: a reverse stock split, re-incorporation or a change in the Company’s place of organization, the formation of a holding company that replaces a listed Company, reclassification or exchange of a Company's listed shares for another security, the listing of a new class of securities in substitution for a previously-listed class of securities, a business combination described in IM-5101-2, a change in the obligor of a listed debt security, or any technical change whereby the Shareholders of the original Company receive a share-for-share interest in the new Company without any change in their equity position or rights. A Substitution Listing Event also includes the replacement of, or any significant modification to, the index, portfolio or Reference Asset underlying a security listed under the Rule 5700 Series (including, but not limited to, a significant modification to the index methodology, a change in the index provider, or a change in control of the index provider).

(43) "Total Holders" means holders of a security that includes both beneficial holders and holders of record.

Adopted Mar. 12, 2009 (SR-NASDAQ-2009-018); amended Apr. 27, 2009 (SR-NASDAQ-2009-040); amended June 16, 2009 (SR-
amended Nov. 8, 2011 (SR-NASDAQ-2011-073); amended Oct. 2, 2013 (SR-NASDAQ-2013-130); amended
Apr. 20, 2016 (SR-NASDAQ-2016-059); amended June 8, 2017 (SR-NASDAQ-2017-058), operative July 8, 2017; amended Nov. 13,

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Nasdaq is entrusted with the authority to preserve and strengthen the quality of and public confidence in its market. Nasdaq stands for integrity and ethical business practices in order to enhance investor confidence, thereby contributing to the financial health of the economy and supporting the capital formation process. Nasdaq Companies, from new public Companies to Companies of international stature, are publicly recognized as sharing these important objectives.

Nasdaq, therefore, in addition to applying the enumerated criteria set forth in the Rule 5000 Series, has broad discretionary authority over the initial and continued listing of securities in Nasdaq in order to maintain the quality of and public confidence in its market, to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest. Nasdaq may use such discretion to deny initial listing, apply additional or more stringent criteria for the initial or continued listing of particular securities, or suspend or delist particular securities based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities on Nasdaq inadvisable or unwarranted in the opinion of Nasdaq, even though the securities meet all enumerated criteria for initial or continued listing on Nasdaq. In all circumstances where the Listing Qualifications Department (as defined in Rule 5805) exercises its authority under Rule 5101, the Listing Qualifications Department shall issue a Staff Delisting Determination under Rule 5810(c)(1), and in all circumstances where an Adjudicatory Body (as defined in Rule 5805) exercises such authority, the use of the authority shall be described in the written decision of the Adjudicatory Body.


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Nasdaq Stock Market Rules, Regulation, IM-5101-1., Nasdaq, Use of Discretionary Authority

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To further Companies' understanding of Rule 5101, Nasdaq has adopted this Interpretive Material as a non-exclusive description of the circumstances in which the Rule is generally invoked.

Nasdaq may use its authority under Rule 5101 to deny initial or continued listing to a Company when an individual with a history of regulatory misconduct is associated with the Company. Such individuals are typically an officer, director, Substantial Shareholder (as defined in Rule 5635(e)(3)), or consultant to the Company. In making this determination, Nasdaq will consider a variety of factors, including:

• the nature and severity of the conduct, taken in conjunction with the length of time since the conduct occurred;
• whether the conduct involved fraud or dishonesty;
• whether the conduct was securities-related;
• whether the investing public was involved;
• how the individual has been employed since the violative conduct;
• whether there are continuing sanctions (either criminal or civil) against the individual;
• whether the individual made restitution;
• whether the Company has taken effective remedial action; and
• the totality of the individual's relationship to the Company, giving consideration to:
  ○ the individual's current or proposed position;
  ○ the individual's current or proposed scope of authority;
  ○ the extent to which the individual has responsibility for financial accounting or reporting; and
  ○ the individual's equity interest.

Based on this review, Nasdaq may determine that the regulatory history rises to the level of a public interest concern, but may also consider whether remedial measures proposed by the Company, if taken, would allay that concern. Examples of such remedial measures could include any or all of the following, as appropriate:

• the individual's resignation from officer and director positions, and/or other employment with the Company;
• divestiture of stock holdings;
• terminations of contractual arrangements between the Company and the individual; or
• the establishment of a voting trust surrounding the individual's shares.

Nasdaq staff is willing to discuss with Companies, on a case-by-case basis, what remedial measures may be appropriate to address public interest concerns, and for how long such remedial measures would be required. Alternatively, Nasdaq may conclude that a public interest concern is so serious that no remedial measure would be sufficient to alleviate it. In the event that Nasdaq staff denies initial or continued listing based on such public interest considerations, the Company may seek review of that determination through the procedures set forth in the Rule 5800 Series. On consideration of such appeal, a listing qualifications panel comprised of persons independent of Nasdaq may accept, reject or modify the staff's recommendations by imposing conditions.

Nasdaq may also use its discretionary authority, for example, when a Company files for protection under any provision of the federal bankruptcy laws or comparable foreign laws, when a Company's independent accountants issue a disclaimer opinion on financial statements required to be audited, or when financial statements do not contain a required certification.

In addition, pursuant to its discretionary authority, Nasdaq will review the Company's past corporate governance activities. This review may include activities taking place while the Company is listed on Nasdaq or an exchange
that imposes corporate governance requirements, as well as activities taking place after a formerly listed company is no longer listed on Nasdaq or such an exchange. Based on such review, and in accordance with the Rule 5800 Series, Nasdaq may take any appropriate action, including placing restrictions on or additional requirements for listing, or denying listing of a security, if Nasdaq determines that there have been violations or evasions of such corporate governance standards. Such determinations will be made on a case-by-case basis as necessary to protect investors and the public interest.

Although Nasdaq has broad discretion under Rule 5101 to impose additional or more stringent criteria, the Rule does not provide a basis for Nasdaq to grant exemptions or exceptions from the enumerated criteria for initial or continued listing, which may be granted solely pursuant to rules explicitly providing such authority.


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Nasdaq Stock Market Rules, Regulation, IM-5101-2., Nasdaq, Listing of Companies Whose Business Plan is to Complete One or More Acquisitions

Generally, Nasdaq will not permit the initial or continued listing of a Company that has no specific business plan or that has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies. However, in the case of a Company whose business plan is to complete an initial public offering and engage in a merger or acquisition with one or more unidentified companies within a specific period of time, Nasdaq will permit the listing if the Company meets all applicable initial listing requirements, as well as the conditions described below.

(a) At least 90% of the gross proceeds from the initial public offering and any concurrent sale by the company of equity securities must be deposited in a trust account maintained by an independent trustee, an escrow account maintained by an "insured depository institution," as that term is defined in Section 3(c)(2) of the Federal Deposit Insurance Act or in a separate bank account established by a registered broker or dealer (collectively, a "deposit account").

(b) Within 36 months of the effectiveness of its IPO registration statement, or such shorter period that the company specifies in its registration statement, the Company must complete one or more business combinations having an aggregate fair market value of at least 80% of the value of the deposit account (excluding any deferred underwriters fees and taxes payable on the income earned on the deposit account) at the time of the agreement to enter into the initial combination.

(c) Until the Company has satisfied the condition in paragraph (b) above, each business combination must be approved by a majority of the Company's Independent Directors.

(d) Until the Company has satisfied the condition in paragraph (b) above, if the Company holds a shareholder vote on a business combination for which the Company must file and furnish a proxy or information statement subject to Regulation 14A or 14C under the Act in advance of the shareholder meeting, the business combination must be approved by a majority of the shares of common stock voting at the meeting at which the combination is being considered. If a shareholder vote on the business combination is held, public Shareholders voting against a business combination must have the right to convert their shares of common stock into a pro rata share of the aggregate amount then in the deposit account (net of taxes payable and amounts distributed to management for working capital purposes) if the business combination is approved and consummated. A Company may establish a limit (set no lower than 10% of the shares sold in the IPO) as to the maximum number of shares with respect to which any Shareholder, together with any affiliate of such Shareholder or any person with whom such shareholder is acting as a "group" (as such term is used in Sections 13(d) and 14(d) of the Act), may exercise such conversion rights. For purposes of this paragraph (d), public Shareholder excludes officers and directors of the Company, the Company's sponsor, the founding Shareholders of the Company, and any Family Member or affiliate of any of the foregoing persons, or the beneficial holder of more than 10% of the total shares outstanding.

Until the Company completes a business combination where all conditions in paragraph (b) above are met, the Company must notify Nasdaq on the appropriate form about each proposed business combination. Following each business combination, the combined Company must meet the requirements for initial listing. If the Company does not meet the requirements for initial listing following a business combination or does not comply with one of the requirements set forth above, Nasdaq will issue a Staff Delisting Determination under Rule 5810 to delist the Company's securities.

(e) Until the Company has satisfied the condition in paragraph (b) above, if a shareholder vote on the
business combination is not held for which the Company must file and furnish a proxy or information statement subject to Regulation 14A or 14C under the Act, the Company must provide all Shareholders with the opportunity to redeem all their shares for cash equal to their pro rata share of the aggregate amount then in the deposit account (net of taxes payable and amounts distributed to management for working capital purposes), pursuant to Rule 13e-4 and Regulation 14E under the Act, which regulate issuer tender offers. The Company must file tender offer documents with the Commission containing substantially the same financial and other information about the business combination and the redemption rights as would be required under Regulation 14A of the Act, which regulates the solicitation of proxies.

Until the Company completes a business combination where all conditions in paragraph (b) above are met, the Company must notify Nasdaq on the appropriate form about each proposed business combination. Following each business combination, the combined Company must meet the requirements for initial listing. If the Company does not meet the requirements for initial listing following a business combination or does not comply with one of the requirements set forth above, Nasdaq will issue a Staff Delisting Determination under Rule 5810 to delist the Company’s securities.


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(a) Business Combinations with non-Nasdaq Entities Resulting in a Change of Control
A Company must apply for initial listing in connection with a transaction whereby the Company combines with a non-Nasdaq entity, resulting in a change of control of the Company and potentially allowing the non-Nasdaq entity to obtain a Nasdaq Listing. In determining whether a change of control has occurred, Nasdaq shall consider all relevant factors including, but not limited to, changes in the management, board of directors, voting power, ownership, and financial structure of the Company. Nasdaq shall also consider the nature of the businesses and the relative size of the Nasdaq Company and non-Nasdaq entity. The Company must submit an application for the post-transaction entity with sufficient time to allow Nasdaq to complete its review before the transaction is completed. If the Company's application for initial listing has not been approved prior to consummation of the transaction, Nasdaq will issue a Staff Delisting Determination and begin delisting proceedings pursuant to the Rule 5800 Series.

(b) Bankruptcy and Liquidation
Nasdaq may use its discretionary authority under the Rule 5100 Series to suspend or terminate the listing of a Company that has filed for protection under any provision of the federal bankruptcy laws or comparable foreign laws, or has announced that liquidation has been authorized by its board of directors and that it is committed to proceed, even though the Company's securities otherwise meet all enumerated criteria for continued listing on Nasdaq. In the event that Nasdaq determines to continue the listing of such a Company during a bankruptcy reorganization, the Company shall nevertheless be required to satisfy all requirements for initial listing, including the payment of initial listing fees, upon emerging from bankruptcy proceedings.

(c) Reverse Mergers
(1) A Company that is formed by a Reverse Merger (a "Reverse Merger Company") shall be eligible to submit an application for initial listing only if the combined entity has, immediately preceding the filing of the initial listing application:
   (A) traded for at least one year in the U.S. over-the-counter market, on another national securities exchange, or on a regulated foreign exchange, following the filing with the Commission or Other Regulatory Authority of all required information about the transaction, including audited financial statements for the combined entity; and
   (B) maintained a closing price equal to the share price requirement applicable to the initial listing standard under which the Reverse Merger Company is qualifying to list for a sustained period of time, but in no event for less than 30 of the most recent 60 trading days.
(2) In addition to satisfying all of Nasdaq's other initial listing requirements, a Reverse Merger Company will only be approved for listing if, at the time of approval, it has:
   (A) timely filed all required periodic financial reports with the Commission or Other Regulatory Authority (Forms 10-Q, 10-K or 20-F) for the prior year, including at least one annual report. The annual report must contain audited financial statements for a full fiscal year commencing after filing the information described in paragraph (1)(A) above; and
   (B) maintained a closing price equal to the share price requirement applicable to the initial listing standard under which the Reverse Merger Company is qualifying to list for a sustained period of time, but in no event for less than 30 of the most recent 60 trading days prior to approval.
(3) A Reverse Merger Company will not be subject to the requirements of this Rule 5110(c) if, in connection with its listing, it completes a firm commitment underwritten public offering where the gross proceeds to the Reverse Merger Company will be at least $40 million. In addition, a Reverse Merger Company will no longer
be subject to the requirements of this Rule 5110(c) once it has satisfied the one-year trading requirement contained in paragraph (1)(A) above and has filed at least four annual reports with the Commission or Other Regulatory Authority containing all required audited financial statements for a full fiscal year commencing after filing the information described in that paragraph. In either case described in this paragraph (3), the Reverse Merger Company must satisfy all applicable requirements for initial listing, including the minimum price requirement and the requirement contained in Rule 5210(e) that the Company not be delinquent in its filing obligation with the Commission or Other Regulatory Authority.

(a) To apply for listing on Nasdaq, a Company shall execute a Listing Agreement and a Listing Application on the forms designated by Nasdaq providing the information required by Section 12(b) of the Act.

(b) A Company's compliance with the initial listing criteria will be determined on the basis of the Company's most recent information filed with the Commission or Other Regulatory Authority and information provided to Nasdaq. The Company shall certify, at or before the time of listing, that all applicable listing criteria have been satisfied.

(c) A Company's qualifications will be determined on the basis of financial statements that are either: (i) prepared in accordance with U.S. generally accepted accounting principles; or (ii) reconciled to U.S. generally accepted accounting principles as required by the Commission's rules; or (iii) prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, for Companies that are permitted to file financial statements using those standards consistent with the Commission's rules.

(d) A Company that has applied for initial listing on Nasdaq shall file with Nasdaq all reports and other documents filed or required to be filed with the Commission or Other Regulatory Authority. This requirement is satisfied by publicly filing documents through the EDGAR System. All required reports must be filed with Nasdaq on or before the date they are required to be filed with the Commission or Other Regulatory Authority. Annual reports filed with Nasdaq shall contain audited financial statements.

(e) Nasdaq may request any information or documentation, public or non-public, deemed necessary to make a determination regarding a security's initial listing, including, but not limited to, any material provided to or received from the Commission or Other Regulatory Authority. A Company's security may be denied listing if the Company fails to provide such information within a reasonable period of time or if any communication to Nasdaq contains a material misrepresentation or omits material information necessary to make the communication to Nasdaq not misleading.

(f) All forms and applications relating to listing of securities on Nasdaq referenced in the Rule 5000 Series are available on www.nasdaq.com

(g) The computation of Publicly Held Shares and Market Value of Publicly Held Shares shall be as of the date of application of the Company.

(h) An account of a Member that is beneficially owned by a customer (as defined in Rule 0120) will be considered a holder of a security upon appropriate verification by the Member.

(i) (1) A Company may withdraw its application for initial listing at any time.

(2) A Company that receives a written determination denying its application for listing must, within four business days, make a public announcement in a press release or other Regulation FD compliant manner about the receipt of the determination and the Rule(s) upon which the determination is based, describing each specific basis and concern identified by Nasdaq in reaching its determination. If the public announcement is not made by the Company within the time allotted or does not include all of the required information, Nasdaq will make a public announcement with the required information and, if the Company appeals the determination as set forth in Rule 5815, the Hearings Panel will consider the Company's failure to make the public announcement in considering whether to list the Company.

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Nasdaq Stock Market Rules, Regulation, 5210., Nasdaq, Prerequisites for Applying to List on The Nasdaq Stock Market

All Companies applying to list on The Nasdaq Stock Market must meet the following prerequisites:

(a) **Registration under 12(b) of the Act**
A security shall be eligible for listing on Nasdaq provided that it is:

1. registered pursuant to Section 12(b) of the Act; or
2. subject to an exemption issued by the Commission that permits the listing of the security notwithstanding its failure to be registered pursuant to Section 12(b).

(b) **Auditor Registration**
Each Company applying for initial listing must be audited by an independent public accountant that is registered as a public accounting firm with the Public Company Accounting Oversight Board, as provided for in Section 102 of the Sarbanes-Oxley Act of 2002 [15 U.S.C. 7212].

(c) **Direct Registration Program**
All securities initially listing on Nasdaq, except securities which are book-entry only, must be eligible for a Direct Registration Program operated by a clearing agency registered under Section 17A of the Act. A foreign issuer, as defined under Rule 3b-4 under the Act, including a Foreign Private Issuer, shall not be subject to this requirement if it submits to Nasdaq a written statement from an independent counsel in such Company's home country certifying that a law or regulation in the home country prohibits compliance.

(d) **Fees**
The Company is required to pay all applicable fees as described in the Rule 5900 Series.

(e) **Good Standing**
No security shall be approved for listing that is delinquent in its filing obligation with the Commission or Other Regulatory Authority or suspended from trading by the Commission pursuant to Section 12(k) of the Act or by the appropriate regulatory authorities of the Company's country of domicile.

(f) **Nasdaq Certification**
Upon approval of a listing application, Nasdaq shall certify to the Commission, pursuant to Section 12(d) of the Act and the rules thereunder, that it has approved the security for listing and registration. Listing can commence only upon effectiveness of the security's registration pursuant to Section 12(d).

(g) **Security Depository**

1. "Securities Depository" means a securities depository registered as a clearing agency under Section 17A of the Act.

2. For initial listing, a security shall have a CUSIP number or foreign equivalent identifying the securities included in the file of eligible issues maintained by a Securities Depository in accordance with the rules and procedures of such securities depository. This subparagraph shall not apply to a security if the terms of the security do not and cannot be reasonably modified to meet the criteria for depository eligibility at all Securities Depositories.

3. A Security Depository's inclusion of a CUSIP number or foreign equivalent identifying a security in its file of eligible issues does not render the security "depository eligible" under Rule 11310 until:
(A) in the case of any new issue distributed by an underwriting syndicate on or after the date a Securities Depository system for monitoring repurchases of distributed shares by the underwriting syndicate is available, the date of the commencement of trading in such security on Nasdaq; or

(B) in the case of any new issue distributed by an underwriting syndicate prior to the date a Securities Depository system for monitoring repurchases of distributed shares by the underwriting syndicate is available where the managing underwriter elects not to deposit the securities on the date of the commencement of trading in such security on Nasdaq, such later date designated by the managing underwriter in a notification submitted to the Securities Depository; but in no event more than three (3) months after the commencement of trading in such security on Nasdaq.

(h) Limited Partnerships

No security issued in a limited partnership rollup transaction (as defined by Section 14(h) of the Act), shall be eligible for listing unless:

(i) the rollup transaction was conducted in accordance with procedures designed to protect the rights of limited partners as provided in Section 6(b)(9) of the Act, as it may from time to time be amended, and

(ii) a broker-dealer that is a member of a national securities association subject to Section 15A(b)(12) of the Act participates in the rollup transaction.

The Company shall further provide an opinion of counsel stating that such broker-dealer’s participation in the rollup transaction was conducted in compliance with the rules of a national securities association designed to protect the rights of limited partners, as specified in the Limited Partnership Rollup Reform Act of 1993.

In addition to any other applicable requirements, each limited partnership listed on the Exchange shall have a corporate general partner or co-general partner that satisfies the Independent Director and audit committee requirements set forth in the Rule 5600 Series.

Note: The only currently existing national securities association subject to Section 15A(b)(12) of the Act is FINRA. Its rules designed to protect the rights of limited partners, pursuant to the Limited Partnership Rollup Reform Act of 1993, are specified in FINRA Rule 2310.

(i) Reverse Mergers

A security issued by a Company formed by a Reverse Merger shall be eligible for initial listing only if the conditions set forth in Rule 5110(c) are satisfied.


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Nasdaq Stock Market Rules, Regulation, 5215., Nasdaq, American Depositary Receipts

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(a) Eligibility
American Depositary Receipts can be listed on Nasdaq provided they represent shares in a non-Canadian foreign Company.

(b) Computations
In the case of American Depositary Receipts, annual income from continuing operations and Stockholders' Equity shall relate to the foreign issuer and not to any depositary or any other person deemed to be an issuer for purposes of Form S-12 under the Securities Act of 1933. The underlying security will be considered when determining annual income from continuing operations, Publicly Held Shares, Market Value of Publicly Held Shares, Stockholders' Equity, Round Lot or Public Holders, operating history, Market Value of Listed Securities, and total assets and total revenue.


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Nasdaq Stock Market Rules, Regulation, 5220., Nasdaq, Dually-Listed Securities

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Issuer Designation Requirements

Pursuant to Rule 600 of Regulation NMS under the Act, those securities for which transaction reporting is required by an effective transaction reporting plan are designated as national market system securities. A transaction reporting plan has been filed with the Commission covering securities listed on Nasdaq.

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Nasdaq Stock Market Rules, Regulation, IM-5220., Nasdaq, Impact of Non-Designation of Dually Listed Securities

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To foster competition among markets and further the development of the national market system following the repeal of NYSE Rule 500, Nasdaq shall permit Companies whose securities are listed on the New York Stock Exchange to apply also to list those securities on The Nasdaq Global Market. Nasdaq shall make an independent determination of whether such Companies satisfy all applicable listing requirements and shall require Companies to enter into a dual listing agreement with Nasdaq.

While Nasdaq shall certify such dually listed securities for listing on the NGM, Nasdaq shall not exercise its authority under Rule 5220 separately to designate or register such dually listed securities as Nasdaq national market system securities within the meaning of Section 11A of the Act or the rules thereunder. As a result, these securities, which are already designated as national market system securities under the Consolidated Quotation Service ("CQS") and Consolidated Tape Association national market system plans ("CQ and CTA Plans"), shall remain subject to those plans and shall not become subject to the Nasdaq UTP Plan, the national market system plan governing securities designated by Nasdaq. For purposes of the national market system, such securities shall continue to trade under their current one, two, or three-character ticker symbol. Nasdaq shall continue to send all quotations and transaction reports in such securities to the processor for the CTA Plan. In addition, dually listed issues that are currently eligible for trading via the Intermarket Trading System ("ITS") shall remain so and continue to trade on the Nasdaq Intermarket trading platform as they do today.

Through this interpretation, Nasdaq also resolves any potential conflicts that arise under Nasdaq rules as a result of a single security being both a security subject to the CQ and CTA Plans ("CQS security"), which is subject to one set of rules, and a listed NGM security, which is subject to a different set of rules. Specifically, dually listed securities shall be Nasdaq securities for purposes of rules related to listing and delisting, and shall remain as CQS securities under all other Nasdaq rules. Treating dually listed securities as CQS securities under Nasdaq rules is consistent with their continuing status as CQS securities under the CTA, CQ, and ITS national market system, as described above. This interpretation also preserves the status quo and avoids creating potential confusion for investors and market participants that currently trade these securities on Nasdaq.

For example, Nasdaq shall continue to honor the trade halt authority of the primary market under the CQ and CT Plans. Nasdaq Rule 4120(a)(2) and (3) governing CQS securities shall apply to dually listed securities, whereas Nasdaq Rule 4120(a)(1), (4), (5), (6), and (7) shall not. The fees applicable to CQS securities set forth in Equity 7, Section 100 shall continue to apply to dually listed issues.


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Nasdaq Stock Market Rules, Regulation, 5222., Nasdaq, Equity Investment Tracking Stock

(a) Eligibility

(1) An Equity Investment Tracking Stock may be listed under the Rule 5300 Series, the Rule 5400 Series, or the Rule 5500 Series, provided it also meets the additional requirements set forth in paragraphs (b) and (c) of this Rule.

(2) Prior to the commencement of trading of any Equity Investment Tracking Stock, Nasdaq will distribute an information circular to its members that describes any special characteristics and risks of trading the Equity Investment Tracking Stock, and Nasdaq’s rules that apply to the Equity Investment Tracking Stock, including the rules that:

(A) require members to use reasonable diligence in regard to the opening and maintenance of every account, to know (and retain) the essential facts concerning every customer and concerning the authority of each person acting on behalf of such customer; and

(B) require members in recommending transactions in the Equity Investment Tracking Stock to have a reasonable basis to believe that: (i) the recommendation is suitable for a customer given reasonable inquiry concerning the customer’s investment objectives, financial situation, needs, and any other information known by such members, and (ii) the customer can evaluate the special characteristics, and is able to bear the financial risks, of an investment in the Equity Investment Tracking Stock.

(b) Additional Initial Listing Requirements

(1) The issuer of the Equity Investment Tracking Stock must own (directly or indirectly) at least 50% of both the economic interest and voting power of all of the outstanding classes of common equity securities of the issuer whose equity is tracked by the Equity Investment Tracking Stock.

(2) At the time of listing, the issuer of the equity security tracked by the Equity Investment Tracking Stock must not have received a Staff Delisting Determination with respect to such security and must not have been notified about a deficiency, except with respect to a corporate governance requirement where the issuer of the equity security tracked by the Equity Investment Tracking Stock has received a grace period under Rule 5810(c)(3)(E).

(3) An Equity Investment Tracking Stock is only eligible to be listed on the same tier of Nasdaq (Global Select, Global or Capital) as the equity security it tracks.

(c) Additional Continued Listing Requirements

(1) The following additional continued listing requirements apply to Equity Investment Tracking Stocks:

(A) The Equity Investment Tracking Stock must be listed on the same tier of Nasdaq (Global Select, Global or Capital) as the listed equity security it tracks;

(B) the listed equity security or securities whose value is tracked by the Equity Investment Tracking Stock must remain listed on Nasdaq and not be suspended pending delisting;

(C) the issuer of the Equity Investment Tracking Stock must continue to own (directly or indirectly) at least 50% of the economic interest and the voting power of all of the outstanding classes of common equity of the issuer whose equity is tracked by the Equity Investment Tracking Stock; and

(D) the Equity Investment Tracking Stock must continue to track the performance of the listed equity security or securities that was tracked at the time of initial listing.
(2) If any of the requirements of the paragraph (1) above are not met then Nasdaq will determine whether the Equity Investment Tracking Stock meets any other applicable initial listing standard in place at that time. If the Equity Investment Tracking Stock does not qualify for initial listing at that time under another applicable initial listing standard, Nasdaq will halt trading in the security and issue a Staff Delisting Determination pursuant to Listing Rule 5810(c)(1).

(3) Notwithstanding paragraph (2) above, if the listed equity security or securities whose value is tracked by the Equity Investment Tracking Stock is transferred to a different tier of Nasdaq, the Equity Investment Tracking Stock that tracks such security will be automatically transferred to the same tier of Nasdaq, provided the Equity Investment Tracking Stock meets the applicable listing standards.

(d) Deficiency Proceedings Involving a Listed Equity Security whose Value is Tracked by the Equity Investment Tracking Stock

Rule 5222(c)(1)(B) requires the listed equity security or securities whose value is tracked by the Equity Investment Tracking Stock must remain listed on Nasdaq and not be suspended pending delisting. In order to provide investors in the Equity Investment Tracking Stock with notice about the potential delisting of the listed equity security or securities whose value is tracked by the Equity Investment Tracking Stock and to assure orderly trading in the Equity Investment Tracking Stock, additional disclosure and procedural requirements are placed on the Equity Investment Tracking Stock when a listed equity security whose value is tracked by the Equity Investment Tracking Stock is subject to deficiency procedures, as follows:

(1) If the issuer of the listed equity security whose value is tracked by the Equity Investment Tracking Stock makes a public announcement disclosing receipt of a deficiency notification as required by Rules 5250(b)(2) and 5810(b), the issuer of the Equity Investment Tracking Stock must promptly disclose that fact by making a public announcement either by filing a Form 8-K, where required by SEC rules, or by issuing a press release.

(2) Rule 5810(c)(1) provides that Nasdaq Staff will issue a Staff Delisting Determination to an Equity Investment Tracking Stock if a Staff Delisting Determination has been issued with respect to the security such Equity Investment Tracking Stock tracks. Notwithstanding any provisions to the contrary, if the Staff Delisting Determination issued to the security such Equity Investment Tracking Stock tracks is stayed pursuant to the Rule 5800 Series, the suspension of the Equity Investment Tracking Stock also will be stayed and will remain stayed on the same terms that apply to the security such Equity Investment Tracking Stock tracks.


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Nasdaq Stock Market Rules, Regulation, 5225., Nasdaq, Listing Requirements for Units (other than Paired Share Units)

(a) The Global Select Market and Global Market

(1) Initial and Continued Listing Requirements

(A) All units shall have at least one equity component. All components of such units shall satisfy the requirements for initial and continued listing on the Global Select Market or Global Market, as applicable, or, in the case of debt components, satisfy the requirements of 5225(a)(1)(B), set forth below.

(B) All debt components of a unit, if any, shall meet the following requirements:

(i) the debt issue must have an aggregate market value or principal amount of at least $5 million;

(ii) the issuer of the debt security must have equity securities listed on the Nasdaq Global Market; and

(iii) in the case of convertible debt, the equity into which the debt is convertible must itself be subject to real-time last sale reporting in the United States, and the convertible debt must not contain a provision which gives the company the right, at its discretion, to reduce the conversion price for periods of time or from time to time unless the company establishes a minimum period of ten business days within which such price reduction will be in effect.

(C) All components of the unit shall be issued by the same issuer. All units and issuers of such units shall comply with the initial and continued listing requirements on the Global Select Market or Global Market, as applicable.

(2) Minimum Listing Period and Notice of Withdrawal

In the case of units, the minimum listing period of the units shall be 30 days from the first day of listing, except the period may be shortened if the units are suspended or withdrawn for regulatory purposes. Companies and underwriters seeking to withdraw units from listing must provide Nasdaq with notice of such intent at least 15 days prior to withdrawal.

(3) Disclosure Requirements for Units

Each Nasdaq Global Market issuer of units shall include in its prospectus or other offering document used in connection with any offering of securities that is required to be filed with the Commission under the federal securities laws and the rules and regulations promulgated thereunder a statement regarding any intention to delist the units immediately after the minimum inclusion period. The issuer of a unit shall further provide information regarding the terms and conditions of the components of the unit (including information with respect to any original issue discount or other significant tax attributes of any component) and the ratio of the components comprising the unit. A Company shall also disclose when a component of the unit is separately listed on Nasdaq. These disclosures shall be made on the Company's website, or if it does not maintain a website, in its annual report provided to unit holders. A Company shall also immediately make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing, any change in the terms of the unit, such as changes to the terms and conditions of any of the components (including changes with respect to any original issue discount or other significant tax attributes of any component), or to the ratio of the components within the unit. Such
public announcement shall be made as soon as practicable in relation to the effective date of the change.

(4) Market Makers

(A) For initial inclusion, a unit shall have at least three registered and active Market Makers.

(B) For continued listing, a unit shall have at least two registered and active Market Makers, one of which may be a Market Maker entering a stabilizing bid.

(b) The Capital Market

(1) Units Issued by a Domestic or Canadian Company

(A) In the case of units, all component parts shall meet the requirements for initial and continued listing.

(B) In the case of units, the minimum period for listing of the units shall be 30 days from the first day of listing, except the period may be shortened if the units are suspended or withdrawn for regulatory purposes. Companies and underwriters seeking to withdraw units from listing must provide Nasdaq with notice of such intent at least 15 days prior to withdrawal.

(C) The issuer of units shall include in its prospectus or other offering document used in connection with any offering of securities that is required to be filed with the Commission under the federal securities law and the rules and regulations thereunder a statement regarding any intention to delist the units immediately after the minimum listing period.

(2) In the case of units issued by a non-Canadian foreign Company, all component parts shall meet the requirements for initial and continued listing.

(3) Market Makers

(A) For initial inclusion, a unit shall have at least three registered and active Market Makers.

(B) For continued listing, a unit shall have at least two registered and active Market Makers, one of which may be a Market Maker entering a stabilizing bid.


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A “Paired Share Unit” is a security consisting of a share of the common stock of a Company (the “Parent”) and a share of the common stock of that Company’s controlled subsidiary, which: (1) are attached together; and (2) only can be traded together as a unit pursuant to a pairing agreement. Instead of the requirements in Rule 5225 (except as indicated below), a Paired Share Unit can list on the Nasdaq Global or Global Select Markets if it meets the following requirements:

(a) For initial and continued listing, the controlled subsidiary must be a real estate investment trust (the “REIT”) and the Parent must maintain ownership control, including voting control, over the REIT.

(b) For initial listing, the Parent and the REIT must each separately satisfy the entity-level requirements of Rule 5315(f)(3) or Rule 5405(b) (e.g., the stockholders’ equity, income, market capitalization, assets, revenue and operating history requirements), as applicable, and the Paired Share Unit must satisfy the security-level requirements of Rule 5315 or Rule 5405 (e.g., the price, publicly held shares, holder, market value of publicly held shares and market maker requirements), as applicable.

(c) For continued listing, the Parent and the REIT must each separately satisfy the applicable entity-level requirements of Rule 5450(b) and the Paired Share Unit must satisfy the applicable security-level requirements of Rules 5450(a) and 5450(b).

(d) For initial and continued listing, the Parent and the REIT must each separately satisfy all other requirements of the listing rules applicable to a Company listing its primary equity security, including, without limitation, the corporate governance requirements in the Rule 5600 Series.

(e) For initial and continued listing, the common stock of the Parent, the common stock of the REIT and the Paired Share Unit must each be registered pursuant to Section 12(b) of the Act.

(f) For initial and continued listing, the common stock of the Parent and the common stock of the REIT, as attached and traded together in the Paired Share Unit, must be the only securities of each of the Parent and the REIT available to public investors.

(g) The provisions of Rules 5225(a)(2) and 5225(a)(3) are applicable to Paired Share Units.

(h) In the event the common stock of the REIT becomes separately tradable from the common stock of the Parent, Nasdaq will immediately issue a Staff Delisting Determination for the Paired Share Unit pursuant to Listing Rule 5810(c)(1), and each of the Parent and the REIT must apply, and each of the Parent and the REIT, and their respective securities, must separately qualify for initial listing to remain listed on Nasdaq.


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Nasdaq Stock Market Rules, Regulation, 5250., Nasdaq, Obligations for Companies Listed on The Nasdaq Stock Market

(a) Obligation to Provide Information to Nasdaq

(1) Nasdaq may request any additional information or documentation, public or non-public, deemed necessary to make a determination regarding a Company's continued listing, including, but not limited to, any material provided to or received from the Commission or Other Regulatory Authority. A Company may be denied continued listing if it fails to provide such information within a reasonable period of time or if any communication to Nasdaq contains a material misrepresentation or omits material information necessary to make the communication to Nasdaq not misleading. The Company shall provide full and prompt responses to requests by Nasdaq or by FINRA acting on behalf of Nasdaq for information related to unusual market activity or to events that may have a material impact on trading of its securities in Nasdaq.

(2) As set forth in Rule 5625, a Company must provide Nasdaq with prompt notification after an Executive Officer of the Company becomes aware of any noncompliance by the Company with the requirements of the Rule 5600 Series.

(b) Obligation to Make Public Disclosure

(1) Disclosure of Material Information
Except in unusual circumstances, a Nasdaq-listed Company shall make prompt disclosure to the public through any Regulation FD compliant method (or combination of methods) of disclosure of any material information that would reasonably be expected to affect the value of its securities or influence investors’ decisions. The Company shall, prior to the release of the information, provide notice of such disclosure to Nasdaq’s MarketWatch Department at least ten minutes prior to public announcement if the information involves any of the events set forth in IM-5250-1 and the public release of the material information is made between 7:00 a.m. to 8:00 p.m. If the public release of the material information is made outside the hours of 7:00 a.m. to 8:00 p.m, Nasdaq Companies must notify MarketWatch of the material information prior to 6:50 a.m. ET. As described in IM-5250-1, prior notice to the MarketWatch Department must be made through the electronic disclosure submission system available at www.nasdaq.net, except in emergency situations.

(2) Disclosure of Notification of Deficiency
As set forth in Rule 5810(b) and IM-5810-1, a Company that receives a notification of deficiency from Nasdaq is required to make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing receipt of the notification and the Rule(s) upon which the deficiency is based, and describing each specific basis and concern identified by Nasdaq in reaching its determination that the Company does not meet the listing standard. However, note that in the case of a deficiency related to the requirement to file a periodic report contained in Rule 5250(c)(1) or (2), the Company is required to make the public announcement by issuing a press release. As described in Rule 5250(b)(1) and IM-5250-1, the Company must notify Nasdaq’s MarketWatch Department about the announcement through the electronic disclosure submission system available at www.nasdaq.net, except in emergency situations when notification may instead be provided by telephone or facsimile. If the public announcement is made between 7:00 a.m. to 8:00 p.m, the Company must notify MarketWatch at least ten minutes prior to the announcement. If the public announcement is made outside 7:00 a.m. to 8:00 p.m, the Company must notify MarketWatch of the announcement prior to 6:50 a.m. ET.

(3) Disclosure of Third Party Director and Nominee Compensation
Companies must disclose all agreements and arrangements in accordance with this rule by no later than the date on which the Company files or furnishes a proxy or information statement subject to Regulation
14A or 14C under the Act in connection with the Company’s next shareholders’ meeting at which directors are elected (or, if they do not file proxy or information statements, no later than when the Company files its next Form 10-K or Form 20-F).

(A) A Company shall disclose either on or through the Company’s website or in the proxy or information statement for the next shareholders’ meeting at which directors are elected (or, if the Company does not file proxy or information statements, in its Form 10-K or 20-F), the material terms of all agreements and arrangements between any director or nominee for director, and any person or entity other than the Company (the “Third Party”), relating to compensation or other payment in connection with such person’s candidacy or service as a director of the Company. A Company need not disclose pursuant to this rule agreements and arrangements that: (i) relate only to reimbursement of expenses in connection with candidacy as a director; (ii) existed prior to the nominee’s candidacy (including as an employee of the other person or entity) and the nominee’s relationship with the Third Party has been publicly disclosed in a proxy or information statement or annual report (such as in the director or nominee’s biography); or (iii) have been disclosed under Item 5(b) of Schedule 14A of the Act or Item 5.02(d)(2) of Form 8-K in the current fiscal year. Disclosure pursuant to Commission rule shall not relieve a Company of its annual obligation to make disclosure under subparagraph (B).

(B) A Company must make the disclosure required in subparagraph (A) at least annually until the earlier of the resignation of the director or one year following the termination of the agreement or arrangement.

(C) If a Company discovers an agreement or arrangement that should have been disclosed pursuant to subparagraph (A) but was not, the Company must promptly make the required disclosure by filing a Form 8-K or 6-K, where required by SEC rules, or by issuing a press release. Remedial disclosure under this subparagraph, regardless of its timing, does not satisfy the annual disclosure requirements under subparagraph (B).

(D) A Company shall not be considered deficient with respect to this paragraph for purposes of Rule 5810 if the Company has undertaken reasonable efforts to identify all such agreements or arrangements, including asking each director or nominee in a manner designed to allow timely disclosure, and makes the disclosure required by subparagraph (C) promptly upon discovery of the agreement or arrangement. In all other cases, the Company must submit a plan sufficient to satisfy Nasdaq staff that the Company has adopted processes and procedures designed to identify and disclose relevant agreements or arrangements.

(E) A Foreign Private Issuer may follow its home country practice in lieu of the requirements of Rule 5250(b)(3) by utilizing the process described in Rule 5615(a)(3).

(c) Obligation to File Periodic Financial Reports

(1) A Company shall timely file all required periodic financial reports with the Commission through the EDGAR System or with the Other Regulatory Authority. A Company that does not file through the EDGAR System shall supply to Nasdaq two (2) copies of all reports required to be filed with the Other Regulatory Authority or email an electronic version of the report to Nasdaq at continuedlisting@nasdaq.com. All required reports must be filed with Nasdaq on or before the date they are required to be filed with the Commission or Other Regulatory Authority. Annual reports filed with Nasdaq shall contain audited financial statements.

(2) Foreign Private Issuer Interim Reports

Each Foreign Private Issuer shall submit on a Form 6-K an interim balance sheet and income statement as of the end of its second quarter. This information, which must be presented in English, but does not have to be reconciled to U.S. GAAP, must be provided no later than six months following the end of the Company's second quarter. In the case of a Foreign Private Issuer that is a limited partnership, such
information shall be distributed to limited partners if required by statute or regulation in the jurisdiction in
which the limited partnership is formed or doing business or by the terms of the partnership's limited
partnership agreement.

(3) Auditor Registration
Each listed Company shall be audited by an independent public accountant that is registered as a public
accounting firm with the Public Company Accounting Oversight Board, as provided for in Section 102 of

(d) Distribution of Annual and Interim Reports

(1) Distribution of Annual Reports
Each Company (including a limited partnership) shall make available to Shareholders an annual report
containing audited financial statements of the Company and its subsidiaries (which, for example, may be
on Form 10-K, 20-F, 40-F or N-CSR) within a reasonable period of time following the filing of the annual
report with the Commission. A Company may comply with this requirement either:

(A) by mailing the report to Shareholders;

(B) by satisfying the requirements for furnishing an annual report contained in Rule 14a-16 under the
Act; or

(C) by posting the annual report to Shareholders on or through the Company's website (or, in the
case of a Company that is an investment company that does not maintain its own website, on a
website that the Company is allowed to use to satisfy the website posting requirement in Rule 16a-3(k)
under the Act), along with a prominent undertaking in the English language to provide Shareholders,
on request, a hard copy of the Company's annual report free of charge. A Company that chooses to
satisfy this requirement pursuant to this paragraph (C) must, simultaneous withthis posting, issue a
press release stating that its annual report has been filed with the Commission (or Other Regulatory
Authority). This press release shall also state that the annual report is available on the Company's
website and include the website address and that Shareholders may receive a hard copy free of
charge upon request. A Company must provide such hard copies within a reasonable period of time
following the request.

(2) Distribution of Interim Reports
Nasdaq Companies that distribute interim reports to Shareholders should distribute such reports to both
registered and beneficial Shareholders. Nasdaq Companies are also encouraged to consider additional
technological methods to communicate such information to Shareholders in a timely and less costly
manner as such technology becomes available.

(3) Access to Quarterly Reports

(A) Each Company that is not a limited partnership (limited partnerships are governed by paragraph
(B) below) and is subject to Rule 13a-13 under the Act shall make available copies of quarterly reports
including statements of operating results to Shareholders either prior to or as soon as practicable
following the Company's filing of its Form 10-Q with the Commission. If the form of such quarterly
report differs from the Form 10-Q, the Company shall file one copy of the report with Nasdaq in
addition to filing its Form 10-Q pursuant to Rule 5250(c)(1). The statement of operations contained in
quarterly reports shall disclose, at a minimum, any substantial items of an unusual or non-recurrent
nature and net income before and after estimated federal income taxes or net income and the amount
of estimated federal taxes.

(B) Each Company that is limited partnership and is subject to Rule 13a-13 under the Act shall make
available copies of quarterly reports including statements of operating results to limited partners either prior to or as soon as practicable following the partnership's filing of its Form 10-Q with the Commission. Such reports shall be distributed to limited partners if required by statute or regulation in the state in which the limited partnership is formed or doing business or by the terms of the partnership's limited partnership agreement. If the form of such quarterly report differs from the Form 10-Q, the Company shall file one copy of the report with Nasdaq in addition to filing its Form 10-Q pursuant to Rule 5250(c)(1). The statement of operations contained in quarterly reports shall disclose, at a minimum, any substantial items of an unusual or non-recurrent nature and net income before and after estimated federal income taxes or net income and the amount of estimated federal taxes.

(4) Access to Interim Reports

(A) Each Company that is not a limited partnership and is not subject to Rule 13a-13 under the Act and that is required to file with the Commission, or Other Regulatory Authority, interim reports relating primarily to operations and financial position, shall make available to Shareholders reports which reflect the information contained in those interim reports. Such reports shall be made available to Shareholders either before or as soon as practicable following filing with the appropriate regulatory authority. If the form of the interim report provided to Shareholders differs from that filed with the regulatory authority, the Company shall file one copy of the report to Shareholders with Nasdaq in addition to the report to the regulatory authority that is filed with Nasdaq pursuant to Rule 5250(c)(1).

(B) Each Company that is a limited partnership that is not subject to Rule 13a-13 under the Act and is required to file with the Commission, or Other Regulatory Authority, interim reports relating primarily to operations and financial position, shall make available to limited partners reports which reflect the information contained in those interim reports. Such reports shall be distributed to limited partners if required by statute or regulation in the state in which the limited partnership is formed or doing business or by the terms of the partnership's limited partnership agreement. Such reports shall be distributed to limited partners either before or as soon as practicable following filing with the appropriate regulatory authority. If the form of the interim report provided to limited partners differs from that filed with the regulatory authority, the Company shall file one copy of the report to limited partners with Nasdaq in addition to the report to the regulatory authority that is filed with Nasdaq pursuant to Rule 5250(c)(1).

(5) A Foreign Private Issuer may follow its home country practice in lieu of the requirements of Rule 5250(d)(1), (2), (3) or (4) by utilizing the process described in Rule 5615(a)(3).

(6) The Company shall comply with any obligation of any person regarding filing or disclosure of information material to the Company or the security, whether such obligation arises under the securities laws of the United States or the Company's country of domicile, or other applicable federal or state statutes or rules.

(e) Nasdaq Notification Requirements

Various corporate events resulting in material changes will trigger the requirement for Companies to submit certain forms to Nasdaq as specified below.

All applicable forms can be found at http://www.nasdaq.com/about/listing_information.stm#forms.

(1) Change in Number of Shares Outstanding

The Company shall file, on a form designated by Nasdaq no later than 10 days after the occurrence, any aggregate increase or decrease of any class of securities listed on Nasdaq that exceeds 5% of the amount of securities of the class outstanding.

(2) Listing of Additional Shares
A Company shall be required to notify Nasdaq, except for a Company solely listing American Depositary Receipts, at least 15 calendar days prior to:

(A) 
   (i) establishing or materially amending a stock option plan, purchase plan or other equity compensation arrangement pursuant to which stock may be acquired by officers, directors, employees, or consultants without shareholder approval;
   
   (ii) Nasdaq recognizes that when a Company makes an equity grant to induce an individual to accept employment, as permitted by the exception contained in Rule 5635(c)(4), it may not be practical to provide the advance notice otherwise required by this Rule. Therefore, when a Company relies on that exception to make such an inducement grant without shareholder approval, it is sufficient to notify Nasdaq about the grant and the use of the exception no later than the earlier of: (x) five calendar days after entering into the agreement to issue the securities; or (y) the date of the public announcement of the award required by Rule 5635(c)(4); or

(B) issuing securities that may potentially result in a change of control of the Company; or

(C) issuing any common stock or security convertible into common stock in connection with the acquisition of the stock or assets of another company, if any officer or director or Substantial Shareholder of the Company has a 5% or greater interest (or if such persons collectively have a 10% or greater interest) in the Company to be acquired or in the consideration to be paid; or

(D) issuing any common stock, or any security convertible into common stock in a transaction that may result in the potential issuance of common stock (or securities convertible into common stock) greater than 10% of either the total shares outstanding or the voting power outstanding on a pre-transaction basis.

The notifications required by this paragraph must be made on the Notification Form: Listing of Additional Shares and Nasdaq encourages Companies to file this form as soon as practicable, even if all of the relevant terms are not yet known. Nasdaq reviews these forms to determine compliance with applicable Nasdaq rules, including the shareholder approval requirements. Therefore, if a Company fails to file timely the form required by this paragraph, Nasdaq may issue either a Public Reprimand Letter or a Delisting Determination (pursuant to the Rule 5800 Series).

3) Record Keeping Change

(A) The Company shall file on a form designated by Nasdaq notification of any change to its name, the par value or title of its security, its symbol, or a similar change, no later than 10 days after the change.

(B) The Company shall also notify Nasdaq promptly in writing of any change in the general character or nature of its business and any change in the address of its principal executive offices.

(C) The Company shall provide at least ten (10) calendar days advance notice to Nasdaq of certain corporate actions relating to non-convertible bonds listed on the Nasdaq Bond Exchange, including redemptions (full or partial calls), tender offers, changes in par value, and changes in identifier (e.g., CUSIP number or symbol), by filing the appropriate form as designated by Nasdaq.

4) Substitution Listing

The Company shall notify Nasdaq of a Substitution Listing Event (other than a re-incorporation or a change to a Company's place of organization) no later than 15 calendar days prior to the implementation of such event by filing the appropriate form as designated by Nasdaq. For a re-incorporation or change to
a Company's place of organization, a Company shall notify Nasdaq as soon as practicable after such event has been implemented by filing the appropriate form as designated by Nasdaq.

(5) **Transfer Agent, Registrar, ADR Bank Changes**

The issuer of any class of securities listed on Nasdaq, except for American Depositary Receipts, shall notify Nasdaq promptly in writing of any change in the Company's transfer agent or registrar.

(6) **Dividend Action or Stock Distribution**

In the case of any dividend action or action relating to a stock distribution of a listed stock the Company shall, no later than 10 calendar days prior to the record date of such action:

(i) notify Nasdaq by filing the appropriate form as designated by Nasdaq; and

(ii) provide public notice using a Regulation FD compliant method.

Notice to Nasdaq should be given as soon as possible after declaration and, in any event, no later than simultaneously with the public notice.

(f) **Obligation to Pay Fees** The Company is required to pay all applicable fees as described in the Rule 5900 Series.


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Nasdaq Stock Market Rules, Regulation, IM-5250-1., Nasdaq, Disclosure of Material Information

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Rule 5250(b)(1) requires that, except in unusual circumstances, Nasdaq Companies disclose promptly to the public through any Regulation FD compliant method (or combination of methods) of disclosure any material information that would reasonably be expected to affect the value of their securities or influence investors' decisions. Nasdaq Companies must notify Nasdaq at least ten minutes prior to the release to the public of material information that involves any of the events set forth below when the public release of the information is made between 7:00 a.m. to 8:00 pm. ET. If the public release of the material information is made outside of 7:00 a.m. to 8:00 p.m. Nasdaq Companies must notify MarketWatch of the material information prior to 6:50 a.m. ET. Under unusual circumstances Companies may not be required to make public disclosure of material events; for example, where it is possible to maintain confidentiality of those events and immediate public disclosure would prejudice the ability of the Company to pursue its legitimate corporate objectives. However, Nasdaq Companies remain obligated to disclose this information to Nasdaq upon request pursuant to Rule 5250(a).

Whenever unusual market activity takes place in a Nasdaq Company's securities, the Company normally should determine whether there is material information or news which should be disclosed. If rumors or unusual market activity indicate that information on impending developments has become known to the investing public, or if information from a source other than the Company becomes known to the investing public, a clear public announcement may be required as to the state of negotiations or development of Company plans. Such an announcement may be required, even though the Company may not have previously been advised of such information or the matter has not yet been presented to the Company's Board of Directors for consideration. In certain circumstances, it may also be appropriate to publicly deny false or inaccurate rumors, which are likely to have, or have had, an effect on the trading in its securities or would likely have an influence on investment decisions.

Notification to Nasdaq MarketWatch Department

Nasdaq Companies must notify Nasdaq's MarketWatch Department prior to the distribution of certain material news at least ten minutes prior to public announcement of the news when the public release of the information is made from 7:00 a.m. to 8:00 pm. ET. If the public release of the material information is made outside of 7:00 a.m. to 8:00 p.m, Nasdaq Companies must notify MarketWatch of the material information prior to 6:50 a.m. ET. Except in emergency situations, this notification must be made through Nasdaq's electronic disclosure submission system available at www.nasdaq.net. In emergency situations, Companies may instead provide notification by telephone or facsimile. Examples of an emergency situation include: lack of computer or internet access; technical problems on either the Company or Nasdaq system or an incompatibility between those systems; and a material development such that no draft disclosure document exists, but immediate notification to MarketWatch is important based on the material event.

If a Nasdaq Company repeatedly fails to either notify Nasdaq at least ten minutes prior to the distribution of material news from 7:00 a.m. to 8:00 p.m or prior to 6:50 a.m. ET for material news distributed outside of market hours, or repeatedly fails to use the electronic disclosure submission system when Nasdaq finds no emergency situation existed, Nasdaq may issue a Public Reprimand Letter (as defined in Rule 5805(j)) or, in extreme cases, a Staff Delisting Determination (as defined in Rule 5805(h)). In determining whether to issue a Public Reprimand Letter, Nasdaq will consider whether the Company has demonstrated a pattern of failures, whether the Company has been contacted concerning previous violations, and whether the Company has taken steps to assure that future violations will not occur.

Trading Halts

A trading halt benefits current and potential Shareholders by halting all trading in any Nasdaq securities until there has been an opportunity for the information to be disseminated to the public. This decreases the possibility of some investors acting on information known only to them. A trading halt provides the public with an opportunity to evaluate the information and consider it in making investment decisions. It also alerts the
Nasdaq's MarketWatch Department monitors real-time trading in all Nasdaq securities during the trading day for price and volume activity. In the event of certain price and volume movements, the MarketWatch Department may contact a Company and its Market Makers in order to ascertain the cause of the unusual market activity. The MarketWatch Department treats the information provided by the Company and other sources in a highly confidential manner, and uses it to assess market activity and assist in maintaining fair and orderly markets. A Nasdaq listing includes an obligation to disclose to the MarketWatch Department that the Company is not otherwise disclosing to the investing public or the financial community. On occasion, changes in market activity prior to the Company's release of material information may indicate that the information has become known to the investing public. Changes in market activity also may occur when there is a release of material information by a source other than the Company, such as when a Nasdaq Company is subject to an unsolicited take-over bid by another company. Depending on the nature of the event and the Company's views regarding the business advisability of disclosing the information, the MarketWatch Department may work with the Company to accomplish a timely release of the information. Furthermore, depending on the materiality of the information and the anticipated effect of the information on the price of the Company's securities, the MarketWatch Department may advise the Company that a temporary trading halt is appropriate to allow for full dissemination of the information and to maintain an orderly market. The institution of a temporary trading halt pending the release of information is not a reflection on the value of the securities halted. Such trading halts are instituted, among other reasons, to insure that material information is fairly and adequately disseminated to the investing public and the marketplace, and to provide investors with the opportunity to evaluate the information in making investment decisions. A trading halt normally lasts one half hour but may last longer if a determination is made that news has not been adequately disseminated or that the original or an additional basis under Rule 4120 exists for continuing the trading halt.

The MarketWatch Department is required to keep non-public information, confidential and to use such information only for regulatory purposes.

Companies are required to notify the MarketWatch Department of the release of material information included in the following list of events at least ten minutes prior to the release of such information to the public when the public release of the information is made from 7:00 a.m. to 8:00 p.m. ET. If the public release of the material information is made outside of 7:00 a.m. to 8:00 p.m., Nasdaq Companies must notify MarketWatch of the material information prior to 6:50 a.m. ET. It should also be noted that every development that might be reported to Nasdaq in these areas would not necessarily be deemed to warrant a trading halt. In addition to the following list of events, Nasdaq encourages Companies to avail themselves of the opportunity for advance notification to the MarketWatch Department in situations where they believe, based upon their knowledge of the significance of the information, that a temporary trading halt may be necessary or appropriate.

(a) Financial-related disclosures, including quarterly or yearly earnings, earnings restatements, pre-announcements or "guidance."

(b) Corporate reorganizations and acquisitions, including mergers, tender offers, asset transactions and bankruptcies or receiverships.

(c) New products or discoveries, or developments regarding customers or suppliers (e.g., significant developments in clinical or customer trials, and receipt or cancellation of a material contract or order).

(d) Senior management changes of a material nature or a change in control.

(e) Resignation or termination of independent auditors, or withdrawal of a previously issued audit report.

(f) Events regarding the Company's securities — e.g., defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of security holders, or public or private sales of additional securities.

(g) Significant legal or regulatory developments. Regulation FD
Any event requiring the filing of a Form 8-K.

Whenever Nasdaq halts trading in a security of a listed company for any of the reasons set forth above or implements any other regulatory trading halt, Nasdaq will also halt trading in any listed Equity Investment Tracking Stock that tracks the performance of such listed company and any Subscription Receipt that is exchangeable into that security.

**Use of Regulation FD Compliant Methods in the Disclosure of Material Information**

Regardless of the method of disclosure that a Company chooses to use, Companies are required to notify the MarketWatch Department of the release of material information that involves any of the events set forth above at least ten minutes prior to its release to the public when the public release of the information is made from 7:00 a.m. to 8:00 p.m. ET. If the public release of the material information is made outside of 7:00 a.m. to 8:00 p.m., Nasdaq Companies must notify MarketWatch of the material information prior to 6:50 a.m. ET. When a Company chooses to utilize a Regulation FD compliant method for disclosure other than a press release or Form 8-K, the Company will be required to provide prior notice to the MarketWatch Department of: 1) the press release announcing the logistics of the future disclosure event; and 2) a descriptive summary of the material information to be announced during the disclosure event if the press release does not contain such a summary.

Depending on the materiality of the information and the anticipated effect of the information on the price of the Company's securities, the MarketWatch Department may advise the Company that a temporary trading halt is appropriate to allow for full dissemination of the information and to maintain an orderly market. The MarketWatch Department will assess with Companies using methods of disclosure other than a press release or Form 8-K the timing within the disclosure event when the Company will cover the material information so that the halt can be commenced accordingly. Companies will be responsible for promptly alerting the MarketWatch Department of any significant changes to the previously outlined disclosure timeline. Companies are reminded that the posting of information on the company's website may not by itself be considered a sufficient method of public disclosure under Regulation FD and SEC guidance and releases thereunder, and as a result, under Nasdaq rules.

Nasdaq Stock Market Rules, Regulation, IM-5250-2., Nasdaq, Disclosure of Third Party Director and Nominee Compensation

Rule 5250(b)(3) requires listed companies to publicly disclose the material terms of all agreements and arrangements between any director or nominee and any person or entity (other than the Company) relating to compensation or other payment in connection with that person’s candidacy or service as a director. The terms “compensation” and “other payment” as used in this rule are not limited to cash payments and are intended to be construed broadly.

Subject to exceptions provided in the rule, the disclosure must be made on or through the Company's website or in the proxy or information statement for the next shareholders’ meeting at which directors are elected in order to provide shareholders with information and sufficient time to help them make meaningful voting decisions. A Company posting the requisite disclosure on or through its website must make it publicly available no later than the date on which the Company files a proxy or information statement in connection with such shareholders’ meeting (or, if they do not file proxy or information statements, no later than when the Company files its next Form 10-K or Form 20-F). Disclosure made available on the Company’s website or through it by hyperlinking to another website, must be continuously accessible. If the website hosting the disclosure subsequently becomes inaccessible or that hyperlink inoperable, the company must promptly restore it or make other disclosure in accordance with this rule.

Rule 5250(b)(3) does not separately require the initial disclosure of newly entered into agreements or arrangements, provided that disclosure is made pursuant to this rule for the next shareholders’ meeting at which directors are elected. In addition, for publicly disclosed agreements and arrangements that existed prior to the nominee’s candidacy and thus not required to be disclosed in accordance with Rule 5250(b)(3)(A)(ii) but where the director or nominee’s remuneration is thereafter materially increased specifically in connection with such person’s candidacy or service as a director of the Company, only the difference between the new and previous level of compensation or other payment obligation needs be disclosed.

All references in this rule to proxy or information statements are to the definitive versions thereof.


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Nasdaq Stock Market Rules, Regulation, 5255., Nasdaq, Direct Registration Program

(a) Except as indicated in paragraph (c) below, all securities listed on Nasdaq (except securities which are book-entry only) must be eligible for a Direct Registration Program operated by a clearing agency registered under Section 17A of the Act.

(b) If a Company establishes or maintains a Direct Registration Program for its Shareholders, the Company shall, directly or through its transfer agent, participate in an electronic link with a clearing agency registered under Section 17A of the Act to facilitate the electronic transfer of securities held pursuant to such program.

(c) Exemption

A foreign issuer, as defined under Rule 3b-4 under the Act, including a Foreign Private Issuer, shall not be subject to this requirement if it submits to Nasdaq a written statement from an independent counsel in such Company’s home country certifying that a law or regulation in the home country prohibits compliance.


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Nasdaq Stock Market Rules, Regulation, 5305., Nasdaq, General Information for The Nasdaq Global Select Market

(a) A Company that applies for listing its securities on the Nasdaq Global Market and meets the requirements for initial listing contained in Rule 5315 shall be listed on the Nasdaq Global Select Market.

(b) An Equity Investment Tracking Stock may be listed on the Nasdaq Global Select Market, provided it must also meet the initial listing requirements set forth in Rule 5222.

(c) At any time, a Company may apply to transfer a security listed on the Nasdaq Global Market to the Nasdaq Global Select Market. Such an application will be approved and effected as soon as practicable if the security meets the requirements for initial listing contained in Rule 5315. A Company will not owe any application or entry fees in connection with such a transfer.

(d) At any time, a Company may apply to transfer a security listed on the Nasdaq Capital Market to the Nasdaq Global Select Market. Such an application will be approved and effected as soon as practicable if the security meets the requirements for initial listing contained in Rule 5315. A Company transferring from the Nasdaq Capital Market to the Nasdaq Global Select Market will be required to pay the applicable fees contained in Rule 5910.

(e) After initial inclusion on the Nasdaq Global Select Market, a Company will remain on the Nasdaq Global Select Market provided it continues to meet the applicable requirements of the Listing Rules, including the continued listing requirements contained in the Rule 5400 Series, the requirements of the Rule 5100 Series, and the qualitative requirements of Rule 5200 and 5600 Series. An Equity Investment Tracking Stock must also meet the continued listing and disclosure requirements set forth in Rule 5222(c) and (d).

(f) Notwithstanding any provision to the contrary, the securities of any Company that is non-compliant with a qualitative listing requirement that does not provide for a grace period, or where Nasdaq staff has raised a public interest concern, will not be permitted to transfer to the Global Select Market until the underlying deficiency is resolved. In addition, any security that is below a quantitative continued listing requirement for the Nasdaq Global Market, even if the Company has not been below the requirement for a sufficient period of time to be considered non-compliant, and any Company in a grace or compliance period with respect to a quantitative listing requirement, will not be allowed to transfer from the Nasdaq Global or Capital Markets to the Nasdaq Global Select Market until the underlying deficiency is resolved. A Company before a Hearings Panel will not be allowed to transfer to the Global Select Market until the underlying deficiency is resolved. A Company that is in a grace or compliance period with respect to a qualitative listing standard, such as the cure period for filling an audit committee vacancy, will be allowed to transfer to the Global Select Market, subject to the continuation of that grace period.


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(a) For Global Select purposes, a Company is affiliated with another Company if that other Company, directly or indirectly though one or more intermediaries, controls, is controlled by, or is under common control of the Company. Control, for these purposes, means having the ability to exercise significant influence. Ability to exercise significant influence will be presumed to exist where the parent or affiliated Company directly or indirectly owns 20% or more of the other Company’s voting securities, and also can be indicated by representation on the board of directors, participation in policy making processes, material intercompany transactions, interchange of managerial personnel, or technological dependency.

(b) In computing Cash Flows for Global Select purposes, Nasdaq will rely on the net cash provided by operating activities, as reported in the Company’s financial information as filed with the Commission in the Company’s most recent periodic report and/or registration statement excluding changes in working capital or in operating assets and liabilities.

(c) In computing Income from Continuing Operations Before Income Taxes for Global Select purposes, Nasdaq will rely on a Company’s financial information as filed with the Commission in the Company’s most recent periodic report and/or registration statement.

(d) In computing the number of Publicly Held Shares for Global Select purposes, Nasdaq will not consider shares held by an officer, director or 10% or greater Shareholder of the Company.

(e) In the case of a Company listing in connection with its initial public offering, compliance with the market capitalization requirements of Rules 5315(f)(3)(B), (C) and (D) will be based on the Company’s market capitalization at the time of listing.

(f) A period of less than three months shall not be considered a Fiscal Year, even if reported as a stub period in the Company’s publicly reported financial statements.

(g) If a Company has less than three years of publicly reported financial data, it may qualify under Rule 5315(f)(3)(A) if it has (1) reported aggregate income from continuing operations before income taxes of at least $11 million, and (2) positive income from continuing operations before income taxes in each of the reported fiscal years.

(h) If a Company has less than three years of publicly reported financial data, it may qualify under Rule 5315(f)(3)(C) if it has (1) reported aggregate cash flows of at least $27.5 million, and (2) positive cash flows in each of the reported fiscal years.

(i) A Company whose business plan is to complete an initial public offering and engage in a merger or acquisition with one or more unidentified companies within a specific period of time, as described in IM-5101-2, is not eligible to list on the Nasdaq Global Select Market.

(j) In computing total assets and stockholders’ equity for purposes of Rule 5315(f)(3)(D), Nasdaq will rely on a Company’s most recent publicly reported financial statements subject to the adjustments described below:

   (1) Application of Use of Proceeds - If a company is in registration with the SEC and is in the process of an equity offering, adjustments should be made to reflect the net proceeds of that offering, and the specified intended application(s) of such proceeds to:

   (A) Pay off existing debt or other financial instruments: The adjustment will include elimination of the actual historical interest expense on debt or other financial instruments classified as liabilities under generally accepted accounting principles being retired with offering proceeds of all relevant periods or by conversion into common stock at the time of an
initial public offering occurring in conjunction with the company's listing. If the event giving rise to the adjustment occurred during a time-period such that pro forma amounts are not set forth in the SEC registration statement (typically, the pro forma effect of repayment of debt will be provided in the current registration statement only with respect to the last fiscal year plus any interim period in accordance with SEC rules), the company must prepare the relevant adjusted financial data to reflect the adjustment to its historical financial data, and its outside audit firm must provide a report of having applied agreed-upon procedures with respect to such adjustments. Such report must be prepared in accordance with the standards established by the American Institute of Certified Public Accountants.

(B) Fund an acquisition:

(i) The adjustments will include those applicable with respect to acquisition(s) to be funded with the proceeds. Adjustments will be made that are disclosed as such in accordance with Rule 3-05 "Financial Statements of Business Acquired or to be Acquired" and Article 11 of Regulation S-X. Adjustments will be made for all the relevant periods for those acquisitions for which historical financial information of the acquiree is required to be disclosed in the SEC registration statement; and

(ii) Adjustments applicable to any period for which pro forma numbers are not set forth in the registration statement shall be accompanied by the relevant adjusted financial data to combine the historical results of the acquiree (or relevant portion thereof) and acquiror, as disclosed in the company's SEC filing. Under SEC rules, the number of periods disclosed depends upon the significance level of the acquiree to the acquiror. The adjustments will include those necessary to reflect (a) the allocation of the purchase price, including adjusting assets and liabilities of the acquiree to fair value recognizing any intangibles (and associated amortization and depreciation), and (b) the effects of additional financing to complete the acquisition. The company must prepare the relevant adjusted financial data to reflect the adjustment to its historical financial data, and its outside audit firm must provide a report of having applied agreed-upon procedures with respect to such adjustments. Such report must be prepared in accordance with the standards established by the American Institute of Certified Public Accountants.

(2) Acquisitions and Dispositions – In instances other than acquisitions (and related dispositions of part of the acquiree) funded with the use of proceeds, adjustments will be made for those acquisitions and dispositions that are disclosed as such in a company's financial statements in accordance with Rule 3-05 "Financial Statements of Business Acquired or to be Acquired" and Article 11 of Regulation S-X. If the disclosure does not specify pre-tax earnings from continuing operations, minority interest, and equity in the earnings or losses of investees, then such data must be prepared by the company's outside audit firm for the Exchange's consideration. In this regard, the audit firm would have to issue an independent accountant's report on applying agreed-upon procedures in accordance with the standards established by the American Institute of Certified Public Accountants.


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Nasdaq Stock Market Rules, Regulation, 5315., Nasdaq, Initial Listing Requirements for Primary Equity Securities

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Rule 5310 provides guidance about computations made under this Rule 5315.

(a) For inclusion in the Global Select Market, a Company must meet all requirements in Rule 5315(e), all applicable requirements of Rules 5315(f)(1), 5315(f)(2) and 5315(f)(3) and all applicable requirements in the Listing Rules.

(b) However, if a Company is a closed end management investment company registered under the Investment Company Act of 1940, it must meet all requirements in Rule 5315(e), all applicable requirements in each of Rules 5315(f)(1) and 5315(f)(2), but not requirements of 5315(f)(3).

(c) A closed end management investment company that is listed concurrently with other closed end management investment companies that have a common investment adviser or whose investment advisers are "affiliated persons" as defined in the Investment Company Act of 1940 (a "Fund Family") shall be eligible if:

(1) the total Market Value of Publicly Held Shares in such Fund Family is at least $220 million;

(2) the average Market Value of Publicly Held Shares for all funds in the Fund Family is $50 million; and

(3) each fund in the Fund Family has a Market Value of Publicly Held Shares of at least $35 million.

(d) A business development company as defined in Section 2 of the Investment Company Act of 1940 must meet all requirements in Rule 5315(e), and all applicable requirements in each of Rules 5315(f)(1) and 5315(f)(2), but not the requirements in 5315(f)(3). In lieu of meeting Rule 5315(f)(3), a business development company must have a Market Value of Listed Securities of at least $80 million.

(e) The Primary Equity Security shall meet all of the following:

(1) If the Company is not listed on the NGM, a bid price of at least $4 per share;

(2) At least 1,250,000 Publicly Held Shares; and

(3) Market Makers

A Company that meets the requirements of the NGM Income Standard (Rule 5405(b)(1)) or the NGM Equity Standard (Rule 5405(b)(2)) shall have at least three registered and active Market Makers. Otherwise, a Company shall have at least four registered and active Market Makers.

(f)

(1) Ownership Requirement

The Primary Equity Security shall meet no less than one of the following:

(A) At least 550 Total Holders and an average monthly trading volume over the prior 12 months of at least 1,100,000 shares per month; or

(B) At least 2,200 Total Holders; or

(C) A minimum of 450 Round Lot Holders.
(2) Market Value Requirement

The Publicly Held Shares shall meet one of the following:

(A) A Market Value of at least $110 million; or

(B) A Market Value of at least $100 million, if the Company has stockholders' equity of at least $110 million; or

(C) A Market Value of at least $45 million in the case of: (i) a Company listing in connection with its initial public offering; and (ii) a Company that is affiliated with, or a spin-off from, another Company listed on the Global Select Market; or

(D) A Market Value of at least $70 million in the case of a closed end management investment company registered under the Investment Company Act of 1940.

(3) Valuation Requirement

A Company, other than a closed end management investment company, shall meet the requirements of sub-paragraph (A), (B), (C), or (D) below:

(A) (i) Aggregate income from continuing operations before income taxes of at least $11 million over the prior three fiscal years, (ii) positive income from continuing operations before income taxes in each of the prior three fiscal years, and (iii) at least $2.2 million income from continuing operations before income taxes in each of the two most recent fiscal years; or

(B) (i) Aggregate cash flows of at least $27.5 million over the prior three fiscal years, (ii) positive cash flows in each of the prior three fiscal years, and (iii) average market capitalization of at least $550 million over the prior 12 months and total revenue of at least $110 million in the previous fiscal year; or

(C) (i) Average market capitalization of at least $850 million over the prior 12 months, and (ii) total revenue of at least $90 million in the previous fiscal year; or

(D) (i) Market capitalization of at least $160 million, (ii) total assets of at least $80 million, and (iii) stockholders' equity of at least $55 million.


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Nasdaq recognizes that some companies that have sold common equity securities in private placements, which have not been listed on a national securities exchange or traded in the over-the-counter market pursuant to FINRA Form 211 immediately prior to the initial pricing, may wish to list those securities on Nasdaq. Such companies are permitted to list on the Nasdaq Global Select Market, provided the Company meets all applicable initial listing requirements and lists at the time of effectiveness of a registration statement filed solely for the purpose of allowing existing shareholders to sell their shares. This Interpretative Material describes when a Company whose stock is not previously registered under the Exchange Act may list on the Nasdaq Global Select Market, where such Company is listing without a related underwritten offering upon effectiveness of a registration statement registering only the resale of shares sold by the company in earlier private placements.

In determining whether such Company satisfies the initial listing requirements for the Nasdaq Global Select Market based on the price of a security, including the bid price, market capitalization and Market Value of Publicly Held Shares requirements, Nasdaq will determine the security's price as follows:

(a) If the Company’s security has had sustained recent trading in a Private Placement Market, Nasdaq will attribute a price, market capitalization, and Market Value of Publicly Held Shares to the Company equal to the lesser of (i) the value calculable based on an independent third-party valuation (a “Valuation”) and (ii) the value calculable based on the most recent trading price in a Private Placement Market.

(b) For a security that has not had sustained recent trading in a Private Placement Market prior to listing, Nasdaq will determine that the Company has met the Market Value of Publicly Held Shares requirement if the Company provides a Valuation evidencing a Market Value of Publicly Held Shares of at least $250,000,000. Nasdaq will also determine the bid price and market capitalization based on such Valuation.

(c) For a Company transferring from a foreign regulated exchange or listing on Nasdaq while trading on such exchange, Nasdaq will determine that the Company has met the applicable price-based requirements based on the most recent trading price in such market. This provision applies only where there is a broad, liquid market for the Company's shares in its country of origin.

(d) Nasdaq will examine the trading price trends for the stock in the Private Placement Market over a period of several months prior to listing and will only rely on a Private Placement Market price if it is consistent with a sustained history over that several month period evidencing a market value in excess of Nasdaq’s market value requirement.

(e) Any Valuation used for this purpose must be provided by an entity that has significant experience and demonstrable competence in the provision of such valuations. The Valuation must be of a recent date as of the time of the approval of the Company for listing and the evaluator must have considered, among other factors, the annual financial statements required to be included in the registration statement, along with financial statements for any completed fiscal quarters subsequent to the end of the last year of audited financials included in the registration statement. Nasdaq will consider any market factors or factors particular to the listing applicant that would cause concern that the value of the Company had diminished since the date of the Valuation and will continue to monitor the Company and the appropriateness of relying on the Valuation up to the time of listing. Nasdaq may withdraw its approval of the listing at any time prior to the listing date if it believes that the Valuation no longer accurately reflects the company’s likely market value.

(f) A valuation agent shall not be considered independent if:

(1) At the time it provides such valuation, the valuation agent or any affiliated person or persons
beneficially own in the aggregate as of the date of the valuation, more than 5% of the class of securities to be listed, including any right to receive any such securities exercisable within 60 days.

(2) The valuation agent or any affiliated entity has provided any investment banking services to the listing applicant within the 12 months preceding the date of the valuation. For purposes of this provision, "investment banking services" includes, without limitation, acting as an underwriter in an offering for the issuer; acting as a financial adviser in a merger or acquisition; providing venture capital, equity lines of credit, PIPEs (private investment, public equity transactions), or similar investments; serving as placement agent for the issuer; or acting as a member of a selling group in a securities underwriting.

(3) The valuation agent or any affiliated entity has been engaged to provide investment banking services to the listing applicant in connection with the proposed listing or any related financings or other related transactions.

Nasdaq Stock Market Rules, Regulation, 5320., Nasdaq, Other Classes of Securities

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If the Primary Equity Security of a Company is included in the Global Select Market, any other security of that same Company, such as other classes of common or preferred stock, warrants and units, that qualify for listing on the Global Market shall also be included in the Global Select Market. However, exchange traded funds, index-linked securities, selected equity-linked debt securities, trust issued receipts, structured products and commodity-backed products will not be listed on the Global Select Market. See the Rule 5700 Series for rules relating to the listing of those securities and other securities not specified under the Global Select Market listing standards.


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Nasdaq Stock Market Rules, Regulation, 5401., Nasdaq, Preamble to The Nasdaq Global Market Listing Requirements

This section contains the initial and continued listing requirements and standards for listing a Company's Primary Equity Security on The Nasdaq Global Market. This section also contains the initial and continued listing requirements for Rights and Warrants, and Preferred and Secondary Classes of Common Stock on the Global Market. An Equity Investment Tracking Stock may be listed as a Primary Equity Security or as a Secondary Class of Common Stock, as applicable, provided it must also meet the initial and continued listing requirements, as applicable, set forth in Rule 5222.

In addition to meeting the quantitative requirements in this section, a Company must meet the requirements of the Rule 5100 Series, the disclosure obligations set forth in the Rule 5200 Series, the Corporate Governance requirements set forth in the Rule 5600 Series, and pay any applicable fees in the Rule 5900 Series. A Company's failure to meet any of the continued listing requirements will be processed in accordance with the provisions set forth in the Rule 5800 Series.

Companies that meet the requirements of the Rule 5500 Series, but are not listed on the Nasdaq Global Market, are listed on the Nasdaq Capital Market.

For the requirements relating to other securities listed on the Global Market, see the Rule 5700 Series.


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Nasdaq Stock Market Rules, Regulation, 5405., Nasdaq, Initial Listing Requirements and Standards for Primary Equity Securities

A Company applying to list its Primary Equity Security on the Global Market shall meet all of the requirements set forth in Rule 5405(a) and at least one of the Standards in Rule 5405(b).

(a) Initial Listing Requirements for Primary Equity Securities:

   (1) Minimum bid price of at least $4 per share;
   (2) At least 1,100,000 Publicly Held Shares; and
   (3) At least 400 Round Lot Holders.

(b) Initial Listing Standards for Primary Equity Securities:

   (1) Income Standard

      (A) Annual income from continuing operations before income taxes of at least $1,000,000 in the most recently completed fiscal year or in two of the three most recently completed fiscal years;
      (B) Stockholders’ equity of at least $15 million;
      (C) Market Value of Publicly Held Shares of at least $8 million; and
      (D) At least three registered and active Market Makers.

   (2) Equity Standard

      (A) Stockholders’ equity of at least $30 million;
      (B) Two-year operating history;
      (C) Market Value of Publicly Held Shares of at least $18 million; and
      (D) At least three registered and active Market Makers.

   (3) Market Value Standard

      A Company listed under this paragraph does not also need to be in compliance with the quantitative criteria for initial listing in the Rule 5500 series.

      (A) Market Value of Listed Securities of $75 million (current publicly traded Companies must meet this requirement and the $4 bid price requirement for 90 consecutive trading days prior to applying for listing if qualifying to list only under the Market Value Standard);
      (B) Market Value of Publicly Held Shares of at least $20 million; and
      (C) At least four registered and active Market Makers.

   (4) Total Assets/Total Revenue Standard

      A Company listed under this paragraph does not also need to be in compliance with the quantitative
criteria for initial listing in the Rule 5500 series.

(A) Total assets and total revenue of $75 million each for the most recently completed fiscal year or two of the three most recently completed fiscal years;

(B) Market Value of Publicly Held Shares of at least $20 million; and

(C) At least four registered and active Market Makers.


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For initial listing, the rights or warrants must meet all the requirements below:

(a) At least 450,000 rights or warrants issued;

(b) The underlying security must be listed on the Global Market or be a Covered Security;

(c) There must be at least three registered and active Market Makers; and

(d) In the case of warrants, there must be at least 400 Round Lot Holders (except that this requirement will not apply to the listing of warrants in connection with the initial firm commitment underwritten public offering of such warrants).

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(a) When the Primary Equity Security of the Company is listed on the Global Market or is a Covered Security, the preferred stock or secondary class of common stock must meet all of the requirements set forth in (1) through (5) below.

1. At least 200,000 Publicly Held Shares;
2. A Market Value of Publicly Held Shares of at least $4,000,000;
3. Minimum bid price of at least $4 per share;
4. At least 100 Round Lot Holders; and
5. At least three registered and active Market Makers.

(b) When the Company's Primary Equity Security is not listed on the Global Market or is not a Covered Security, the preferred stock and/or secondary class of common stock may be listed on the Global Market so long as it satisfies the initial listing criteria for Primary Equity Securities set forth in Rule 5405.

A Company that has its Primary Equity Security listed on the Global Market must continue to substantially meet all of the requirements set forth in Rule 5450(a) and at least one of the Standards in Rule 5450(b). Failure to meet any of the continued listing requirements will be processed in accordance with the provisions set forth in the Rule 5800 Series. A security maintaining its listing under 5450(b)(3) need not also be in compliance with the quantitative maintenance criteria in the Rule 5500 series.

(a) Continued Listing Requirements for Primary Equity Securities:

(1) Minimum bid price of $1 per share; and
(2) At least 400 Total Holders.

(b) Continued Listing Standards for Primary Equity Securities:

(1) Equity Standard

(A) Stockholders’ equity of at least $10 million;
(B) At least 750,000 Publicly Held Shares;
(C) Market Value of Publicly Held Shares of at least $5 million; and
(D) At least two registered and active Market Makers.

(2) Market Value Standard

(A) Market Value of Listed Securities of at least $50 million;
(B) At least 1,100,000 Publicly Held Shares;
(C) Market Value of Publicly Held Shares of at least $15 million; and
(D) At least four registered and active Market Makers.

(3) Total Assets/Total Revenue Standard

(A) Total assets and total revenue of at least $50 million each for the most recently completed fiscal year or two of the three most recently completed fiscal years;
(B) At least 1,100,000 Publicly Held Shares;
(C) Market Value of Publicly Held Shares of at least $15 million; and
(D) At least four registered and active Market Makers.


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Nasdaq Stock Market Rules, Regulation, 5455., Nasdaq, Continued Listing Requirements for Rights and Warrants

For continued listing, the rights or warrants must meet all the requirements below:

(a) The underlying security must continue to be listed on the Global Market or be a Covered Security; and

(b) There must be at least two registered and active Market Makers, one of which may be a Market Maker entering a stabilizing bid.

Nasdaq Stock Market Rules, Regulation, 5460., Nasdaq, Continued Listing Requirements for Preferred Stock and Secondary Classes of Common Stock

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(a) When the Company's Primary Equity Security of the Company is listed on the Global Market or is a Covered Security, the preferred stock or secondary class of common stock must meet all of the requirements set forth in (1) through (5) below.

1. At least 100,000 Publicly Held Shares;
2. A Market Value of Publicly Held Shares of at least $1,000,000;
3. Minimum bid price of at least $1 per share;
4. At least 100 Public Holders; and
5. At least two registered and active Market Makers.

(b) When the Primary Equity Security of the Company is not listed on the Global Market or is not a Covered Security, the preferred stock and/or secondary class of common stock may continue to be listed on the Global Market so long as it satisfies the continued listing criteria for Primary Equity Securities set forth in Rule 5450.

This section contains the initial and continued listing requirements and standards for listing a Company's Primary Equity Security on The Nasdaq Capital Market. This section also contains the initial and continued listing requirements for Preferred and Secondary Classes of Common Stock; Convertible Debt, Rights and Warrants; and Subscription Receipts on the Capital Market. An Equity Investment Tracking Stock may be listed as a Primary Equity Security or as a Secondary Class of Common Stock, as applicable, provided it must also meet the initial and continued listing requirements, as applicable, set forth in Rule 5222.

In addition to meeting the quantitative requirements in this section, a Company must meet the requirements of the Rule 5100 Series, the disclosure obligations set forth in the Rule 5200 Series, the Corporate Governance requirements set forth in the Rule 5600 Series, and pay any applicable fees in the Rule 5900 Series. A Company's failure to meet any of the continued listing requirements will be processed in accordance with the provisions set forth in the Rule 5800 Series.

Companies that meet these requirements, but are not listed on the Nasdaq Global Market, are listed on the Nasdaq Capital Market.


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Nasdaq Stock Market Rules, Regulation, 5505., Nasdaq, Initial Listing of Primary Equity Securities

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A Company applying to list its Primary Equity Security on the Capital Market must meet all of the requirements set forth in Rule 5505(a) and at least one of the Standards in Rule 5505(b).

(a) Initial Listing Requirements for Primary Equity Securities:

(1) (A) Minimum bid price of $4 per share; or
(B) Minimum closing price of $3 per share, if the Company meets the requirements of the Equity or Net Income Standards under Rules 5505(b)(1) or (b)(3), or of $2 per share, if the Company meets the requirements of the Market Value of Listed Securities Standard under Rule 5505(b)(2), provided that in either case the Company must also demonstrate that it has net tangible assets (i.e., total assets less intangible assets and liabilities) in excess of $2 million, if the issuer has been in continuous operation for at least three years; or net tangible assets in excess of $5 million, if the issuer has been in continuous operation for less than three years; or average revenue of at least $6 million for the last three years. A security must meet the applicable closing price requirement for at least five consecutive business days prior to approval.

For purposes of this paragraph (B), net tangible assets or average revenues must be demonstrated on the Company’s most recently filed audited financial statements filed with, and satisfying the requirements of, the Commission or Other Regulatory Authority, and which are dated less than 15 months prior to the date of listing.

(2) At least 1,000,000 Publicly Held Shares;

(3) At least 300 Round Lot Holders;

(4) At least three registered and active Market Makers;

(5) In the case of ADRs, at least 400,000 issued.

(b) Initial Listing Standards for Primary Equity Securities:

(1) Equity Standard
   (A) Stockholders’ equity of at least $5 million;
   (B) Market Value of Publicly Held Shares of at least $15 million; and
   (C) Two year operating history.

(2) Market Value of Listed Securities Standard
   (A) Market Value of Listed Securities of at least $50 million (current publicly traded Companies must meet this requirement and the price requirement for 90 consecutive trading days prior to applying for listing if qualifying to list only under the Market Value of Listed Securities Standard);
   (B) Stockholders’ equity of at least $4 million; and
   (C) Market Value of Publicly Held Shares of at least $15 million.
(3) **Net Income Standard**

(A) Net income from continuing operations of $750,000 in the most recently completed fiscal year or in two of the three most recently completed fiscal years;

(B) Stockholders’ equity of at least $4 million; and

(C) Market Value of Publicly Held Shares of at least $5 million.

Nasdaq Stock Market Rules, Regulation, IM-5505., Nasdaq, Initial Listing for Securities below $4

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(a) Penny Stock Provisions. Rule 5505(a)(1)(B) provides an alternative initial listing requirement for certain companies with a minimum bid price below $4. A company that qualifies for initial listing only under this alternative could become a “penny stock” if it later fails the net tangible assets and revenue tests after listing and does not satisfy any of the other exclusions from being a penny stock contained in Rule 3a51-1 under the Act. In order to assist brokers’ and dealers’ compliance with the requirements of the Penny Stock Rules, Nasdaq will monitor companies listed under the alternative requirement and publish on its website on a daily basis a list of any company that initially listed under the alternative requirement, which no longer satisfies the net tangible assets or revenue test contained in Rule 5505(a)(1)(B), and which does not satisfy any of the other exclusions from being a penny stock contained in Rule 3a51-1 under the Act. If a company initially lists with a bid price below $4 under the alternative requirement contained in Rule 5505(a)(1)(B), but subsequently achieves a $4 closing price for at least five consecutive business days and, at the same time, satisfies all other initial listing criteria, it will no longer be considered as having listed under the alternative requirement and Nasdaq will notify the Company that it has qualified for listing under the price requirement contained in Rule 5505(a)(1)(A).

Brokers and dealers are reminded that the list published by Nasdaq is only an aid and that the Penny Stock Rules impose specific obligations on brokers and dealers with respect to transactions in penny stocks.

(b) Determination of closing price. For purposes of Rule 5505(a)(1)(B) and this IM- 5505, the closing price will be the Nasdaq Official Closing Price, if there is one, or the consolidated closing price distributed under the applicable National Market System Plan if there is no Nasdaq Official Closing Price. Nasdaq will require that a security maintain the necessary closing price for five consecutive business days, but may extend this five day period, based on any fact or circumstance, including the margin of compliance, the trading volume, the Market Maker montage, the trend of the security’s price, or information or concerns raised by other regulators concerning the trading of the security.

Adopted April 18, 2012 (SR-NASDAQ-2012-002).

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Nasdaq Stock Market Rules, Regulation, 5510., Nasdaq, Initial Listing Requirements for Preferred Stock and Secondary Classes of Common Stock

(a) When the Primary Equity Security is listed on the Capital Market or is a Covered Security, a Company's preferred stock or secondary class of common stock must meet all of the requirements in Rules (1) through (5) below in order to be listed.

1. Minimum bid price of at least $4 per share;
2. At least 100 Round Lot Holders;
3. At least 200,000 Publicly Held Shares;
4. Market Value of Publicly Held Shares of at least $3.5 million; and
5. At least three registered and active Market Makers.

(b) In the event the Company’s Primary Equity Security is not listed on the Capital Market or is not a Covered Security, the preferred stock and/or secondary class of common stock may be listed on the Capital Market so long as it satisfies the initial listing criteria for Primary Equity Securities set forth in Rule 5505.


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Nasdaq Stock Market Rules, Regulation, 5515., Nasdaq, Initial Listing Requirements for Rights, Warrants, and Convertible Debt

The following requirements apply to a Company listing convertible debt, rights or warrants on The Nasdaq Capital Market.

(a) For initial listing, rights, warrants and put warrants (that is, instruments that grant the holder the right to sell to the issuing company a specified number of shares of the Company's common stock, at a specified price until a specified period of time) must meet the following requirements:

1. At least 400,000 issued;
2. The underlying security must be listed on Nasdaq or be a Covered Security;
3. At least three registered and active Market Makers; and
4. In the case of warrants, at least 400 Round Lot Holders (except that this requirement will not apply to the listing of rights or warrants in connection with the initial firm commitment underwritten public offering of such warrants).

(b) For initial listing, a convertible debt security must meet the requirements in (1) through (3), and one of the conditions in (4) must be satisfied:

1. Principal amount outstanding of at least $10 million;
2. Current last sale information must be available in the United States with respect to the underlying security into which the bond or debenture is convertible;
3. At least three registered and active Market Makers; and
4. (A) the issuer of the debt must have an equity security that is listed on Nasdaq, NYSE American or the New York Stock Exchange;
   (B) an issuer whose equity security is listed on Nasdaq, NYSE American or the New York Stock Exchange, directly or indirectly owns a majority interest in, or is under common control with, the issuer of the debt security, or has guaranteed the debt security;
   (C) a nationally recognized securities rating organization (an "NRSRO") has assigned a current rating to the debt security that is no lower than an S&P Corporation "B" rating or equivalent rating by another NRSRO; or
   (D) if no NRSRO has assigned a rating to the issue, an NRSRO has currently assigned: (1) an investment grade rating to an immediately senior issue; or (2) a rating that is no lower than an S&P Corporation "B" rating, or an equivalent rating by another NRSRO, to a pari passu or junior issue.

(c) In the case of Index Warrants, the requirements established in Rule 5725 for Nasdaq Global Market securities apply.

Subscription Receipts are securities used to raise money for a specific acquisition. Nasdaq will list Subscription Receipts on The Nasdaq Capital Market subject to the following requirements:

(a) The security that the Subscription Receipts are exchangeable for must be listed on the Nasdaq Global Select, Global or Capital Market.

(b) At the time of listing the Subscription Receipts, the issuer must not have received a Staff Delisting Determination with respect to the security the Subscription Receipt is exchangeable for and must not have been notified about a deficiency in any continued listing standard with respect to the issuer of the security or the security that the Subscription Receipt is exchangeable for, except with respect to a corporate governance requirement where the issuer of the Subscription Receipt has received a grace period under Rule 5810(c)(3)(E).

(c) The proceeds of the Subscription Receipts offering must be designated solely for use in connection with the consummation of a specified acquisition that is the subject of a binding acquisition agreement (the “Specified Acquisition”).

(d) The proceeds of the Subscription Receipts offering must be held in an interest-bearing custody account controlled by an independent custodian.

(e) The Subscription Receipts will promptly be redeemed for cash: (i) at any time that the acquisition agreement in relation to the Specified Acquisition is terminated; or (ii) if the Specified Acquisition does not close within twelve months from the date of issuance of the Subscription Receipts, or such earlier time as is specified in the operative agreements. If the Subscription Receipts are redeemed, the holders will receive cash payments equal to their pro rata share of the funds in the custody account, including any interest earned on those funds.

(f) If the Specified Acquisition is consummated, the holders of the Subscription Receipts will receive the shares of common stock for which their Subscription Receipts are exchangeable.

(g) At the time of initial listing, the Subscription Receipts must have:
   (1) a price per Subscription Receipt of at least $4.00;
   (2) a minimum Market Value of Publicly Held Shares of $100 million;
   (3) At least 1,100,000 Publicly Held Shares; and
   (4) At least 400 Round Lot Holders.

(h) The sale of the Subscription Receipts and the issuance of the common stock of the issuer in exchange for the Subscription Receipts must both be registered under the Securities Act.

Nasdaq Stock Market Rules, Regulation, 5550., Nasdaq, Continued Listing of Primary Equity Securities

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A Company that has its Primary Equity Security listed on the Capital Market must continue to meet all of the requirements set forth in Rule 5550(a) and at least one of the Standards set forth in Rule 5550(b). Failure to meet any of the continued listing requirements will be processed in accordance with the provisions set forth in the Rule 5800 Series.

(a) Continued Listing Requirements for Primary Equity Securities:

(1) At least two registered and active Market Makers, one of which may be a Market Maker entering a stabilizing bid;
(2) Minimum bid price of at least $1 per share;
(3) At least 300 Public Holders;
(4) At least 500,000 Publicly Held Shares; and
(5) Market Value of Publicly Held Shares of at least $1 million.

(b) Continued Listing Standards for Primary Equity Securities:

(1) Equity Standard: Stockholders' equity of at least $2.5 million;
(2) Market Value of Listed Securities Standard: Market Value of Listed Securities of at least $35 million; or
(3) Net Income Standard: Net income from continuing operations of $500,000 in the most recently completed fiscal year or in two of the three most recently completed fiscal years.


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Nasdaq Stock Market Rules, Regulation, 5555., Nasdaq, Continued Listing Requirements for Preferred Stock and Secondary Classes of Common Stock

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(a) When the Primary Equity Security is listed on the Capital Market or is a Covered Security, a Company's preferred stock or secondary class of common stock must meet all of the requirements in (1) through (5) below in order to be listed. Failure to meet any of the continued listing requirements will be processed in accordance with the provisions set forth in the Rule 5800 Series.

1. Minimum bid price of at least $1 per share;
2. At least 100 Public Holders;
3. At least 100,000 Publicly Held Shares;
4. Market Value of Publicly Held Shares of at least $1 million; and
5. At least two registered and active Market Makers, one of which may be a Market Maker entering a stabilizing bid.

(b) In the event the Company's Primary Equity Security is not listed on the Capital Market or is not a Covered Security, the preferred stock and/or secondary class of common stock may be listed on the Capital Market so long as the security satisfies the continued listing criteria for Primary Equity Securities set forth in Rule 5550.


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(a) For rights, warrants, and put warrants (that is, instruments that grant the holder the right to sell to the issuing company a specified number of shares of the Company's common stock, at a specified price until a specified period of time), the underlying security must remain listed on Nasdaq or be a Covered Security, and there must be at least two registered and active Market Makers, one of which may be a Market Maker entering a stabilizing bid.

(b) A convertible debt security must meet the following requirements for continued listing:

(1) A principal amount outstanding of at least $5 million;

(2) At least two registered and active Market Makers, one of which may be a Market Maker entering a stabilizing bid; and

(3) Current last sale information must be available in the United States with respect to the underlying security into which the bond or debenture is convertible.

Nasdaq Stock Market Rules, Regulation, 5565., Nasdaq, Continued Listing Requirements for Subscription Receipts

Subscription Receipts must meet all of the requirements in paragraphs (a) through (e) below in order to remain listed. Failure to meet any of the continued listing requirements will be processed in accordance with the provisions set forth in the Rule 5800 Series.

(a) At least 100,000 Publicly Held Shares;
(b) At least 100 Public Holders;
(c) At least $15 million Market Value of Listed Securities for the Subscription Receipts over 30 consecutive trading days;
(d) the common equity security that the Subscription Receipt is exchangeable for must remain listed on Nasdaq and not have received a Staff Delisting Determination with respect to the security such Subscription Receipt is exchangeable for; and
(e) the Company must not have announced that the Specified Acquisition (as defined in Rule 5520) has been terminated.


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Nasdaq Stock Market Rules, Regulation, 5601., Nasdaq, Preamble to the Corporate Governance Requirements

In addition to meeting the quantitative requirements in the Rule 5200, 5300, 5400 and 5500 Series, Companies applying to list and listed on Nasdaq must meet the qualitative requirements outlined in this Rule 5600 Series. These requirements include rules relating to a Company's board of directors, including audit committees and Independent Director oversight of executive compensation and the director nomination process; code of conduct; shareholder meetings, including proxy solicitation and quorum; review of related party transactions; and shareholder approval, including voting rights. Exemptions to these rules, including phase-in schedules, are set forth in Rule 5615.

Nasdaq maintains a website that provides guidance on the applicability of the corporate governance requirements by FAQs and published summaries of anonymous versions of previously issued staff interpretative letters. Companies are encouraged to contact Listing Qualifications to discuss any complex issues or transactions. Companies can also submit a request for a written interpretation pursuant to Rule 5602.


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Nasdaq Stock Market Rules, Regulation, 5602., Nasdaq, Written Interpretations of Nasdaq Listing Rules

(a) A Company, as defined in Rule 5005(a)(6), and a company that has a class of securities that has been suspended or delisted from the Nasdaq Capital Market or the Nasdaq Global Market, but the suspension or delisting decision is under review pursuant to the Rule 5800 Series, may request from Nasdaq a written interpretation of the Rules contained in the Rule 5000 through 5900 Series. A response to such a request generally will be provided within four weeks from the date Nasdaq receives all information necessary to respond to the request.

(b) Nasdaq shall publish on its website a summary of each interpretation within 90 days from the date such interpretation is issued.

Nasdaq Stock Market Rules, Regulation, 5605., Nasdaq, Board of Directors and Committees

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(a) Definitions

(1) "Executive Officer" means those officers covered in Rule 16a-1(f) under the Act.

(2) "Independent Director" means a person other than an Executive Officer or employee of the Company or any other individual having a relationship which, in the opinion of the Company's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. For purposes of this rule, "Family Member" means a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home. The following persons shall not be considered independent:

(A) a director who is, or at any time during the past three years was, employed by the Company;

(B) a director who accepted or who has a Family Member who accepted any compensation from the Company in excess of $120,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:

   (i) compensation for board or board committee service;

   (ii) compensation paid to a Family Member who is an employee (other than an Executive Officer) of the Company; or

   (iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation.

Provided, however, that in addition to the requirements contained in this paragraph (B), audit committee members are also subject to additional, more stringent requirements under Rule 5605(c)(2).

(C) a director who is a Family Member of an individual who is, or at any time during the past three years was, employed by the Company as an Executive Officer;

(D) a director who is, or has a Family Member who is, a partner in, or a controlling Shareholder or an Executive Officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or $200,000, whichever is more, other than the following:

   (i) payments arising solely from investments in the Company's securities; or

   (ii) payments under non-discretionary charitable contribution matching programs.

(E) a director of the Company who is, or has a Family Member who is, employed as an Executive Officer of another entity where at any time during the past three years any of the Executive Officers of the Company serve on the compensation committee of such other entity; or

(F) a director who is, or has a Family Member who is, a current partner of the Company's outside auditor, or was a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during any of the past three years.

(G) in the case of an investment company, in lieu of paragraphs (A)-(F), a director who is an
"interested person" of the Company as defined in Section 2(a)(19) of the Investment Company Act of 1940, other than in his or her capacity as a member of the board of directors or any board committee.

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Nasdaq Stock Market Rules, Regulation, IM-5605., Nasdaq, Definition of Independence — Rule 5605(a)(2)

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It is important for investors to have confidence that individuals serving as Independent Directors do not have a relationship with the listed Company that would impair their independence. The board has a responsibility to make an affirmative determination that no such relationships exist through the application of Rule 5605(a)(2). Rule 5605(a)(2) also provides a list of certain relationships that preclude a board finding of independence. These objective measures provide transparency to investors and Companies, facilitate uniform application of the rules, and ease administration. Because Nasdaq does not believe that ownership of Company stock by itself would preclude a board finding of independence, it is not included in the aforementioned objective factors. It should be noted that there are additional, more stringent requirements that apply to directors serving on audit committees, as specified in Rule 5605(c).

The Rule's reference to the "Company" includes any parent or subsidiary of the Company. The term "parent or subsidiary" is intended to cover entities the Company controls and consolidates with the Company's financial statements as filed with the Commission (but not if the Company reflects such entity solely as an investment in its financial statements). The reference to Executive Officer means those officers covered in Rule 16a-1(f) under the Act. In the context of the definition of Family Member under Rule 5605(a)(2), the reference to marriage is intended to capture relationships specified in the Rule (parents, children and siblings) that arise as a result of marriage, such as "in-law" relationships.

The three year look-back periods referenced in paragraphs (A), (C), (E) and (F) of the Rule commence on the date the relationship ceases. For example, a director employed by the Company is not independent until three years after such employment terminates.

For purposes of paragraph (A) of the Rule, employment by a director as an Executive Officer on an interim basis shall not disqualify that director from being considered independent following such employment, provided the interim employment did not last longer than one year. A director would not be considered independent while serving as an interim officer. Similarly, for purposes of paragraph (B) of the Rule, compensation received by a director for former service as an interim Executive Officer need not be considered as compensation in determining independence after such service, provided such interim employment did not last longer than one year. Nonetheless, the Company's board of directors still must consider whether such former employment and any compensation received would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. In addition, if the director participated in the preparation of the Company's financial statements while serving as an interim Executive Officer, Rule 5605(c)(2)(A)(iii) would preclude service on the audit committee for three years.

Paragraph (B) of the Rule is generally intended to capture situations where a compensation is made directly to (or for the benefit of) the director or a Family Member of the director. For example, consulting or personal service contracts with a director or Family Member of the director would be analyzed under paragraph (B) of the Rule. In addition, political contributions to the campaign of a director or a Family Member of the director would be considered indirect compensation under paragraph (B). Non-preferential payments made in the ordinary course of providing business services (such as payments of interest or proceeds related to banking services or loans by a Company that is a financial institution or payment of claims on a policy by a Company that is an insurance company), payments arising solely from investments in the Company's securities and loans permitted under Section 13(k) of the Act will not preclude a finding of director independence as long as the payments are non-compensatory in nature. Depending on the circumstances, a loan or payment could be compensatory if, for example, it is not on terms generally available to the public.

Paragraph (D) of the Rule is generally intended to capture payments to an entity with which the director or Family Member of the director is affiliated by serving as a partner, controlling Shareholder or Executive Officer of such entity. Under exceptional circumstances, such as where a director has direct, significant business holdings, it may be appropriate to apply the corporate measurements in paragraph (D), rather than the individual
measurements of paragraph (B). Issuers should contact Nasdaq if they wish to apply the Rule in this manner. The reference to a partner in paragraph (D) is not intended to include limited partners. It should be noted that the independence requirements of paragraph (D) of the Rule are broader than Rule 10A-3(e)(8) under the Act.

Under paragraph (D), a director who is, or who has a Family Member who is, an Executive Officer of a charitable organization may not be considered independent if the Company makes payments to the charity in excess of the greater of 5% of the charity's revenues or $200,000. However, Nasdaq encourages Companies to consider other situations where a director or their Family Member and the Company each have a relationship with the same charity when assessing director independence.

For purposes of determining whether a lawyer is eligible to serve on an audit committee, Rule 10A-3 under the Act generally provides that any partner in a law firm that receives payments from the issuer is ineligible to serve on that issuer's audit committee. In determining whether a director may be considered independent for purposes other than the audit committee, payments to a law firm would generally be considered under Rule 5605(a)(2), which looks to whether the payment exceeds the greater of 5% of the recipient's gross revenues or $200,000; however, if the firm is a sole proprietorship, Rule 5605(a)(2)(B), which looks to whether the payment exceeds $120,000, applies.

Paragraph (G) of the Rule provides a different measurement for independence for investment companies in order to harmonize with the Investment Company Act of 1940. In particular, in lieu of paragraphs (A)-(F), a director who is an "interested person" of the Company as defined in Section 2(a)(19) of the Investment Company Act of 1940, other than in his or her capacity as a member of the board of directors or any board committee, shall not be considered independent.


(b) Independent Directors

(1) Majority Independent Board

A majority of the board of directors must be comprised of Independent Directors as defined in Rule 5605(a)(2). The Company, other than a Foreign Private Issuer, must comply with the disclosure requirements set forth in Item 407(a) of Regulation S-K. A Foreign Private Issuer must disclose in its next annual report (e.g., Form 20-F or 40-F) those directors that the board of directors has determined to be independent under Rule 5605(a)(2).

(A) Cure Period for Majority Independent Board

If a Company fails to comply with this requirement due to one vacancy, or one director ceases to be independent due to circumstances beyond their reasonable control, the Company shall regain compliance with the requirement by the earlier of its next annual shareholders meeting or one year from the occurrence of the event that caused the failure to comply with this requirement; provided, however, that if the annual shareholders meeting occurs no later than 180 days following the event that caused the failure to comply with this requirement, the Company shall instead have 180 days from such event to regain compliance. A Company relying on this provision shall provide notice to Nasdaq immediately upon learning of the event or circumstance that caused the noncompliance.

Majority Independent Board. Independent Directors (as defined in Rule 5605(a)(2)) play an important role in assuring investor confidence. Through the exercise of independent judgment, they act on behalf of investors to maximize shareholder value in the Companies they oversee and guard against conflicts of interest. Requiring that the board be comprised of a majority of Independent Directors empowers such directors to carry out more effectively these responsibilities.


(2) Executive Sessions

Independent Directors must have regularly scheduled meetings at which only Independent Directors are present ("executive sessions").
Regularly scheduled executive sessions encourage and enhance communication among Independent Directors. It is contemplated that executive sessions will occur at least twice a year, and perhaps more frequently, in conjunction with regularly scheduled board meetings.


(c) Audit Committee Requirements

(1) Audit Committee Charter

Each Company must certify that it has adopted a formal written audit committee charter and that the audit committee will review and reassess the adequacy of the formal written charter on an annual basis. The charter must specify:

(A) the scope of the audit committee's responsibilities, and how it carries out those responsibilities, including structure, processes and membership requirements;

(B) the audit committee's responsibility for ensuring its receipt from the outside auditors of a formal written statement delineating all relationships between the auditor and the Company, actively engaging in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and for taking, or recommending that the full board take, appropriate action to oversee the independence of the outside auditor;

(C) the committee's purpose of overseeing the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company; and

(D) the specific audit committee responsibilities and authority set forth in Rule 5605(c)(3).
Nasdaq Stock Market Rules, Regulation, IM-5605-3., Nasdaq, Audit Committee Charter

Each Company is required to adopt a formal written charter that specifies the scope of its responsibilities and the means by which it carries out those responsibilities; the outside auditor's accountability to the audit committee; and the audit committee's responsibility to ensure the independence of the outside auditor. Consistent with this, the charter must specify all audit committee responsibilities set forth in Rule 10A-3(b)(2), (3), (4) and (5) under the Act. Rule 10A-3(b)(3)(ii) under the Act requires that each audit committee must establish procedures for the confidential, anonymous submission by employees of the listed Company of concerns regarding questionable accounting or auditing matters. The rights and responsibilities as articulated in the audit committee charter empower the audit committee and enhance its effectiveness in carrying out its responsibilities.

Rule 5605(c)(3) imposes additional requirements for investment company audit committees that must also be set forth in audit committee charters for these Companies.


(2) Audit Committee Composition

(A) Each Company must have, and certify that it has and will continue to have, an audit committee of at least three members, each of whom must: (i) be an Independent Director as defined under Rule 5605(a)(2); (ii) meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act); (iii) not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years; and (iv) be able to read and understand fundamental financial statements, including a Company's balance sheet, income statement, and cash flow statement. Additionally, each Company must certify that it has, and will continue to have, at least one member of the audit committee who has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

(B) Non-Independent Director for Exceptional and Limited Circumstances

Notwithstanding paragraph (2)(A)(i), one director who: (i) is not an Independent Director as defined in Rule 5605(a)(2); (ii) meets the criteria set forth in Section 10A(m)(3) under the Act and the rules thereunder; and (iii) is not currently an Executive Officer or employee or a Family Member of an Executive Officer, may be appointed to the audit committee, if the board, under exceptional and limited circumstances, determines that membership on the committee by the individual is required by the best interests of the Company and its Shareholders. A Company, other than a Foreign Private Issuer, that relies on this exception must comply with the disclosure requirements set forth in Item 407(d)(2) of Regulation S-K. A Foreign Private Issuer that relies on this exception must disclose in its next annual report (e.g., Form 20-F or 40-F) the nature of the relationship that makes the individual not independent and the reasons for the board’s determination. A member appointed under this exception may not serve longer than two years and may not chair the audit committee.


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Nasdaq Stock Market Rules, Regulation, IM-5605-4., Nasdaq, Audit Committee Composition

Audit committees are required to have a minimum of three members and be comprised only of Independent Directors. In addition to satisfying the Independent Director requirements under Rule 5605(a)(2), audit committee members must meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act): they must not accept any consulting, advisory, or other compensatory fee from the Company other than for board service, and they must not be an affiliated person of the Company. As described in Rule 10A-3(d)(1) and (2), a Company must disclose reliance on certain exceptions from Rule 10A-3 and disclose an assessment of whether, and if so, how, such reliance would materially adversely affect the ability of the audit committee to act independently and to satisfy the other requirements of Rule 10A-3. It is recommended also that a Company disclose in its annual proxy (or, if the Company does not file a proxy, in its Form 10-K or 20-F) if any director is deemed eligible to serve on the audit committee but falls outside the safe harbor provisions of Rule 10A-3(e)(1)(ii) under the Act. A director who qualifies as an audit committee financial expert under Item 407(d)(5)(ii) and (iii) of Regulation S-K is presumed to qualify as a financially sophisticated audit committee member under Rule 5605(c)(2)(A).


(3) Audit Committee Responsibilities and Authority

The audit committee must have the specific audit committee responsibilities and authority necessary to comply with Rule 10A-3(b)(2), (3), (4) and (5) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act), concerning responsibilities relating to: (i) registered public accounting firms, (ii) complaints relating to accounting, internal accounting controls or auditing matters, (iii) authority to engage advisers, and (iv) funding as determined by the audit committee. Audit committees for investment companies must also establish procedures for the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters by employees of the investment adviser, administrator, principal underwriter, or any other provider of accounting related services for the investment company, as well as employees of the investment company.

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Nasdaq Stock Market Rules, Regulation, IM-5605-5., Nasdaq, The Audit Committee Responsibilities and Authority

Audit committees must have the specific audit committee responsibilities and authority necessary to comply with Rule 10A-3(b)(2), (3), (4) and (5) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act), concerning responsibilities relating to registered public accounting firms; complaints relating to accounting; internal accounting controls or auditing matters; authority to engage advisers; and funding. Audit committees for investment companies must also establish procedures for the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters by employees of the investment adviser, administrator, principal underwriter, or any other provider of accounting related services for the investment company, as well as employees of the investment company.


(4) Cure Periods for Audit Committee

(A) If a Company fails to comply with the audit committee composition requirement under Rule 10A-3(b)(1) under the Act and Rule 5605(c)(2)(A) because an audit committee member ceases to be independent for reasons outside the member's reasonable control, the audit committee member may remain on the audit committee until the earlier of its next annual shareholders meeting or one year from the occurrence of the event that caused the failure to comply with this requirement. A Company relying on this provision must provide notice to Nasdaq immediately upon learning of the event or circumstance that caused the noncompliance.

(B) If a Company fails to comply with the audit committee composition requirement under Rule 5605(c)(2)(A) due to one vacancy on the audit committee, and the cure period in paragraph (A) is not otherwise being relied upon for another member, the Company will have until the earlier of the next annual shareholders meeting or one year from the occurrence of the event that caused the failure to comply with this requirement; provided, however, that if the annual shareholders meeting occurs no later than 180 days following the event that caused the vacancy, the Company shall instead have 180 days from such event to regain compliance. A Company relying on this provision must provide notice to Nasdaq immediately upon learning of the event or circumstance that caused the noncompliance.

(5) Exception

At any time when a Company has a class of common equity securities (or similar securities') that is listed on another national securities exchange or national securities association subject to the requirements of Rule 10A-3 under the Act, the listing of classes of securities of a direct or indirect consolidated subsidiary or an at least 50% beneficially owned subsidiary of the Company (except classes of equity securities, other than non-convertible, non-participating preferred securities, of such subsidiary) shall not be subject to the requirements of Rule 5605(c).

(d) Compensation Committee Requirements

(1) Compensation Committee Charter

Each Company must certify that it has adopted a formal written compensation committee charter and that the compensation committee will review and reassess the adequacy of the formal written charter on an annual basis. The charter must specify:

(A) the scope of the compensation committee’s responsibilities, and how it carries out those responsibilities, including structure, processes and membership requirements;
(B) the compensation committee’s responsibility for determining, or recommending to the board for determination, the compensation of the chief executive officer and all other Executive Officers of the Company;

(C) that the chief executive officer may not be present during voting or deliberations on his or her compensation; and

(D) the specific compensation committee responsibilities and authority set forth in Rule 5605(d)(3).

(2) Compensation Committee Composition

(A) Each Company must have, and certify that it has and will continue to have, a compensation committee of at least two members. Each committee member must be an Independent Director as defined under Rule 5605(a)(2). In addition, in affirmatively determining the independence of any director who will serve on the compensation committee of a board of directors, the board of directors must consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director’s ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to:

(i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and

(ii) whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

(B) Non-Independent Committee Member under Exceptional and Limited Circumstances

Notwithstanding paragraph 5605(d)(2)(A) above, if the compensation committee is comprised of at least three members, one director who does not meet the requirements of paragraph 5605(d)(2)(A) and is not currently an Executive Officer or employee or a Family Member of an Executive Officer, may be appointed to the compensation committee if the board, under exceptional and limited circumstances, determines that such individual’s membership on the committee is required by the best interests of the Company and its Shareholders. A Company that relies on this exception must disclose either on or through the Company’s website or in the proxy statement for the next annual meeting subsequent to such determination (or, if the Company does not file a proxy, in its Form 10-K or 20-F), the nature of the relationship and the reasons for the determination. In addition, the Company must provide any disclosure required by Instruction 1 to Item 407(a) of Regulation S-K regarding its reliance on this exception. A member appointed under this exception may not serve longer than two years.

(3) Compensation Committee Responsibilities and Authority

As required by Rule 10C-1(b)(2), (3) and (4)(i)-(vi) under the Act, the compensation committee must have the following specific responsibilities and authority.

(A) The compensation committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser.

(B) The compensation committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the compensation committee.

(C) The Company must provide for appropriate funding, as determined by the compensation committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the compensation committee.

(D) The compensation committee may select, or receive advice from, a compensation consultant,
legal counsel or other adviser to the compensation committee, other than in-house legal
counsel, only after taking into consideration the following factors:

(i) the provision of other services to the Company by the person that employs the
compensation consultant, legal counsel or other adviser;

(ii) the amount of fees received from the Company by the person that employs the
compensation consultant, legal counsel or other adviser, as a percentage of the total
revenue of the person that employs the compensation consultant, legal counsel or
other adviser;

(iii) the policies and procedures of the person that employs the compensation consultant,
legal counsel or other adviser that are designed to prevent conflicts of interest;

(iv) any business or personal relationship of the compensation consultant, legal counsel or
other adviser with a member of the compensation committee;

(v) any stock of the Company owned by the compensation consultant, legal counsel or
other adviser; and

(vi) any business or personal relationship of the compensation consultant, legal counsel,
other adviser or the person employing the adviser with an Executive Officer of the
Company.

Nothing in this Rule shall be construed: (i) to require the compensation committee to implement or act
consistent with the advice or recommendations of the compensation consultant, legal counsel or other
adviser to the compensation committee; or (ii) to affect the ability or obligation of a compensation
committee to exercise its own judgment in fulfillment of the duties of the compensation committee.

The compensation committee is required to conduct the independence assessment outlined in this Rule
with respect to any compensation consultant, legal counsel or other adviser that provides advice to the
compensation committee, other than in-house legal counsel. However, nothing in this Rule requires a
compensation consultant, legal counsel or other compensation adviser to be independent, only that the
compensation committee consider the enumerated independence factors before selecting, or receiving
advice from, a compensation adviser. Compensation committees may select, or receive advice from, any
compensation adviser they prefer, including ones that are not independent, after considering the six
independence factors outlined above.

For purposes of this Rule, the compensation committee is not required to conduct an independence
assessment for a compensation adviser that acts in a role limited to the following activities for which no
disclosure is required under Item 407(e)(3)(iii) of Regulation S-K: (a) consulting on any broad-based plan
that does not discriminate in scope, terms, or operation, in favor of Executive Officers or directors of the
Company, and that is available generally to all salaried employees; and/or (b) providing information that
either is not customized for a particular issuer or that is customized based on parameters that are not
developed by the adviser, and about which the adviser does not provide advice.

(4) Cure Period for Compensation Committee

If a Company fails to comply with the compensation committee composition requirement under Rule
5605(d)(2)(A) due to one vacancy, or one compensation committee member ceases to be independent
due to circumstances beyond the member’s reasonable control, the Company shall regain compliance
with the requirement by the earlier of its next annual shareholders meeting or one year from the
occurrence of the event that caused the failure to comply with this requirement; provided, however, that if
the annual shareholders meeting occurs no later than 180 days following the event that caused the failure
to comply with this requirement, the Company shall instead have 180 days from such event to regain
compliance. A Company relying on this provision shall provide notice to Nasdaq immediately upon
learning of the event or circumstance that caused the noncompliance.

(5) Smaller Reporting Companies
A Smaller Reporting Company, as defined in Rule 12b-2 under the Act, is not subject to the requirements of Rule 5605(d), except that a Smaller Reporting Company must have, and certify that it has and will continue to have, a compensation committee of at least two members, each of whom must be an Independent Director as defined under Rule 5605(a)(2). A Smaller Reporting Company may rely on the exception in Rule 5605(d)(2)(B) and the cure period in Rule 5605(d)(4). In addition, a Smaller Reporting Company must certify that it has adopted a formal written compensation committee charter or board resolution that specifies the content set forth in Rule 5605(d)(1)(A)-(C). A Smaller Reporting Company does not need to include in its formal written compensation committee charter or board resolution the specific compensation committee responsibilities and authority set forth in Rule 5605(d)(3).


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Nasdaq Stock Market Rules, Regulation, IM-5605-6., Nasdaq, Independent Director Oversight of Executive Compensation

Independent oversight of executive officer compensation helps assure that appropriate incentives are in place, consistent with the board’s responsibility to act in the best interests of the corporation. Compensation committees are required to have a minimum of two members and be comprised only of Independent Directors as defined under Rule 5605(a)(2).

In addition, Rule 5605(d)(2)(A) includes an additional independence test for compensation committee members. When considering the sources of a director’s compensation for this purpose, the board should consider whether the director receives compensation from any person or entity that would impair the director’s ability to make independent judgments about the Company’s executive compensation. Similarly, when considering any affiliate relationship a director has with the Company, a subsidiary of the Company, or an affiliate of a subsidiary of the Company, in determining independence for purposes of compensation committee service, the board should consider whether the affiliate relationship places the director under the direct or indirect control of the Company or its senior management, or creates a direct relationship between the director and members of senior management, in each case of a nature that would impair the director’s ability to make independent judgments about the Company’s executive compensation. In that regard, while a board may conclude differently with respect to individual facts and circumstances, Nasdaq does not believe that ownership of Company stock by itself, or possession of a controlling interest through ownership of Company stock by itself, precludes a board finding that it is appropriate for a director to serve on the compensation committee. In fact, it may be appropriate for certain affiliates, such as representatives of significant stockholders, to serve on compensation committees since their interests are likely aligned with those of other stockholders in seeking an appropriate executive compensation program.

For purposes of the additional independence test for compensation committee members described in Rule 5605(d)(2)(A), any reference to the “Company” includes any parent or subsidiary of the Company. The term “parent or subsidiary” is intended to cover entities the Company controls and consolidates with the Company’s financial statements as filed with the Commission (but not if the Company reflects such entity solely as an investment in its financial statements).

A Smaller Reporting Company must have a compensation committee with a minimum of two members. Each compensation committee member must be an Independent Director as defined under Rule 5605(a)(2). In addition, each Smaller Reporting Company must have a formal written compensation committee charter or board resolution that specifies the committee’s responsibilities and authority set forth in Rule 5605(d)(1)(A)-(C). However, in recognition of the fact that Smaller Reporting Companies may have fewer resources than larger Companies, Smaller Reporting Companies are not required to adhere to the additional compensation committee eligibility requirements in Rule 5605(d)(2)(A), or to incorporate into their formal written compensation committee charter or board resolution the specific compensation committee responsibilities and authority set forth in Rule 5605(d)(3).

(e) Independent Director Oversight of Director Nominations

(1) Director nominees must either be selected, or recommended for the Board's selection, either by:

(A) Independent Directors constituting a majority of the Board's Independent Directors in a vote in which only Independent Directors participate, or

(B) a nominations committee comprised solely of Independent Directors.
(2) Each Company must certify that it has adopted a formal written charter or board resolution, as applicable, addressing the nominations process and such related matters as may be required under the federal securities laws.

(3) **Non-Independent Committee Member under Exceptional and Limited Circumstances**

Notwithstanding paragraph 5605(e)(1)(B) above, if the nominations committee is comprised of at least three members, one director, who is not an Independent Director as defined in Rule 5605(a)(2) and is not currently an Executive Officer or employee or a Family Member of an Executive Officer, may be appointed to the nominations committee if the board, under exceptional and limited circumstances, determines that such individual's membership on the committee is required by the best interests of the Company and its Shareholders. A Company that relies on this exception must disclose either on or through the Company's website or in the proxy statement for next annual meeting subsequent to such determination (or, if the Company does not file a proxy, in its Form 10-K or 20-F), the nature of the relationship and the reasons for the determination. In addition, the Company must provide any disclosure required by Instruction 1 to Item 407(a) of Regulation S-K regarding its reliance on this exception. A member appointed under this exception may not serve longer than two years.

(4) Independent Director oversight of director nominations shall not apply in cases where the right to nominate a director legally belongs to a third party. However, this does not relieve a Company's obligation to comply with the committee composition requirements under Rules 5605(c), (d) and (e).

(5) This Rule 5605(e) is not applicable to a Company if the Company is subject to a binding obligation that requires a director nomination structure inconsistent with this rule and such obligation pre-dates the approval date of this rule.

Nasdaq Stock Market Rules, Regulation, IM-5605-7., Nasdaq, Independent Director Oversight of Director Nominations

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Independent Director oversight of nominations enhances investor confidence in the selection of well-qualified director nominees, as well as independent nominees as required by the rules. This rule is also intended to provide flexibility for a Company to choose an appropriate board structure and reduce resource burdens, while ensuring that Independent Directors approve all nominations.

This rule does not apply in cases where the right to nominate a director legally belongs to a third party. For example, investors may negotiate the right to nominate directors in connection with an investment in the Company, holders of preferred stock may be permitted to nominate or appoint directors upon certain defaults, or the Company may be a party to a shareholder's agreement that allocates the right to nominate some directors. Because the right to nominate directors in these cases does not reside with the Company, Independent Director approval would not be required. This rule is not applicable if the Company is subject to a binding obligation that requires a director nomination structure inconsistent with the rule and such obligation pre-dates the approval date of this rule.

Each Company shall adopt a code of conduct applicable to all directors, officers and employees, which shall be publicly available. A code of conduct satisfying this rule must comply with the definition of a "code of ethics" set out in Section 406(c) of the Sarbanes-Oxley Act of 2002 ("the Sarbanes-Oxley Act") and any regulations promulgated thereunder by the Commission. See 17 C.F.R. 228.406 and 17 C.F.R. 229.406. In addition, the code must provide for an enforcement mechanism. Any waivers of the code for directors or Executive Officers must be approved by the Board. Companies, other than Foreign Private Issuers, shall disclose such waivers within four business days by filing a current report on Form 8-K with the Commission or, in cases where a Form 8-K is not required, by distributing a press release. Foreign Private Issuers shall disclose such waivers either by distributing a press release or including disclosure in a Form 6-K or in the next Form 20-F or 40-F. Alternatively, a Company, including a Foreign Private Issuer, may disclose waivers on the Company’s website in a manner that satisfies the requirements of Item 5.05(c) of Form 8-K.
Ethical behavior is required and expected of every corporate director, officer and employee whether or not a formal code of conduct exists. The requirement of a publicly available code of conduct applicable to all directors, officers and employees of a Company is intended to demonstrate to investors that the board and management of Nasdaq Companies have carefully considered the requirement of ethical dealing and have put in place a system to ensure that they become aware of and take prompt action against any questionable behavior. For Company personnel, a code of conduct with enforcement provisions provides assurance that reporting of questionable behavior is protected and encouraged, and fosters an atmosphere of self-awareness and prudent conduct.

Rule 5610 requires Companies to adopt a code of conduct complying with the definition of a "code of ethics" under Section 406(c) of the Sarbanes-Oxley Act of 2002 ( "the Sarbanes-Oxley Act") and any regulations promulgated thereunder by the Commission. See 17 C.F.R. 228.406 and 17 C.F.R. 229.406. Thus, the code must include such standards as are reasonably necessary to promote the ethical handling of conflicts of interest, full and fair disclosure, and compliance with laws, rules and regulations, as specified by the Sarbanes-Oxley Act. However, the code of conduct required by Rule 5610 must apply to all directors, officers, and employees. Companies can satisfy this obligation by adopting one or more codes of conduct, such that all directors, officers and employees are subject to a code that satisfies the definition of a "code of ethics."

As the Sarbanes-Oxley Act recognizes, investors are harmed when the real or perceived private interest of a director, officer or employee is in conflict with the interests of the Company, as when the individual receives improper personal benefits as a result of his or her position with the Company, or when the individual has other duties, responsibilities or obligations that run counter to his or her duty to the Company. Also, the disclosures a Company makes to the Commission are the essential source of information about the Company for regulators and investors — there can be no question about the duty to make them fairly, accurately and timely. Finally, illegal action must be dealt with swiftly and the violators reported to the appropriate authorities. Each code of conduct must require that any waiver of the code for Executive Officers or directors may be made only by the board and must be disclosed to Shareholders, along with the reasons for the waiver. All Companies, other than Foreign Private Issuers, must disclose such waivers within four business days by filing a current report on Form 8-K with the Commission, providing website disclosure that satisfies the requirements of Item 5.05(c) of Form 8-K, or, in cases where a Form 8-K is not required, by distributing a press release. Foreign Private Issuers must disclose such waivers either by providing website disclosure that satisfies the requirements of Item 5.05(c) of Form 8-K, by including disclosure in a Form 6-K or in the next Form 20-F or 40-F or by distributing a press release. This disclosure requirement provides investors the comfort that waivers are not granted except where they are truly necessary and warranted, and that they are limited and qualified so as to protect the Company and its Shareholders to the greatest extent possible.

Each code of conduct must also contain an enforcement mechanism that ensures prompt and consistent enforcement of the code, protection for persons reporting questionable behavior, clear and objective standards for compliance, and a fair process by which to determine violations.


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Nasdaq Stock Market Rules, Regulation, 5615., Nasdaq, Exemptions from Certain Corporate Governance Requirements

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This rule provides the exemptions from the corporate governance rules afforded to certain types of Companies, and sets forth the phase-in schedules for initial public offerings, Companies emerging from bankruptcy, Companies transferring from other markets and Companies ceasing to be Smaller Reporting Companies. This rule also describes the applicability of the corporate governance rules to Controlled Companies and sets forth the phase-in schedule afforded to Companies ceasing to be Controlled Companies.

(a) Exemptions to the Corporate Governance Requirements

(1) Asset-backed Issuers and Other Passive Issuers

The following are exempt from the requirements relating to Majority Independent Board (Rule 5605(b)), Audit Committee (Rule 5605(c)), Compensation Committee (Rule 5605(d)), Director Nominations (Rule 5605(e)), the Controlled Company Exemption (Rule 5615(c)(2)), and Code of Conduct (Rule 5610):

(A) asset-backed issuers; and

(B) issuers, such as unit investment trusts, including Portfolio Depository Receipts, which are organized as trusts or other unincorporated associations that do not have a board of directors or persons acting in a similar capacity and whose activities are limited to passively owning or holding (as well as administering and distributing amounts in respect of) securities, rights, collateral or other assets on behalf of or for the benefit of the holders of the listed securities.
Nasdaq Stock Market Rules, Regulation, IM-5615-1., Nasdaq, Asset-backed Issuers and Other Passive Issuers

Because of their unique attributes, Rules 5605(b), 5605(c), 5605(d), 5605(e) and 5610 do not apply to asset-backed issuers and issuers, such as unit investment trusts, that are organized as trusts or other unincorporated associations that do not have a board of directors or persons acting in a similar capacity and whose activities are limited to passively owning or holding (as well as administering and distributing amounts in respect of) securities, rights, collateral or other assets on behalf of or for the benefit of the holders of the listed securities. This is consistent with Nasdaq's traditional approach to such issuers.


(2) Cooperatives

Cooperative entities, such as agricultural cooperatives, that are structured to comply with relevant state law and federal tax law and that do not have a publicly traded class of common stock are exempt from Rules 5605(b), (d), (e), and 5615(c)(2). However, such entities must comply with all federal securities laws, including without limitation those rules required by Section 10A(m) of the Act and Rule 10A-3 thereunder.
Certain member-owned cooperatives that list their preferred stock are required to have their common stock owned by their members. Because of their unique structure and the fact that they do not have a publicly traded class of common stock, such entities are exempt from Rule 5605(b), (d), and (e). This is consistent with Nasdaq's traditional approach to such Companies.


(3) Foreign Private Issuers

(A) A Foreign Private Issuer may follow its home country practice in lieu of the requirements of the Rule 5600 Series, the requirement to disclose third party director and nominee compensation set forth in Rule 5250(b)(3), and the requirement to distribute annual and interim reports set forth in Rule 5250(d), provided, however, that such a Company shall: comply with the Notification of Noncompliance requirement (Rule 5625), the Voting Rights requirement (Rule 5640), have an audit committee that satisfies Rule 5605(c)(3), and ensure that such audit committee's members meet the independence requirement in Rule 5605(c)(2)(A)(ii). Except as provided in this paragraph, a Foreign Private Issuer must comply with the requirements of the Rule 5000 Series.

(B) Disclosure Requirements

(i) A Foreign Private Issuer that follows a home country practice in lieu of one or more of the Listing Rules shall disclose in its annual reports filed with the Commission each requirement that it does not follow and describe the home country practice followed by the Company in lieu of such requirements. Alternatively, a Foreign Private Issuer that is not required to file its annual report with the Commission on Form 20-F may make this disclosure only on its website. A Foreign Private Issuer that follows a home country practice in lieu of the requirement in Rule 5605(d)(2) to have an independent compensation committee must disclose in its annual reports filed with the Commission the reasons why it does not have such an independent committee.

(ii) A Foreign Private Issuer making its initial public offering or first U.S. listing on Nasdaq shall disclose in its registration statement or on its website each requirement that it does not follow and describe the home country practice followed by the Company in lieu of such requirements.
Nasdaq Stock Market Rules, Regulation, IM-5615-3., Nasdaq, Foreign Private Issuers

A Foreign Private Issuer (as defined in Rule 5005) listed on Nasdaq may follow the practice in such Company's home country (as defined in General Instruction F of Form 20-F) in lieu of the provisions of the Rule 5600 Series, Rule 5250(b)(3), and Rule 5250(d), subject to several important exceptions. First, such an issuer shall comply with Rule 5625 (Notification of Noncompliance). Second, such a Company shall have an audit committee that satisfies Rule 5605(c)(3). Third, members of such audit committee shall meet the criteria for independence referenced in Rule 5605(c)(2)(A)(i) (the criteria set forth in Rule 10A-3(b)(1) under the Act, subject to the exemptions provided in Rule 10A-3(c) under the Act). Finally, a Foreign Private Issuer that elects to follow home country practice in lieu of a requirement of Rules 5600, 5250(b)(3), or 5250(d) shall submit to Nasdaq a written statement from an independent counsel in such Company's home country certifying that the Company's practices are not prohibited by the home country's laws. In the case of new listings, this certification is required at the time of listing. For existing Companies, the certification is required at the time the Company seeks to adopt its first noncompliant practice. In the interest of transparency, the rule requires a Foreign Private Issuer to make appropriate disclosures in the Company's annual filings with the Commission (typically Form 20-F or 40-F), and at the time of the Company's original listing in the United States, if that listing is on Nasdaq, in its registration statement (typically Form F-1, 20-F, or 40-F); alternatively, a Company that is not required to file an annual report on Form 20-F may provide these disclosures in English on its website in addition to, or instead of, providing these disclosures on its registration statement or annual report. The Company shall disclose each requirement that it does not follow and include a brief statement of the home country practice the Company follows in lieu of these corporate governance requirement(s). If the disclosure is only available on the website, the annual report and registration statement should so state and provide the web address at which the information may be obtained. Companies that must file annual reports on Form 20-F are encouraged to provide these disclosures on their websites, in addition to the required Form 20-F disclosures, to provide maximum transparency about their practices.


(4) Limited Partnerships

A limited partnership is not subject to the requirements of the Rule 5600 Series, except as provided in this Rule 5615(a)(4). A limited partnership may request a written interpretation pursuant to Rule 5602.

(A) No provision of this Rule shall be construed to require any foreign Company that is a partnership to do any act that is contrary to a law, rule or regulation of any public authority exercising jurisdiction over such Company or that is contrary to generally accepted business practices in the Company's country of domicile. Nasdaq shall have the ability to provide exemptions from applicability of these provisions as may be necessary or appropriate to carry out this intent.

(B) Corporate General Partner

Each Company that is a limited partnership shall maintain a corporate general partner or co-general partner, which shall have the authority to manage the day-to-day affairs of the partnership.

(C) Independent Directors/Audit Committee

The corporate general partner or co-general partner shall maintain a sufficient number of Independent Directors on its board to satisfy the audit committee requirements set forth in Rule 5605(c).

(D) Partner Meetings
A Company that is a limited partnership shall not be required to hold an annual meeting of limited partners unless required by statute or regulation in the state in which the limited partnership is formed or doing business or by the terms of the partnership's limited partnership agreement.

(E) Quorum
In the event that a meeting of limited partners is required pursuant to paragraph (D), the quorum for such meeting shall be not less than 33-1/3 percent of the limited partnership interests outstanding.

(F) Solicitation of Proxies
In the event that a meeting of limited partners is required pursuant to paragraph (D), the Company shall provide all limited partners with proxy or information statements and if a vote is required, shall solicit proxies thereon.

(G) Review of Related Party Transactions
Each Company that is a limited partnership shall conduct an appropriate review of all related party transactions on an ongoing basis and shall utilize the Audit Committee or a comparable body of the Board of Directors for the review of potential material conflict of interest situations where appropriate.

(H) Shareholder Approval
Each Company that is a limited partnership must obtain shareholder approval when a stock option or purchase plan is to be established or materially amended or other equity compensation arrangement made or materially amended, pursuant to which stock may be acquired by officers, directors, employees, or consultants, as would be required under Rule 5635(c) and IM-5635-1.

(I) Auditor Registration
Each Company that is a limited partnership must be audited by an independent public accountant that is registered as a public accounting firm with the Public Company Accounting Oversight Board, as provided for in Section 102 of the Sarbanes-Oxley Act of 2002 [15 U.S.C. 7212].

(J) Notification of Noncompliance.
Each Company that is a limited partnership must provide Nasdaq with prompt notification after an Executive Officer of the Company, or a person performing an equivalent role, becomes aware of any noncompliance by the Company with the requirements of this Rule 5600 Series.

(5) Management Investment Companies
Management investment companies (including business development companies) are subject to all the requirements of the Rule 5600 Series, except that management investment companies registered under the Investment Company Act of 1940 are exempt from the Independent Directors requirement, the Compensation Committee requirement, the Independent Director Oversight of Director Nominations requirement, and the Code of Conduct requirement, set forth in Rules 5605(b), (d) and (e) and 5610, respectively. In addition, management investment companies that issue Index Fund Shares, Managed Fund Shares, and NextShares, as defined in Rules 5705(b), 5735, and 5745 are exempt from the Audit Committee requirements set forth in Rule 5605(c), except for the applicable requirements of SEC Rule 10A-3.
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Management investment companies registered under the Investment Company Act of 1940 are already subject to a pervasive system of federal regulation in certain areas of corporate governance covered by 5600. In light of this, Nasdaq exempts from Rules 5605(b), (d), (e) and 5610 management investment companies registered under the Investment Company Act of 1940. Business development companies, which are a type of closed-end management investment company defined in Section 2(a)(48) of the Investment Company Act of 1940 that are not registered under that Act, are required to comply with all of the provisions of the Rule 5600 Series. Management investment companies that issue Index Fund Shares, Managed Fund Shares, and NextShares, are exempt from the Audit Committee requirements set forth in Rule 5605(c), except for the applicable requirements of SEC Rule 10A-3.


(b) Phase-In Schedules

(1) Initial Public Offerings

A Company listing in connection with its initial public offering shall be permitted to phase in its compliance with the independent committee requirements set forth in Rules 5605(d)(2) and (e)(1)(B) on the same schedule as it is permitted to phase in its compliance with the independent audit committee requirement pursuant to Rule 10A-3(b)(1)(iv)(A) under the Act. Accordingly, a Company listing in connection with its initial public offering shall be permitted to phase in its compliance with the committee composition requirements set forth in Rule 5605(d)(2) and (e)(1)(B) as follows: (1) one member must satisfy the requirement at the time of listing; (2) a majority of members must satisfy the requirement within 90 days of listing; and (3) all members must satisfy the requirement within one year of listing. Furthermore, a Company listing in connection with its initial public offering shall have twelve months from the date of listing to comply with the majority independent board requirement in Rule 5605(b). It should be noted, however, that pursuant to Rule 10A-3(b)(1)(iii) under the Act investment companies are not afforded the exemptions under Rule 10A-3(b)(1)(iv) under the Act. Companies may choose not to adopt a nomination committee and may instead rely upon a majority of the Independent Directors to discharge responsibilities under Rule 5605(b). For purposes of the Rule 5600 Series other than Rules 5605(c)(2)(A)(ii) and 5625, a Company shall be considered to be listing in conjunction with an initial public offering if, immediately prior to listing, it does not have a class of common stock registered under the Act. For purposes of Rule 5605(c)(2)(A)(ii) and Rule 5625, a Company shall be considered to be listing in conjunction with an initial public offering only if it meets the conditions in Rule 10A-3(b)(1)(iv)(A) under the Act, namely, that the Company was not, immediately prior to the effective date of a registration statement, required to file reports with the Commission pursuant to Section 13(a) or 15(d) of the Act.

(2) Companies Emerging from Bankruptcy

Companies that are emerging from bankruptcy shall be permitted to phase-in independent nomination and compensation committees and majority independent boards on the same schedule as Companies listing in conjunction with their initial public offering.

(3) Transfers from other Markets

Companies transferring from other markets with a substantially similar requirement shall be afforded the balance of any grace period afforded by the other market. Companies transferring from other listed markets that do not have a substantially similar requirement shall be afforded one year from the date of listing on Nasdaq. This transition period is not intended to supplant any applicable requirements of Rule 10A-3 under the Act.
(4) Phase-In Schedule for a Company Ceasing to be a Smaller Reporting Company

Pursuant to Rule 12b-2 under the Act, a Company tests its status as a Smaller Reporting Company on an annual basis as of the last business day of its most recently completed second fiscal quarter (for purposes of this Rule, the “Determination Date”). A Company which ceases to meet the requirements for smaller reporting company status as of the Determination Date will cease to be a Smaller Reporting Company as of the beginning of the fiscal year following the Determination Date (the “Start Date”).

By six months from the Start Date, a Company must comply with Rule 5605(d)(3) and certify to Nasdaq that: (i) it has complied with the requirement in Rule 5605(d)(1) to adopt a formal written compensation committee charter including the content specified in Rule 5605(d)(1)(A)-(D); and (ii) it has complied, or within the applicable phase-in schedule will comply, with the additional requirements in Rule 5605(d)(2)(A) regarding compensation committee composition.

A Company shall be permitted to phase in its compliance with the additional compensation committee eligibility requirements of Rule 5605(d)(2)(A) relating to compensatory fees and affiliation as follows: (i) one member must satisfy the requirements by six months from the Start Date; (ii) a majority of members must satisfy the requirements by nine months from the Start Date; and (iii) all members must satisfy the requirements by one year from the Start Date.

Since a Smaller Reporting Company is required to have a compensation committee comprised of at least two Independent Directors, a Company that has ceased to be a Smaller Reporting Company may not use the phase-in schedule for the requirements of Rule 5605(d)(2)(A) relating to minimum committee size or that the committee consist only of Independent Directors as defined under Rule 5605(a)(2).

During this phase-in schedule, a Company that has ceased to be a Smaller Reporting Company must continue to comply with Rule 5605(d)(5).

(c) How the Rules Apply to a Controlled Company

(1) Definition

A Controlled Company is a Company of which more than 50% of the voting power for the election of directors is held by an individual, a group or another company.

(2) Exemptions Afforded to a Controlled Company

A Controlled Company is exempt from the requirements of Rules 5605(b), (d) and (e), except for the requirements of subsection (b)(2) which pertain to executive sessions of Independent Directors. A Controlled Company, other than a Foreign Private Issuer, relying upon this exemption must comply with the disclosure requirements set forth in Instruction 1 to Item 407(a) of Regulation S-K. A Foreign Private Issuer must disclose in its next annual report (e.g., Form 20-F or 40-F) that it is a Controlled Company and the basis for that determination.

(3) Phase-In Schedule for a Company Ceasing to be a Controlled Company

A Company that has ceased to be a Controlled Company within the meaning of Rule 5615(c)(1) shall be permitted to phase-in its independent nomination and compensation committees and majority independent board on the same schedule as Companies listing in conjunction with their initial public offering. It should be noted, however, that a Company that has ceased to be a Controlled Company within the meaning of Rule 5615(c)(1) must comply with the audit committee requirements of Rule 5605(c) as of the date it ceased to be a Controlled Company. Furthermore, the executive sessions requirement of Rule 5605(b)(2) applies to Controlled Companies as of the date of listing and continues to apply after it ceases to be controlled.

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Nasdaq Stock Market Rules, Regulation, IM-5615-5., Nasdaq, Controlled Company Exemption

This exemption recognizes that majority Shareholders, including parent companies, have the right to select directors and control certain key decisions, such as executive officer compensation, by virtue of their ownership rights. In order for a group to exist for purposes of this rule, the Shareholders must have publicly filed a notice that they are acting as a group (e.g., a Schedule 13D). A Controlled Company not relying upon this exemption need not provide any special disclosures about its controlled status. It should be emphasized that this controlled company exemption does not extend to the audit committee requirements under Rule 5605(c) or the requirement for executive sessions of Independent Directors under Rule 5605(b)(2).


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Nasdaq Stock Market Rules, Regulation, 5620., Nasdaq, Meetings of Shareholders

(a) Each Company listing common stock or voting preferred stock, and their equivalents, shall hold an annual meeting of Shareholders no later than one year after the end of the Company's fiscal year-end, unless such Company is a limited partnership that meets the requirements of Rule 5615(a)(4)(D).

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Nasdaq Stock Market Rules, Regulation, IM-5620., Nasdaq, Meetings of Shareholders or Partners

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Rule 5620 requires that each Company listing common stock or voting preferred stock, and their equivalents, hold an annual meeting of Shareholders within one year of the end of each fiscal year. At each such meeting, Shareholders must be afforded the opportunity to discuss Company affairs with management and, if required by the Company's governing documents, to elect directors. A new listing that was not previously subject to a requirement to hold an annual meeting is required to hold its first meeting within one-year after its first fiscal year-end following listing. Of course, Nasdaq's meeting requirement does not supplant any applicable state or federal securities laws concerning annual meetings.

This requirement is not applicable as a result of a Company listing the following types of securities: securities listed pursuant to Rule 5730(a) (such as Trust Preferred Securities and Contingent Value Rights), unless the listed security is a common stock or voting preferred stock equivalent (e.g., a callable common stock); Portfolio Depository Receipts and Index Fund Shares listed pursuant to Rules 5705(a) and (b); and Trust Issued Receipts listed pursuant to Rule 5720. Notwithstanding, if the Company also lists common stock or voting preferred stock, or their equivalent, the Company must still hold an annual meeting for the holders of that common stock or voting preferred stock, or their equivalent.


(b) Proxy Solicitation

Each Company that is not a limited partnership shall solicit proxies and provide proxy statements for all meetings of Shareholders and shall provide copies of such proxy solicitation to Nasdaq. Limited partnerships that are required to hold an annual meeting of partners are subject to the requirements of Rule 5615(a)(4)(F).

(c) Quorum

Each Company that is not a limited partnership shall provide for a quorum as specified in its by-laws for any meeting of the holders of common stock; provided, however, that in no case shall such quorum be less than 33 1/3 % of the outstanding shares of the Company's common voting stock. Limited partnerships that are required to hold an annual meeting of partners are subject to the requirements of Rule 5615(a)(4)(E).

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Nasdaq Stock Market Rules, Regulation, 5625., Nasdaq, Notification of Noncompliance

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A Company must provide Nasdaq with prompt notification after an Executive Officer of the Company becomes aware of any noncompliance by the Company with the requirements of this Rule 5600 Series.


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(a) Each Company that is not a limited partnership shall conduct an appropriate review and oversight of all related party transactions for potential conflict of interest situations on an ongoing basis by the Company's audit committee or another independent body of the board of directors. For purposes of this rule, the term "related party transaction" shall refer to transactions required to be disclosed pursuant to Item 404 of Regulation S-K under the Act. However, in the case of non-U.S. issuers, the term "related party transactions" shall refer to transactions required to be disclosed pursuant to Form 20-F, Item 7.B.

(b) Limited partnerships shall comply with the requirements of Rule 5615(a)(4)(G).

Nasdaq Stock Market Rules, Regulation, 5635., Nasdaq, Shareholder Approval

This Rule sets forth the circumstances under which shareholder approval is required prior to an issuance of securities in connection with: (i) the acquisition of the stock or assets of another company; (ii) equity-based compensation of officers, directors, employees or consultants; (iii) a change of control; and (iv) transactions other than public offerings. General provisions relating to shareholder approval are set forth in Rule 5635(e), and the financial viability exception to the shareholder approval requirement is set forth in Rule 5635(f). Nasdaq-listed Companies and their representatives are encouraged to use the interpretative letter process described in Rule 5602.

(a) Acquisition of Stock or Assets of Another Company

Shareholder approval is required prior to the issuance of securities in connection with the acquisition of the stock or assets of another company if:

1. where, due to the present or potential issuance of common stock, including shares issued pursuant to an earn-out provision or similar type of provision, or securities convertible into or exercisable for common stock, other than a public offering for cash:
   
   A) the common stock has or will have upon issuance voting power equal to or in excess of 20% of the voting power outstanding before the issuance of stock or securities convertible into or exercisable for common stock; or
   
   B) the number of shares of common stock to be issued is or will be equal to or in excess of 20% of the number of shares of common stock outstanding before the issuance of the stock or securities; or

2. any director, officer or Substantial Shareholder (as defined by Rule 5635(e)(3)) of the Company has a 5% or greater interest (or such persons collectively have a 10% or greater interest), directly or indirectly, in the Company or assets to be acquired or in the consideration to be paid in the transaction or series of related transactions and the present or potential issuance of common stock, or securities convertible into or exercisable for common stock, could result in an increase in outstanding common shares or voting power of 5% or more; or

(b) Change of Control

Shareholder approval is required prior to the issuance of securities when the issuance or potential issuance will result in a change of control of the Company.

(c) Equity Compensation

Shareholder approval is required prior to the issuance of securities when a stock option or purchase plan is to be established or materially amended or other equity compensation arrangement made or materially amended, pursuant to which stock may be acquired by officers, directors, employees, or consultants, except for:

1. warrants or rights issued generally to all security holders of the Company or stock purchase plans available on equal terms to all security holders of the Company (such as a typical dividend reinvestment plan);

2. tax qualified, non-discriminatory employee benefit plans (e.g., plans that meet the requirements of Section 401(a) or 423 of the Internal Revenue Code) or parallel nonqualified plans, provided such plans are approved by the Company’s independent compensation committee or a majority of the Company's Independent Directors; or plans that merely provide a convenient way to purchase shares on the open market and do not provide material benefits to the Company or its shareholders.
market or from the Company at Market Value;

(3) plans or arrangements relating to an acquisition or merger as permitted under IM-5635-1; or

(4) issuances to a person not previously an employee or director of the Company, or following a bona fide period of non-employment, as an inducement material to the individual's entering into employment with the Company, provided such issuances are approved by either the Company's independent compensation committee or a majority of the Company's Independent Directors. Promptly following an issuance of any employment inducement grant in reliance on this exception, a Company must disclose in a press release the material terms of the grant, including the recipient(s) of the grant and the number of shares involved.


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Employee ownership of Company stock can be an effective tool to align employee interests with those of other Shareholders. Stock option plans or other equity compensation arrangements can also assist in the recruitment and retention of employees, which is especially critical to young, growing Companies, or Companies with insufficient cash resources to attract and retain highly qualified employees. However, these plans can potentially dilute shareholder interests. **Rule 5635(c)** ensures that Shareholders have a voice in these situations, given this potential for dilution.

**Rule 5635(c)** requires shareholder approval when a plan or other equity compensation arrangement is established or materially amended. For these purposes, a material amendment would include, but not be limited to, the following:

1. any material increase in the number of shares to be issued under the plan (other than to reflect a reorganization, stock split, merger, spinoff or similar transaction);
2. any material increase in benefits to participants, including any material change to: (i) permit a repricing (or decrease in exercise price) of outstanding options, (ii) reduce the price at which shares or options to purchase shares may be offered, or (iii) extend the duration of a plan;
3. any material expansion of the class of participants eligible to participate in the plan; and
4. any expansion in the types of options or awards provided under the plan.

While general authority to amend a plan would not obviate the need for shareholder approval, if a plan permits a specific action without further shareholder approval, then no such approval would generally be required. However, if a plan contains a formula for automatic increases in the shares available (sometimes called an "evergreen formula"), or for automatic grants pursuant to a dollar-based formula (such as annual grants based on a certain dollar value, or matching contributions based upon the amount of compensation the participant elects to defer), such plans cannot have a term in excess of ten years unless shareholder approval is obtained every ten years. However, plans that do not contain a formula and do not impose a limit on the number of shares available for grant would require shareholder approval of each grant under the plan. A requirement that grants be made out of treasury shares or repurchased shares will not alleviate these additional shareholder approval requirements.

As a general matter, when preparing plans and presenting them for shareholder approval, Companies should strive to make plan terms easy to understand. In that regard, it is recommended that plans meant to permit repricing use explicit terminology to make this clear.

**Rule 5635(c)** provides an exception to the requirement for shareholder approval for warrants or rights offered generally to all Shareholders. In addition, an exception is provided for tax qualified, non-discriminatory employee benefit plans as well as parallel nonqualified plans as these plans are regulated under the Internal Revenue Code and Treasury Department regulations. An equity compensation plan that provides non-U.S. employees with substantially the same benefits as a comparable tax qualified, non-discriminatory employee benefit plan or parallel nonqualified plan that the Company provides to its U.S. employees, but for features necessary to comply with applicable foreign tax law, is also exempt from shareholder approval under this section.

Further, the rule provides an exception for inducement grants to new employees because in these cases a Company has an arm's length relationship with the new employees. Inducement grants for these purposes include grants of options or stock to new employees in connection with a merger or acquisition. The rule requires that such issuances be approved by the Company's independent compensation committee or a majority of the Company's Independent Directors. The rule further requires that promptly following an issuance of any employment inducement grant in reliance on this exception, a Company must disclose in a press release the...
material terms of the grant, including the recipient(s) of the grant and the number of shares involved.

In addition, plans or arrangements involving a merger or acquisition do not require shareholder approval in two situations. First, shareholder approval will not be required to convert, replace or adjust outstanding options or other equity compensation awards to reflect the transaction. Second, shares available under certain plans acquired in acquisitions and mergers may be used for certain post-transaction grants without further shareholder approval. This exception applies to situations where the party which is not a listed company following the transaction has shares available for grant under pre-existing plans that meet the requirements of this Rule 5635(c). These shares may be used for post-transaction grants of options and other equity awards by the listed Company (after appropriate adjustment of the number of shares to reflect the transaction), either under the pre-existing plan or arrangement or another plan or arrangement, without further shareholder approval, provided: (1) the time during which those shares are available for grants is not extended beyond the period when they would have been available under the pre-existing plan, absent the transaction, and (2) such options and other awards are not granted to individuals who were employed by the granting company or its subsidiaries at the time the merger or acquisition was consummated. Nasdaq would view a plan or arrangement adopted in contemplation of the merger or acquisition transaction as not pre-existing for purposes of this exception. This exception is appropriate because it will not result in any increase in the aggregate potential dilution of the combined enterprise. In this regard, any additional shares available for issuance under a plan or arrangement acquired in connection with a merger or acquisition would be counted by Nasdaq in determining whether the transaction involved the issuance of 20% or more of the Company's outstanding common stock, thus triggering the shareholder approval requirements under Rule 5635(a).

Inducement grants, tax qualified non-discriminatory benefit plans, and parallel nonqualified plans are subject to approval by either the Company's independent compensation committee or a majority of the Company's Independent Directors. It should also be noted that a Company would not be permitted to use repurchased shares to fund option plans or grants without prior shareholder approval.

For purposes of Rule 5635(c) and IM-5635-1, the term "parallel nonqualified plan" means a plan that is a "pension plan" within the meaning of the Employee Retirement Income Security Act ("ERISA"), 29 U.S.C. §1002 (1999), that is designed to work in parallel with a plan intended to be qualified under Internal Revenue Code Section 401(a), to provide benefits that exceed the limits set forth in Internal Revenue Code Section 402(g) (the section that limits an employee's annual pre-tax contributions to a 401(k) plan), Internal Revenue Code Section 401(a)(17) (the section that limits the amount of an employee's compensation that can be taken into account for plan purposes) and/or Internal Revenue Code Section 415 (the section that limits the contributions and benefits under qualified plans) and/or any successor or similar limitations that may thereafter be enacted. However, a plan will not be considered a parallel nonqualified plan unless: (i) it covers all or substantially all employees of an employer who are participants in the related qualified plan whose annual compensation is in excess of the limit of Code Section 401(a)(17) (or any successor or similar limitation that may hereafter be enacted); (ii) its terms are substantially the same as the qualified plan that it parallels except for the elimination of the limitations described in the preceding sentence; and, (iii) no participant receives employer equity contributions under the plan in excess of 25% of the participant's cash compensation.


(d) Transactions other than Public Offerings

(1) For purposes of this Rule 5635(d):

(A) “Minimum Price” means a price that is the lower of: (i) the closing price (as reflected on Nasdaq.com) immediately preceding the signing of the binding agreement; or (ii) the average closing price of the common stock (as reflected on Nasdaq.com) for the five trading days immediately preceding the signing of the binding agreement.

(B) “20% Issuance” means a transaction, other than a public offering as defined in IM-5635-3, involving the sale, issuance or potential issuance by the Company of common stock (or securities convertible into or exercisable for common stock), which alone or together with sales by officers, directors or Substantial Shareholders of the Company, equals 20% or more of the common stock or 20% or more of the voting power outstanding before the
issuance.

(2) Shareholder approval is required prior to a 20% Issuance at a price that is less than the Minimum Price.
Rule 5635 limits the number of shares or voting power that can be issued or granted without shareholder approval prior to the issuance of certain securities. (An exception to this rule is available to Companies when the delay in securing stockholder approval would seriously jeopardize the financial viability of the enterprise as set forth in Rule 5635(f). However, a share cap is not permissible in conjunction with the financial viability exception provided in Rule 5635(f), because the application to Nasdaq and the notice to Shareholders required in the rule must occur prior to the issuance of any common stock or securities convertible into or exercisable for common stock.) Generally, this limitation applies to issuances of 20% or more of the common stock or voting power outstanding before the issuance. (While Nasdaq's experience is that this issue is generally implicated with respect to these situations, it may also arise with respect to the 5% threshold set forth in Rule 5635(a)(2).) Companies sometimes comply with the 20% limitation in this rule by placing a "cap" on the number of shares that can be issued in the transaction, such that there cannot, under any circumstances, be an issuance of 20% or more of the common stock or voting power previously outstanding without prior shareholder approval. If a Company determines to defer a shareholder vote in this manner, shares that are issuable under the cap (in the first part of the transaction) must not be entitled to vote to approve the remainder of the transaction. In addition, a cap must apply for the life of the transaction, unless shareholder approval is obtained. For example, caps that no longer apply if a Company is not listed on Nasdaq are not permissible under the Rule. Of course, if shareholder approval is not obtained, then the investor will not be able to acquire 20% or more of the common stock or voting power outstanding before the transaction and would continue to hold the balance of the original security in its unconverted form.

Nasdaq has observed situations where Companies have attempted to cap the issuance of shares at below 20% but have also provided an alternative outcome based upon whether shareholder approval is obtained, including, but not limited to a "penalty" or a "sweetener." Instead, if the terms of a transaction can change based upon the outcome of the shareholder vote, no common shares may be issued prior to the approval of the Shareholders. Companies that engage in transactions with defective caps may be subject to delisting. For example, a Company issues a convertible preferred stock or debt instrument that provides for conversions of up to 20% of the total shares outstanding with any further conversions subject to shareholder approval. However, the terms of the instrument provide that if Shareholders reject the transaction, the coupon or conversion ratio will increase or the Company will be penalized by a specified monetary payment, including a rescission of the transaction. Likewise, a transaction may provide for improved terms if shareholder approval is obtained. Nasdaq believes that in such situations the cap is defective because the presence of the alternative outcome has a coercive effect on the shareholder vote, and thus may deprive Shareholders of their ability to freely exercise their vote. Accordingly, Nasdaq will not accept a cap that defers the need for shareholder approval in such situations.

Companies having questions regarding this policy are encouraged to contact the Nasdaq Listing Qualifications Department at (301) 978-8008, which will provide a written interpretation of the application of Nasdaq Rules to a specific transaction, upon prior written request of the Company.


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Nasdaq Stock Market Rules, Regulation, IM-5635-3., Nasdaq, Definition of a Public Offering

Rule 5635(d) provides that shareholder approval is required for a 20% issuance at a price that is less than the Minimum Price. Under this rule, however, shareholder approval is not required for a "public offering."

Companies are encouraged to consult with Nasdaq staff in order to determine if a particular offering is a "public offering" for purposes of the shareholder approval rules. Generally, a firm commitment underwritten securities offering registered with the Securities and Exchange Commission will be considered a public offering for these purposes. Likewise, any other securities offering which is registered with the Securities and Exchange Commission and which is publicly disclosed and distributed in the same general manner and extent as a firm commitment underwritten securities offering will be considered a public offering for purposes of the shareholder approval rules. However, Nasdaq staff will not treat an offering as a "public offering" for purposes of the shareholder approval rules merely because they are registered with the Commission prior to the closing of the transaction.

When determining whether an offering is a "public offering" for purposes of these rules, Nasdaq staff will consider all relevant factors, including but not limited to:

(i) the type of offering (including whether the offering is conducted by an underwriter on a firm commitment basis, or an underwriter or placement agent on a best-efforts basis, or whether the offering is self-directed by the Company);
(ii) the manner in which the offering is marketed (including the number of investors offered securities, how those investors were chosen, and the breadth of the marketing effort);
(iii) the extent of the offering's distribution (including the number and identity of the investors who participate in the offering and whether any prior relationship existed between the Company and those investors);
(iv) the offering price (including the extent of any discount to the market price of the securities offered); and
(v) the extent to which the Company controls the offering and its distribution.


(e) Definitions and Computations Relating to the Shareholder Approval Requirements

(1) For purposes of making any computation in this paragraph, when determining the number of shares issuable in a transaction, all shares that could be issued are included, regardless of whether they are currently treasury shares. When determining the number of shares outstanding, only shares issued and outstanding are considered. Treasury shares, shares held by a subsidiary, and unissued shares reserved for issuance upon conversion of securities or upon exercise of options or warrants are not considered outstanding.

(2) Voting power outstanding as used in this Rule refers to the aggregate number of votes which may be cast by holders of those securities outstanding which entitle the holders thereof to vote generally on all matters submitted to the Company's security holders for a vote.

(3) An interest consisting of less than either 5% of the number of shares of common stock or 5% of the voting power outstanding of a Company or party shall not be considered a substantial interest or cause the holder of such an interest to be regarded as a "Substantial Shareholder."

(4) Where shareholder approval is required, the minimum vote that will constitute shareholder approval shall be a majority of the total votes cast on the proposal. These votes may be cast in person, by proxy at a meeting of Shareholders or by written consent in lieu of a special meeting to the extent permitted by applicable state and federal law and rules (including interpretations thereof), including, without limitation,
Regulations 14A and 14C under the Act. Nothing contained in this Rule 5635(e)(4) shall affect a Company's obligation to hold an annual meeting of Shareholders as required by Rule 5620(a).

(5) Shareholder approval shall not be required for any share issuance if such issuance is part of a court-approved reorganization under the federal bankruptcy laws or comparable foreign laws.

(f) Financial Viability Exception
An exception applicable to a specified issuance of securities may be made upon prior written application to Nasdaq's Listing Qualifications Department when:

(1) the delay in securing stockholder approval would seriously jeopardize the financial viability of the enterprise; and

(2) reliance by the Company on this exception is expressly approved by the audit committee or a comparable body of the board of directors comprised solely of independent, disinterested directors. The Listing Qualifications Department shall respond to each application for such an exception in writing.

A Company that receives such an exception must mail to all Shareholders not later than ten days before issuance of the securities a letter alerting them to its omission to seek the shareholder approval that would otherwise be required. Such notification shall disclose the terms of the transaction (including the number of shares of common stock that could be issued and the consideration received), the fact that the Company is relying on a financial viability exception to the stockholder approval rules, and that the audit committee or a comparable body of the board of directors comprised solely of independent, disinterested directors has expressly approved reliance on the exception. The Company shall also make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing the same information as promptly as possible, but no later than ten days before the issuance of the securities.


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Nasdaq Stock Market Rules, Regulation, IM-5635-4., Nasdaq, Interpretive Material Regarding Future Priced Securities and Other Securities with Variable Conversion Terms

Summary
Provisions of this IM-5635-4 would apply to any security with variable conversion terms. For example, Future Priced Securities are private financing instruments which were created as an alternative means of quickly raising capital for Companies. The security is generally structured in the form of a convertible security and is often issued via a private placement. Companies will typically receive all capital proceeds at the closing. The conversion price of the Future Priced Security is generally linked to a percentage discount to the market price of the underlying common stock at the time of conversion and accordingly the conversion rate for Future Priced Securities floats with the market price of the common stock. As such, the lower the price of the Company's common stock at the time of conversion, the more shares into which the Future Priced Security is convertible. The delay in setting the conversion price is appealing to Companies who believe that their stock will achieve greater value after the financing is received. However, the issuance of Future Priced Securities may be followed by a decline in the common stock price, creating additional dilution to the existing holders of the common stock. Such a price decline allows holders to convert the Future Priced Security into large amounts of the Company's common stock. As these shares are issued upon conversion of the Future Priced Security, the common stock price may tend to decline further.

For example, a Company may issue $10 million of convertible preferred stock (the Future Priced Security), which is convertible by the holder or holders into $10 million of common stock based on a conversion price of 80% of the closing price of the common stock on the date of conversion. If the closing price is $5 on the date of conversion, the Future Priced Security holders would receive 2,500,000 shares of common stock. If, on the other hand, the closing price is $1 on the date of conversion, the Future Priced Security holders would receive 12,500,000 shares of common stock.

Unless the Company carefully considers the terms of the securities in connection with several Nasdaq Rules, the issuance of Future Priced Securities could result in a failure to comply with Nasdaq listing standards and the concomitant delisting of the Company's securities from Nasdaq. Nasdaq's experience has been that Companies do not always appreciate this potential consequence. Nasdaq Rules that bear upon the continued listing qualification of a Company and that must be considered when issuing Future Priced Securities include:

1. the shareholder approval rules (see Rule 5635)
2. the voting rights rules (see Rule 5640)
3. the bid price requirement (see Rules 5450(a)(1) and 5555(b)(1))
4. the listing of additional shares rules (see Rule 5250(e)(2))
5. the change in control rules (see Rule 5635(b) and 5110(a))
6. Nasdaq's discretionary authority rules (see the Rule 5100 Series)

It is important for Companies to clearly understand that failure to comply with any of these rules could result in the delisting of the Company's securities.

This notice is intended to be of assistance to Companies considering financings involving Future Priced Securities. By adhering to the above requirements, Companies can avoid unintended listing qualifications problems. Companies having any questions about this notice should contact the Nasdaq Office of General Counsel at (301) 978-8400 or Listing Qualifications Department at (301) 978-8008. Nasdaq will provide a Company with a written interpretation of the application of Nasdaq Rules to a specific transaction, upon request of the Company.
Shareholder Approval

Rule 5635(d) requires shareholder approval prior to a 20% Issuance at a price that is less than the Minimum Price.

(Nasdaq may make exceptions to this requirement when the delay in securing stockholder approval would seriously jeopardize the financial viability of the enterprise and reliance by the Company on this exception is expressly approved by the Audit Committee or a comparable body of the Board of Directors.)

When Nasdaq staff is unable to determine the number of shares to be issued in a transaction, it looks to the maximum potential issuance of shares to determine whether there will be an issuance of 20 percent or more of the common stock outstanding. In the case of Future Priced Securities, the actual conversion price is dependent on the market price at the time of conversion and so the number of shares that will be issued is uncertain until the conversion occurs. Accordingly, staff will look to the maximum potential issuance of common shares at the time the Future Priced Security is issued. Typically, with a Future Priced Security, the maximum potential issuance will exceed 20 percent of the common stock outstanding because the Future Priced Security could, potentially, be converted into common stock based on a share price of one cent per share, or less. Further, for purposes of this calculation, the lowest possible conversion price is below the Minimum Price of the stock for purposes of Rule 5635(d) at the time of issuance of the Future Priced Security. Therefore, shareholder approval must be obtained prior to the issuance of the Future Priced Security. Companies should also be cautioned that obtaining shareholder ratification of the transaction after the issuance of a Future Priced Security does not satisfy the shareholder approval requirements.

Some Future Priced Securities may contain features to obviate the need for shareholder approval by: (1) placing a cap on the number of shares that can be issued upon conversion, such that the holders of the Future Priced Security cannot, without prior shareholder approval, convert the security into 20% or more of the common stock or voting power outstanding before the issuance of the Future Priced Security (See IM-5635-2, Interpretative Material Regarding the Use of Share Caps to Comply with Rule 5635), or (2) placing a floor on the conversion price, such that the conversion price will always be at least as high as the Minimum Price prior to the issuance of the Future Priced Securities. Even when a Future Priced Security contains these features, however, shareholder approval is still required under Rule 5635(b) if the issuance will result in a change of control. Additionally, discounted issuances of common stock to officers, directors, employees or consultants require shareholder approval pursuant to 5635(c).

Voting Rights

Rule 5640 provides:

Voting rights of existing Shareholders of publicly traded common stock registered under Section 12 of the Act cannot be disparately reduced or restricted through any corporate action or issuance.

IM-5640 also provides rules relating to voting rights of Nasdaq Companies.

Under the voting rights rules, a Company cannot create a new class of security that votes at a higher rate than an existing class of securities or take any other action that has the effect of restricting or reducing the voting rights of an existing class of securities. The voting rights rules are typically implicated when the holders of the Future Priced Security are entitled to vote on an as-converted basis or when the holders of the Future Priced Security are entitled to representation on the Board of Directors. The percentage of the overall vote attributable to the Future Priced Security holders and the Future Priced Security holders’ representation on the board of directors must not exceed their relative contribution to the Company based on the Minimum Price at the time of the issuance of the Future Priced Security. Staff will consider whether a voting rights violation exists by comparing the Future Priced Security holders' voting rights to their relative contribution to the Company based on the Minimum Price at the time of the issuance of the Future Priced Security. If the voting power or the board percentage exceeds that percentage interest, a violation exists because a new class of securities has been created that votes at a higher rate than an already existing class. Future Priced Securities that vote on an as-converted basis also raise voting rights concerns because of the possibility that, due to a decline in the price of the underlying common stock, the Future Priced Security holder will have voting rights disproportionate to its investment in the Company.
It is important to note that compliance with the shareholder approval rules prior to the issuance of a Future Priced Security does not affect whether the transaction is in violation of the voting rights rule. Furthermore, Shareholders can not otherwise agree to permit a voting rights violation by the Company. Because a violation of the voting rights requirement can result in delisting of the Company's securities from Nasdaq, careful attention must be given to this issue to prevent a violation of the rule.

The Bid Price Requirement

The bid price requirement establishes a minimum bid price for issues listed on Nasdaq. The Nasdaq Rules provide that, for an issue to be eligible for continued listing on Nasdaq, the minimum bid price per share shall be $1. An issue is subject to delisting from Nasdaq, as described in the Rule 5800 Series if its bid price falls below $1.

The bid price rules must be thoroughly considered because the characteristics of Future Priced Securities often exert downward pressure on the bid price of the Company's common stock. Specifically, dilution from the discounted conversion of the Future Priced Security may result in a significant decline in the price of the common stock. Furthermore, there appear to be instances where short selling has contributed to a substantial price decline, which, in turn, could lead to a failure to comply with the bid price requirement. (If used to manipulate the price of the stock, short selling by the holders of the Future Priced Security is prohibited by the antifraud provisions of the securities laws and by Nasdaq Rules and may be prohibited by the terms of the placement.)

Listing of Additional Shares

Rule 5250(e)(2) provides:

The Company shall be required to notify Nasdaq on the appropriate form no later than 15 calendar days prior to: establishing or materially amending a stock option plan, purchase plan or other equity compensation arrangement pursuant to which stock may be acquired by officers, directors, employees, or consultants without shareholder approval; issuing securities that may potentially result in a change of control of the Company; issuing any common stock or security convertible into common stock in connection with the acquisition of the stock or assets of another company, if any officer or director or Substantial Shareholder of the Company has a 5% or greater interest (or if such persons collectively have a 10% or greater interest) in the Company to be acquired or in the consideration to be paid; or entering into a transaction that may result in the potential issuance of common stock (or securities convertible into common stock) greater than 10% of either the total shares outstanding or the voting power outstanding on a pre-transaction basis.

Companies should be cognizant that under this rule notification is required at least 15 days prior to issuing any security (including a Future Priced Security) convertible into shares of a class of securities already listed on Nasdaq. Failure to provide such notice can result in a Company's removal from Nasdaq.

Public Interest Concerns

Rule 5101 provides:

Nasdaq is entrusted with the authority to preserve and strengthen the quality of and public confidence in its market. Nasdaq stands for integrity and ethical business practices in order to enhance investor confidence, thereby contributing to the financial health of the economy and supporting the capital formation process. Nasdaq Companies, from new public Companies to Companies of international stature, are publicly recognized as sharing these important objectives.

Nasdaq, therefore, in addition to applying the enumerated criteria set forth in the Listing Rules, has broad discretionary authority over the initial and continued listing of securities in Nasdaq in order to maintain the quality of and public confidence in its market, to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest. Nasdaq may use such discretion to deny initial listing, apply additional or more stringent criteria for the initial or continued listing of particular securities, or suspend or delist particular securities based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities on Nasdaq inadvisable or unwarranted in the opinion of Nasdaq, even though the securities meet all enumerated criteria for initial or continued listing on Nasdaq.
The returns on Future Priced Securities may become excessive compared with those of public investors in the Company's common securities. In egregious situations, the use of a Future Priced Security may raise public interest concerns under the Rule 5100 Series. In addition to the demonstrable business purpose of the transaction, other factors that Nasdaq staff will consider in determining whether a transaction raises public interest concerns include: (1) the amount raised in the transaction relative to the Company's existing capital structure; (2) the dilutive effect of the transaction on the existing holders of common stock; (3) the risk undertaken by the Future Priced Security investor; (4) the relationship between the Future Priced Security investor and the Company; (5) whether the transaction was preceded by other similar transactions; and (6) whether the transaction is consistent with the just and equitable principles of trade.

Some Future Priced Securities may contain features that address the public interest concerns. These features tend to provide incentives to the investor to hold the security for a longer time period and limit the number of shares into which the Future Priced Security may be converted. Such features may limit the dilutive effect of the transaction and increase the risk undertaken by the Future Priced Security investor in relationship to the reward available.

**Business Combinations with non-Nasdaq Entities Resulting in a Change of Control**

Rule 5110(a) provides:

A Company must apply for initial listing in connection with a transaction whereby the Company combines with a non-Nasdaq entity, resulting in a change of control of the Company and potentially allowing the non-Nasdaq entity to obtain a Nasdaq Listing. In determining whether a change of control has occurred, Nasdaq shall consider all relevant factors including, but not limited to, changes in the management, board of directors, voting power, ownership, and financial structure of the Company. Nasdaq shall also consider the nature of the businesses and the relative size of the Nasdaq Company and non-Nasdaq entity. The Company must submit an application for the post-transaction entity with sufficient time to allow Nasdaq to complete its review before the transaction is completed. If the Company's application for initial listing has not been approved prior to consummation of the transaction, Nasdaq will issue a Staff Determination Letter as set forth in Rule 5810 and begin delisting proceedings pursuant to the Rule 5800 Series.

This provision, which applies regardless of whether the Company obtains shareholder approval for the transaction, requires Companies to qualify under the initial listing standards in connection with a combination that results in a change of control. It is important for Companies to realize that in certain instances, the conversion of a Future Priced Security may implicate this provision. For example, if there is no limit on the number of common shares issuable upon conversion, or if the limit is set high enough, the exercise of conversion rights under a Future Priced Security could result in the holders of the Future Priced Securities obtaining control of the listed Company. In such event, a Company may be required to re-apply for initial listing and satisfy all initial listing requirements.


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Nasdaq Stock Market Rules, Regulation, 5640., Nasdaq, Voting Rights

Voting rights of existing Shareholders of publicly traded common stock registered under Section 12 of the Act cannot be disparately reduced or restricted through any corporate action or issuance. Examples of such corporate action or issuance include, but are not limited to, the adoption of time-phased voting plans, the adoption of capped voting rights plans, the issuance of super-voting stock, or the issuance of stock with voting rights less than the per share voting rights of the existing common stock through an exchange offer.


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The following Voting Rights Policy is based upon, but more flexible than, former Rule 19c-4 under the Act. Accordingly, Nasdaq will permit corporate actions or issuances by Nasdaq Companies that would have been permitted under former Rule 19c-4, as well as other actions or issuances that are not inconsistent with this policy. In evaluating such other actions or issuances, Nasdaq will consider, among other things, the economics of such actions or issuances and the voting rights being granted. Nasdaq's interpretations under the policy will be flexible, recognizing that both the capital markets and the circumstances and needs of Nasdaq Companies change over time. The text of the Nasdaq Voting Rights Policy is as follows:

Companies with Dual Class Structures

The restriction against the issuance of super voting stock is primarily intended to apply to the issuance of a new class of stock, and Companies with existing dual class capital structures would generally be permitted to issue additional shares of the existing super voting stock without conflict with this policy.

Consultation with Nasdaq

Violation of the Nasdaq Voting Rights Policy could result in the loss of a Company's Nasdaq or public trading market. The policy can apply to a variety of corporate actions and securities issuances, not just super voting or so-called "time phase" voting common stock. While the policy will continue to permit actions previously permitted under former Rule 19c-4, it is extremely important that Nasdaq Companies communicate their intentions to their Nasdaq representatives as early as possible before taking any action or committing to take any action that may be inconsistent with the policy. Nasdaq urges Companies listed on Nasdaq not to assume, without first discussing the matter with the Nasdaq staff, that a particular issuance of common or preferred stock or the taking of some other corporate action will necessarily be consistent with the policy. It is suggested that copies of preliminary proxy or other material concerning matters subject to the policy be furnished to Nasdaq for review prior to formal filing.

Review of Past Voting Rights Activities

In reviewing an application for initial qualification for listing of a security in Nasdaq, Nasdaq will review the Company's past corporate actions to determine whether another self-regulatory organization (SRO) has found any of the Company's actions to have been a violation or evasion of the SRO's voting rights policy. Based on such review, Nasdaq may take any appropriate action, including the denial of the application or the placing of restrictions on such listing. Nasdaq will also review whether a Company seeking initial listing of a security in Nasdaq has requested a ruling or interpretation from another SRO regarding the application of that SRO's voting rights policy with respect to a proposed transaction. If so, Nasdaq will consider that fact in determining its response to any ruling or interpretation that the Company may request on the same or similar transaction.

Non-U.S. Companies

Nasdaq will accept any action or issuance relating to the voting rights structure of a non-U.S. Company that is in compliance with Nasdaq's requirements for domestic Companies or that is not prohibited by the Company's home country law.


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Nasdaq Stock Market Rules, Regulation, 5701., Nasdaq, Preamble to the Listing Requirements for Other Securities

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(a) This section contains the requirements for listing other securities on The Nasdaq Global Market. In the event that a Company's Primary Security is listed on the Nasdaq Global Select Market, the other securities may be listed on the Nasdaq Global Select Market.

(b) The replacement of, or any significant modification to, the index, portfolio, or Reference Asset underlying a security listed under this Rule 5700 Series (including, but not limited to, a significant modification to the index methodology, a change in the index provider, or a change in control of the index provider) is considered a Substitution Listing Event. The Company must notify Nasdaq at least fifteen calendar days in advance of the effective date of any Substitution Listing Event. Companies should note that these types of changes may affect the Company's compliance with the listing requirements and may require Nasdaq to file a new rule filing pursuant to Section 19(b)(1) of the Act and for such rule filing to be approved by the SEC or otherwise take effect (as applicable), before the product subject to the Substitution Listing Event can be listed or traded. Nasdaq has sole discretion as to whether it chooses to submit a rule filing designed to permit the continued listing of the security and, if submitted, whether to withdraw such rule filing. As such, Companies are encouraged to consult with Nasdaq staff sufficiently in advance of such changes to allow review and preparation of a rule filing and SEC approval, if necessary.

(c) If a Company effectuates any change, including a Substitution Listing Event, which requires the filing of a proposed rule change pursuant to Section 19(b)(1) of the Act and such rule filing has not yet been approved by the SEC or has not yet taken effect (as applicable), then Nasdaq will immediately halt trading in the applicable security until such rule filing is approved or takes effect. If a rule filing is required but Nasdaq determines not to submit one or withdraws the rule filing after it is submitted, or the SEC disapproves the rule filing, Nasdaq will immediately commence delisting procedures with respect to such security.

(d) A Company with securities listed under this Rule 5700 Series must provide Nasdaq with prompt notification after the Company becomes aware of any noncompliance by the Company with the requirements of the Rule 5700 Series.


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Nasdaq Stock Market Rules, Regulation, 5702., Nasdaq, Debt Securities (Other than Convertible Debt)

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(a) For initial listing of a non-convertible bond, the following conditions must be satisfied:
   
   (1) the principal amount outstanding or market value must be at least $5 million; and
   
   (2) the issuer of the non-convertible bond must have one class of equity security that is listed on Nasdaq, NYSE American or the New York Stock Exchange ("NYSE").

The Exchange anticipates that it will not be ready, prior to the Second Quarter of 2019, to list the non-convertible bonds of issuers whose equity securities are listed on NYSE American or NYSE. The Exchange will post a notification via a Trader Alert at least seven days prior to accepting applications from issuers to list such non-convertible bonds.

(b) A non-convertible bond must meet the following requirements for continued listing:

   (1) the market value or principal amount of non-convertible bonds outstanding is at least $400,000; and
   
   (2) the issuer must be able to meet its obligations on the listed non-convertible bonds.

(c) As is required by, and in accordance with the procedures set forth in, Rule 5250(b)(1) and IM-5250-1, a Company that has non-convertible bonds listed on the Nasdaq Bond Exchange must make prompt public disclosure of material information that would reasonably be expected to affect the value of its listed bonds or influence investors’ decisions regarding such bonds and must provide notice of such disclosure to Nasdaq’s MarketWatch Department. For avoidance of doubt, this obligation includes material information about the Company’s equity securities to the extent the information would reasonably be expected to affect the value of, or influence investors’ decisions to invest in, the listed bonds, even if those equity securities are listed on another national securities exchange.


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Nasdaq Stock Market Rules, Regulation, 5705., Nasdaq, Exchange Traded Funds: Portfolio Depository Receipts and Index Fund Shares

(a) Portfolio Depository Receipts

(1) Definitions. The following terms shall, unless the context otherwise requires, have the meanings herein specified:

(A) Portfolio Depository Receipt. The term "Portfolio Depository Receipt" means a security:

(i) that is based on a unit investment trust ("Trust") which holds the securities which comprise an index or portfolio underlying a series of Portfolio Depository Receipts;

(ii) that is issued by the Trust in a specified aggregate minimum number in return for a "Portfolio Deposit" consisting of specified numbers of shares of stock and/or a cash amount, a specified portfolio of fixed income securities and/or a cash amount and/or a combination of the above;

(iii) that, when aggregated in the same specified minimum number, may be redeemed from the Trust which will pay to the redeeming holder the stock and/or cash, fixed income securities and/or cash and/or a combination thereof then comprising the "Portfolio Deposit"; and

(iv) that pays holders a periodic cash payment corresponding to the regular cash dividends or distributions declared with respect to the component securities of the securities index or portfolio of securities underlying the Portfolio Depository Receipts, less certain expenses and other charges as set forth in the Trust prospectus.

(B) Reporting Authority. The term "Reporting Authority" in respect to a particular series of Portfolio Depository Receipts means Nasdaq, a wholly-owned subsidiary of Nasdaq, an institution (including the Trustee for a series of Portfolio Depository Receipts), or a reporting service designated by Nasdaq or its subsidiary as the official source for calculating and reporting information relating to such series, including, but not limited to, any current index or portfolio value; the current value of the portfolio of securities required to be deposited to the Trust in connection with issuance of Portfolio Depository Receipts; the amount of any dividend equivalent payment or cash distribution to holders of Portfolio Depository Receipts, net asset value, and other information relating to the creation, redemption or trading of Portfolio Depository Receipts.

Nothing in this paragraph shall imply that an institution or reporting service that is the source for calculating and reporting information relating to Portfolio Depository Receipts must be designated by Nasdaq; the term "Reporting Authority" shall not refer to an institution or reporting service not so designated.

(C) U.S. Component Stock. The term "U.S. Component Stock" shall mean an equity security that is registered under Sections 12(b) or 12(g) of the Act, or an American Depository Receipt, the underlying equity security of which is registered under Sections 12(b) or 12(g) of the Act.

(D) Non-U.S. Component Stock. The term "Non-U.S. Component Stock" shall mean an equity security that (a) is not registered under Sections 12(b) or 12(g) of the Act, (b) is issued by an entity that is not organized, domiciled or incorporated in the United States, and (c) is issued by an entity that is an operating company (including Real Estate Investment Trusts (REITs) and income trusts, but excluding investment trusts, unit trusts, mutual funds, and derivatives).
(2) Nasdaq requires that Members provide to all purchasers of a series of Portfolio Depository Receipts a written description of the terms and characteristics of such securities, not later than the time a confirmation of the first transaction in such series is delivered to such purchaser. In addition, Members shall include such a written description with any sales material relating to a series of Portfolio Depository Receipts that is provided to customers or the public. Any other written materials provided by a Member to customers or the public making specific reference to a series of Portfolio Depository Receipts as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of [the series of Portfolio Depository Receipts] has been prepared by [Trust name] and is available from your broker or Nasdaq. It is recommended that you obtain and review such circular before purchasing [the series of Portfolio Depository Receipts]. In addition, upon request you may obtain from your broker a prospectus for [the series of Portfolio Depository Receipts]."

A Member carrying an omnibus account for a non-Member broker-dealer is required to inform such non-Member that execution of an order to purchase a series of Portfolio Depository Receipts for such omnibus account will be deemed to constitute agreement by the non-Member to make such written description available to its customers on the same terms as are directly applicable to Members and member organizations under this rule.

Upon request of a customer, a Member shall also provide a prospectus for the particular series of Portfolio Depository Receipts.

(3) Equity. Nasdaq may approve a series of Portfolio Depository Receipts for listing and trading pursuant to Rule 19b-4(e) under the Act, provided each of the following criteria is satisfied:

(A) Eligibility Criteria for Index Components.

(i) U.S. Index or Portfolio. Component stocks of an index or portfolio of U.S. Component Stocks underlying such series of Portfolio Depository Receipts listed pursuant to Rule 19b-4(e) under the Act shall meet the following criteria on an initial and continued listing basis:

a. Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each shall have a minimum market value of at least $75 million;

b. Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each shall have a minimum monthly trading volume during each of the last six months of at least 250,000 shares;

c. The most heavily weighted component stock shall not exceed 30% of the weight of the index or portfolio, and the five most heavily weighted component stocks shall not exceed 65% of the weight of the index or portfolio;

d. The index or portfolio shall include a minimum of 13 component stocks; and

e. All securities in the index or portfolio shall be U.S. Component Stocks listed on Nasdaq (including The Nasdaq Capital Market) or another national securities exchange and shall be NMS Stocks as defined in Rule 600 of Regulation NMS under the Act.

(ii) International or global index or portfolio. Components of an index or portfolio underlying a series of Portfolio Depository Receipts listed pursuant to Rule 19b-4(e) under the Act that consist of either only Non-U.S. Component Stocks or both U.S. Component Stocks and Non-U.S. Component Stocks shall meet the following criteria on an initial and continued listing basis:

a. Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each shall have a minimum market value of at least $100 million;
b. Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each shall have a minimum worldwide monthly trading volume during each of the last six months of at least 250,000 shares;

c. The most heavily weighted component stock shall not exceed 25% of the weight of the index or portfolio, and the five most heavily weighted component stocks shall not exceed 60% of the weight of the index or portfolio;

d. The index or portfolio shall include a minimum of 20 component stocks; and

e. Each U.S. Component Stock shall be listed on a national securities exchange and shall be an NMS Stock as defined in Rule 600 of Regulation NMS under the Act, and each Non-U.S. Component Stock shall be listed and traded on an exchange that has last-sale reporting.

(iii) Index or portfolio approved in connection with derivative securities. For the initial and continued listing of a series of Portfolio Depository Receipts pursuant to Rule 19b-4(e) under the Act, the index or portfolio underlying a series of Portfolio Depository Receipts shall have been reviewed and approved for trading of options, Portfolio Depository Receipts, Index Fund Shares, index-linked exchangeable notes, or index-linked securities by the Commission under Section 19(b) of the Act and rules thereunder, and the conditions set forth in the Commission’s approval order, including comprehensive surveillance sharing agreements with respect to Non-U.S. Component Stocks and the requirements regarding dissemination of information, must continue to be satisfied. On an initial and continued listing basis, each component stock of the index or portfolio shall be either

a. a U.S. Component Stock that is listed on a national securities exchange and is an NMS Stock as defined in Rule 600 of Regulation NMS under the Act; or

b. a Non-U.S. Component Stock that is listed and traded on an exchange that has last-sale reporting.

(B) Index Methodology and Calculation. All requirements set forth in this paragraph must be satisfied on both an initial and continued listing basis.

(i) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect and maintain a “fire wall” around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer or fund advisor;

(ii) The current index value for Portfolio Depository Receipts listed pursuant to:

a. Rule 5705(a)(3)(A)(i) will be widely disseminated by one or more major market data vendors at least every 15 seconds during Nasdaq’s regular market session.

b. Rule 5705(a)(3)(A)(ii) will be widely disseminated by one or more major market data vendors at least every 60 seconds during Nasdaq’s regular market session; or

c. Rule 5705(a)(3)(A)(iii) will be widely disseminated by one or more major market data vendors at least every 15 seconds with respect to indexes containing only U.S. Component Stocks and at least every 60 seconds with respect to indexes containing Non-U.S. Component Stocks, during Nasdaq’s regular market session.

If the index value does not change during some or all of the period when trading is occurring on
Nasdaq (for example, for indexes of Non-U.S. Component Stocks because of time zone differences or holidays in the countries where such indexes' component stocks trade), then the last official calculated index value must remain available throughout Nasdaq's trading hours; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on the index or portfolio composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.

(C) Disseminated Information. The Reporting Authority will disseminate for each series of Portfolio Depository Receipts an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value") during Nasdaq's regular market session. The Intraday Indicative Value may be based, for example, upon current information regarding the required deposit of securities and cash amount to permit creation of new shares of the series or upon the index value. The Intraday Indicative Value will be updated at least every 15 seconds during Nasdaq's regular market session to reflect changes in the exchange rate between the U.S. dollar and the currency in which any component stock is denominated. If the Intraday Indicative Value does not change during some or all of the period when trading is occurring on Nasdaq, then the last official calculated Intraday Indicative Value must remain available throughout Nasdaq's trading hours. All requirements set forth in this paragraph must be satisfied on both an initial and continued listing basis.

(D) Initial Shares Outstanding. A minimum of 100,000 shares of a series of Portfolio Depository Receipts is required to be outstanding at start-up of trading.

(E) Surveillance Procedures. FINRA will implement written and maintain surveillance procedures for Portfolio Depository Receipts.

(F) Creation and redemption. For Portfolio Depository Receipts listed pursuant to Rule 5705(a)(3)(A)(ii) or (iii) above, the statutory prospectus or the application for exemption from provisions of the Investment Company Act of 1940 for the series of Portfolio Depository Receipts must state that the Trust must comply with the federal securities laws in accepting securities for deposits and satisfying redemptions with redemption securities, including that the securities accepted for deposits and the securities used to satisfy redemption requests are sold in transactions that would be exempt from registration under the Securities Act of 1933.

(4) Fixed Income. Fixed Income Securities are debt securities that are notes, bonds, debentures or evidence of indebtedness that include, but are not limited to, U.S. Department of Treasury securities ("Treasury Securities"), government-sponsored entity securities ("GSE Securities"), municipal securities, trust preferred securities, supranational debt and debt of a foreign country or subdivision thereof. Nasdaq may approve a series of Portfolio Depositary Receipts based on Fixed Income Securities for listing and trading pursuant to Rule 19b-4(e) under the Act provided such portfolio or index: (i) has been reviewed and approved for the trading of options, Portfolio Depository Receipts, Index Fund Shares, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b) of the Act and the rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied; or (ii) the following criteria are satisfied:

(A) Eligibility Criteria for Index Components. Components of an index or portfolio that underlies a series of Portfolio Depositary Receipts listed pursuant to Rule 19b-4(e) under the Act shall meet the following criteria on an initial and continued listing basis:

(i) The index or portfolio must consist of Fixed Income Securities;

(ii) Components that in aggregate account for at least 75% of the weight of the index or portfolio
must have a minimum original principal amount outstanding of $100 million or more;

(iii) A component may be a convertible security, however, once the convertible security component converts to an underlying equity security, the component is removed from the index or portfolio;

(iv) No component fixed-income security (excluding Treasury Securities) will represent more than 30% of the weight of the index or portfolio, and the five highest weighted component fixed-income securities do not in the aggregate account for more than 65% of the weight of the index or portfolio;

(v) An underlying index or portfolio (excluding exempted securities) must include securities from a minimum of 13 non-affiliated issuers; and

(vi) Component securities that in aggregate account for at least 90% of the weight of the index or portfolio must be either: (a) from issuers that are required to file reports pursuant to Sections 13 and 15(d) of the Act; (b) from issuers that have a worldwide market value of its outstanding common equity held by non-affiliates of $700 million or more; (c) from issuers that have outstanding securities that are notes, bonds, debentures, or evidence of indebtedness having a total remaining principal amount of at least $1 billion; (d) exempted securities as defined in section 3(a)(12) of the Act; or (e) from issuers that are a government of a foreign country or a political subdivision of a foreign country.

(B) Index Methodology and Calculation. All requirements set forth in this paragraph must be satisfied on both an initial and continued listing basis.

(i) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect and maintain a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer or fund advisor;

(ii) The current index value will be widely disseminated by one or more major market data vendors at least once per day; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on the index composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.

(5) Nasdaq may approve a series of Portfolio Depositary Receipts based on a combination of indexes or an index or portfolio of component securities representing the U.S. equity market, the international equity market, and the fixed income market for listing and trading pursuant to Rule 19b-4(e) under the Act provided: (i) each index has been reviewed and approved for the trading of options, Portfolio Depository Receipts, Index Fund Shares, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b) of the Act and rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied; or (ii) each index or portfolio of equity and fixed income component securities separately meets either the criteria set forth in Rule 5705(a)(3) or (4) above. After Nasdaq approves a series for listing and trading pursuant to this paragraph (5), such series of Portfolio Depositary Receipts shall continue to meet the requirements of sections (i) and (ii) in this paragraph (5), as applicable, on a continued listing basis.

(A) Index Methodology and Calculation. All requirements set forth in this paragraph must be satisfied on both an initial and continued listing basis.
(i) If an index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect and maintain a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer or fund advisor;

(ii) The current composite index value will be widely disseminated by one or more major market data vendors at least once every 15 seconds during the regular market session, provided however, that (a) with respect to the Non-U.S. Component Stocks of the combination index, the impact on the index is only required to be updated at least every 60 seconds during the regular market session, and (b) with respect to the fixed income components of the combination index the impact on the index is only required to be updated at least once each day; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on index composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.

(6) The following provisions shall apply to all series of Portfolio Depositary Receipts listed pursuant to Rules 5705(a)(4) and (5) above:

(A) Disseminated Information. The Reporting Authority will disseminate for each series of Portfolio Depositary Receipts an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value"). The Intraday Indicative Value may be based, for example, upon current information regarding the required deposit of securities and cash amount to permit creation of new shares of the series or upon the index value. The Intraday Indicative Value may be calculated by Nasdaq or by an independent third party throughout the day using prices obtained from independent market data providers or other independent pricing sources such as a broker-dealer or price evaluation services. All requirements set forth in this paragraph must be satisfied on both an initial and continued listing basis.

(B) Initial Shares Outstanding. A minimum of 100,000 shares of a series of Portfolio Depositary Receipts is required to be outstanding at start-up of trading.

(C) Surveillance Procedures. FINRA will implement and maintain written surveillance procedures for Portfolio Depositary Receipts.

(7) Regular market session trading will occur between 9:30 a.m. and either 4:00 p.m. or 4:15 p.m. for each series of Portfolio Depositary Receipts, as specified by Nasdaq. In addition, Nasdaq may designate each series of Portfolio Depositary Receipts for trading during a pre-market session beginning at 4:00 a.m. and/or a post-market session ending at 8:00 p.m.

(8) Nasdaq may list and trade Portfolio Depositary Receipts based on one or more indexes or portfolios. The Portfolio Depositary Receipts based on each particular index or portfolio, or combination thereof, shall be designated as a separate series and shall be identified by a unique symbol. The components of an index or portfolio on which Portfolio Depositary Receipts are based shall be selected by Nasdaq or its agent, a wholly-owned subsidiary of Nasdaq, or by such other person as shall have a proprietary interest in and authorized use of such index or portfolio, and may be revised from time to time as may be deemed necessary or appropriate to maintain the quality and character of the index or portfolio.

(9) A Trust upon which a series of Portfolio Depositary Receipts is based will be listed and traded on Nasdaq subject to application of the following criteria:

(A) Initial Listing —
(i) for each Trust, Nasdaq will establish a minimum number of Portfolio Depository Receipts required to be outstanding at the time of commencement of trading on Nasdaq.

(ii) Nasdaq will obtain a representation from the issuer of each series of Portfolio Depository Receipts that the net asset value per share for the series will be calculated daily and will be made available to all market participants at the same time.

(B) Continued Listing —

(i) Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, a Trust upon which a series of Portfolio Depository Receipts is based under any of the following circumstances:

   a. if any of the requirements set forth in this rule are not continuously maintained; or
   b. if Nasdaq files separate proposals under Section 19(b) of the Act, any of the statements or representations regarding the index composition, the description of the portfolio, limitations on portfolio holdings or reference assets, dissemination and availability of the index or intraday indicative values, or the applicability of Nasdaq listing rules specified in such proposals are not continuously maintained as referenced in subsection 10 of this rule;
   c. if, following the initial twelve month period after the formation of a Trust and commencement of trading on Nasdaq, the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Portfolio Depository Receipts;
   d. if the value of the index or portfolio of securities on which the Trust is based is no longer calculated or available or an interruption to the dissemination of the value of the index or portfolio of securities persists past the trading day in which it occurred or the index or portfolio on which the Trust is based is replaced with a new index or portfolio, unless the new index or portfolio meets the requirements of this Rule 5705(a) for listing either pursuant to Rule 19b-4(e) under the Act (including the filing of a Form 19b-4(e) with the Commission) or by Commission approval of a filing pursuant to Section 19(b) of the Act;
   e. if the Intraday Indicative Value is no longer disseminated at least every 15 seconds during Nasdaq's regular market session and the interruption to the dissemination persists past the trading day in which it occurred; or
   f. if such other event shall occur or condition exists which in the opinion of Nasdaq, makes further dealings on Nasdaq inadvisable.

Upon termination of a Trust, Nasdaq requires that Portfolio Depository Receipts issued in connection with such Trust be removed from listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of securities in the Trust falls below a specified amount.

(C) Term — the stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(D) Voting — voting rights shall be as set forth in the Trust prospectus. The Trustee of a Trust may have the right to vote all of the voting securities of such Trust.

(10) Nasdaq may submit a rule filing pursuant to Section 19(b) of the Act to permit the listing and trading of Portfolio Depository Receipts that do not otherwise meet the standards set forth in this rule. Any of the
statements or representations regarding the index composition, the description of the portfolio, limitations on portfolio holdings or reference assets, dissemination and availability of the index or intraday indicative values, or the applicability of Nasdaq listing rules specified in such proposals constitute continued listing standards.

(11) Neither Nasdaq, the Reporting Authority nor any agent of Nasdaq shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any current index or portfolio value, the current value of the portfolio of securities required to be deposited to the Trust; the amount of any dividend equivalent payment or cash distribution to holders of Portfolio Depository Receipts; net asset value; or other information relating to the creation, redemption or trading of Portfolio Depository Receipts, resulting from any negligent act or omission by Nasdaq, the Reporting Authority, or any agent of Nasdaq or any act, condition or cause beyond the reasonable control of Nasdaq, its agent, or the Reporting Authority, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in one or more underlying securities.

(b) Index Fund Shares

(1) Definitions. The following terms shall, unless the context otherwise requires, have the meanings herein specified:

(A) Index Fund Share. The term "Index Fund Share" means a security:

(i) that is issued by an open-end management investment company based on a portfolio of stocks or fixed income securities or a combination thereof, that seeks to provide investment results that correspond generally to the price and yield performance or total return performance of a specified foreign or domestic stock index, fixed income securities index or combination thereof;

(ii) that is issued by such an open-end management investment company in a specified aggregate minimum number in return for a deposit of specified numbers of shares of stock and/or a cash amount, a specified portfolio of fixed income securities and/or a cash amount and/or a combination of the above, with a value equal to the next determined net asset value; and

(iii) that, when aggregated in the same specified minimum number, may be redeemed at a holder's request by such open-end investment company which will pay to the redeeming holder the stock and/or cash, fixed income securities and/or cash and/or a combination thereof, with a value equal to the next determined net asset value.

(B)

(i) The term "Index Fund Share" includes a security issued by an open-end management investment company that seeks to provide investment results that either exceed the performance of a specified domestic equity, international or global equity, or fixed income index or a combination thereof by a specified multiple ("Multiple Share") or that correspond to the inverse (opposite) of the performance of a specified domestic equity, international or global equity, or fixed income index or a combination thereof by a specified multiple ("Inverse Share"). Such a security is issued in a specified aggregate number in return for a deposit of a specified number of shares of stock, a specified portfolio of fixed income securities or a combination of the above and/or cash as defined in subparagraph (1)(B)(ii) of this rule with a value equal to the next determined net asset value. When aggregated in the same specified minimum number, Index Fund Shares may be redeemed at a holder's request by such open-end investment company which will pay to the redeeming holder the stock and/or cash with a value equal to the
(ii) In order to achieve the investment result that it seeks to provide, such an investment company may hold a combination of financial instruments, including, but not limited to, stock index futures contracts; options on futures contracts; options on securities and indices; equity caps, collars and floors; swap agreements; forward contracts; repurchase agreements and reverse repurchase agreements (the "Financial Instruments"), but only to the extent and in the amounts or percentages as set forth in the registration statement for such Index Fund Shares.

(iii) Any open-end management investment company which issues Index Fund Shares referenced in this subparagraph (1)(B) that seeks to provide investment results, before fees and expenses, in an amount that exceeds −300% of the percentage performance on a given day of a particular domestic equity, international or global equity or fixed income securities index or a combination thereof shall not be approved by the Exchange for listing and trading pursuant to Rule 19b-4(e) under the Act.

(iv) For the initial and continued listing of a series of Multiple or Inverse Shares, the following requirements must be adhered to:

Daily public website disclosure of portfolio holdings that will form the basis for the calculation of the net asset value by the issuer of such series of Multiple or Inverse Shares, including, as applicable, the following instruments:

a. The identity and number of shares held of each specific equity security;

b. The identity and amount held for each specific fixed income security;

c. The specific types of Financial Instruments and characteristics of such Financial Instruments; and

d. Cash equivalents and the amount of cash held in the portfolio.

In addition, if the investment objective of the Multiple or Inverse Share is to measure returns on a daily basis, the website must include a statement in substantially the following form: "The <the series of Multiple or Inverse Shares> seeks returns that are <leverage or inverse factor or percentage> the returns of the underlying index for a single day. Due to the compounding of daily returns, holding periods of greater than one day can result in returns that are significantly different than the target return. Investors should consult the prospectus for further details on the calculation of the returns and the risks associated with investing in this product."

If the Exchange becomes aware that the net asset value related to Multiple or Inverse Shares is not being disseminated to all market participants at the same time or the daily public website disclosure of portfolio holdings does not occur, the Exchange shall halt trading in such series of Index Fund Shares, as appropriate. The Exchange may resume trading in such Index Fund Shares only when the net asset value is disseminated to all market participants at the same time or the daily public website disclosure of portfolio holdings occurs, as appropriate.

(C) Reporting Authority. The term "Reporting Authority" in respect of a particular series of Index Fund Shares means Nasdaq, a wholly-owned subsidiary of Nasdaq, or an institution or reporting service designated by Nasdaq or its subsidiary as the official source for calculating and reporting information relating to such series, including, but not limited to, any current index or portfolio value; the current value of the portfolio of any securities required to be deposited in connection with issuance of Index Fund Shares; the amount of any dividend equivalent payment or cash distribution to holders of Index Fund Shares, net asset value, and other information relating to the issuance, redemption or trading of Index Fund Shares.
Nothing in this paragraph shall imply that an institution or reporting service that is the source for calculating and reporting information relating to Index Fund Shares must be designated by Nasdaq; the term "Reporting Authority" shall not refer to an institution or reporting service not so designated.

(D) U.S. Component Stock. The term "U.S. Component Stock" shall mean an equity security that is registered under Sections 12(b) or 12(g) of the Act, or an American Depository Receipt, the underlying equity security of which is registered under Sections 12(b) or 12(g) of the Act.

(E) Non-U.S. Component Stock. The term "Non-U.S. Component Stock" shall mean an equity security that (a) is not registered under Sections 12(b) or 12(g) of the Act, (b) is issued by an entity that is not organized, domiciled or incorporated in the United States, and (c) is issued by an entity that is an operating company (including Real Estate Investment Trusts (REITs) and income trusts, but excluding investment trusts, unit trusts, mutual funds, and derivatives).

(2) Nasdaq requires that Members provide to all purchasers of a series of Index Fund Shares a written description of the terms and characteristics of such securities, in a form prepared by the open-end management investment company issuing such securities, not later than the time a confirmation of the first transaction in such series is delivered to such purchaser. In addition, Members shall include such a written description with any sales material relating to a series of Index Fund Shares that is provided to customers or the public. Any other written materials provided by a Member to customers or the public making specific reference to a series of Index Fund Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of [the series of Index Fund Shares] has been prepared by the [open-end management investment company name] and is available from your broker or Nasdaq. It is recommended that you obtain and review such circular before purchasing [the series of Index Fund Shares]. In addition, upon request you may obtain from your broker a prospectus for [the series of Index Fund Shares]."

A Member carrying an omnibus account for a non-Member broker-dealer is required to inform such non-Member that execution of an order to purchase a series of Index Fund Shares for such omnibus account will be deemed to constitute agreement by the non-Member to make such written description available to its customers on the same terms as are directly applicable to Members and member organizations under this rule.

Upon request of a customer, a Member shall also provide a prospectus for the particular series of Index Fund Shares.

(3) Equity. Nasdaq may approve a series of Index Fund Shares for listing and trading pursuant to Rule 19b-4(e) under the Act provided each of the following criteria is satisfied, on an initial and, except for paragraph (D) below, continued listing basis:

(A) Eligibility Criteria for Index Components.

(i) U.S. Index or Portfolio. Component stocks of an index or portfolio of (a) only U.S. Component Stocks or (b) U.S. Component Stocks and cash underlying a series of Index Fund Shares listed pursuant to Rule 19b-4(e) under the Act shall meet the following criteria on an initial and continued listing basis:

   a. Component stocks (excluding “Derivative Securities Products” as defined in this subsection a.) that in the aggregate account for at least 90% of the weight of the U.S. Component Stocks portion of the index or portfolio (excluding Derivative Securities Products) each shall have a minimum market value of at least $75 million;

   “Derivative Securities Products” include the following: Exchange Traded Funds consisting of Portfolio Depository Receipts and Index Fund Shares (Rule 5705); Trust Issued Receipts (Rule 5720); Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares,
Commodity Futures Trust Shares, Partnership Units, Trust Units, Managed Trust Shares, (Rule 5711); and Managed Fund Shares (Rule 5735).

b. Component stocks (excluding Derivative Securities Products) that in the aggregate account for at least 70% of the U.S. Component Stocks portion of the weight of the index or portfolio (excluding Derivative Securities Products) each shall have a minimum monthly trading volume of 250,000 shares or minimum notional volume traded per month of $25,000,000, averaged over the last six months;

c. The most heavily weighted component stock (excluding Derivative Securities Products) shall not exceed 30% of the U.S. Component Stocks portion of the weight of the index or portfolio, and, to the extent applicable, the five most heavily weighted component stocks (excluding Derivative Securities Products) shall not exceed 65% of the U.S. Component Stocks portion of the weight of the index or portfolio;

d. The index or portfolio shall include a minimum of 13 component stocks; provided, however, that there shall be no minimum number of component stocks if either one or more series of Index Fund Shares or Portfolio Depositary Receipts constitute, at least in part, components underlying a series of Index Fund Shares, or one or more series of Derivative Securities Products account for 100% of the U.S. Component Stocks portion of the weight of the index or portfolio; and

e. All securities in the index or portfolio shall be U.S. Component Stocks listed on Nasdaq (including The Nasdaq Capital Market) or another national securities exchange and shall be NMS Stocks as defined in Rule 600 of Regulation NMS under the Act.

(ii) International or global index or portfolio. Components of an index or portfolio underlying a series of Index Fund Shares listed pursuant to Rule 19b-4(e) that consist of (a) only Non-U.S. Component Stocks, (b) Non-U.S. Component Stocks and cash, (c) both U.S. Component Stocks and Non-U.S. Component Stocks, or (d) U.S. Component Stocks, Non-U.S. Component Stocks and cash shall meet the following criteria on an initial and continued listing basis:

a. Component stocks (excluding Derivative Securities Products) that in the aggregate account for at least 90% of the weight of the U.S. and Non-U.S. Component Stocks portions of the index or portfolio (excluding Derivative Securities Products) each shall have a minimum market value of at least $100 million;

b. Component stocks (excluding Derivative Securities Products) that in the aggregate account for at least 70% of the U.S. and Non-U.S. Component Stocks portions of the weight of the index or portfolio (excluding Derivative Securities Products) each shall have a minimum worldwide monthly trading volume of at least 250,000 shares, or minimum global notional volume traded per month of $25,000,000, averaged over the last six months;

c. The most heavily weighted component stock (excluding Derivative Securities Products) shall not exceed 25% of the combined U.S. and Non-U.S. Component Stocks portions of the weight of the index or portfolio, and, to the extent applicable, the five most heavily weighted component stocks (excluding Derivative Securities Products) shall not exceed 60% of the combined U.S. and Non-U.S. Component Stocks portions of the weight of the index or portfolio;

d. The index or portfolio shall include a minimum of 20 component stocks; provided, however, that there shall be no minimum number of component stocks if either one or more series of Index Fund Shares or Portfolio Depositary Receipts constitute, at least in part, components underlying a series of Index Fund Shares, or one or more series of Derivative Securities Products account for 100% of the weight of the combined U.S. and Non-U.S. Component Stocks.
portions of the index or portfolio; and

e. Each U.S. Component Stock shall be listed on a national securities exchange and shall be an NMS Stock as defined in Rule 600 of Regulation NMS under the Act, and each Non-U.S. Component Stock shall be listed and traded on an exchange that has last-sale reporting.

(iii) Index or portfolio approved in connection with derivative securities. For the initial and continued listing of a series of Index Fund Shares pursuant to Rule 19b-4(e) under the Act, the index or portfolio underlying a series of Index Fund Shares shall have been reviewed and approved for trading of options, Portfolio Depository Receipts, Index Fund Shares, index-linked exchangeable notes, or index-linked securities by the Commission under Section 19(b) of the Act and rules thereunder, and the conditions set forth in the Commission's approval order, including comprehensive surveillance sharing agreements with respect to Non-U.S. Component Stocks and the requirements regarding dissemination of information, must continue to be satisfied. On an initial and continued listing basis, each component stock of the index or portfolio shall be either

a. a U.S. Component Stock that is listed on a national securities exchange and is an NMS Stock as defined in Rule 600 of Regulation NMS under the Act, or

b. a Non-U.S. Component Stock that is listed and traded on an exchange that has last-sale reporting.

(B) Index Methodology and Calculation. All requirements set forth in this paragraph must be satisfied on both an initial and continued listing basis.

(i) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect and maintain a “fire wall” around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer or fund advisor;

(ii) The current index value for Index Fund Shares listed pursuant to:

a. Rule 5705(b)(3)(A)(i) will be widely disseminated by one or more major market data vendors at least every 15 seconds during Nasdaq's regular market session;

b. Rule 5705(b)(3)(A)(ii) will be widely disseminated by one or more major market data vendors at least every 60 seconds during Nasdaq's regular market session; or

c. Rule 5705(b)(3)(A)(iii) will be widely disseminated by one or more major market data vendors at least every 15 seconds with respect to indexes containing only U.S. Component Stocks and at least every 60 seconds with respect to indexes containing Non-U.S. Component Stocks, during Nasdaq's regular market session

If the index value does not change during some or all of the period when trading is occurring on Nasdaq (for example, for indexes of Non-U.S. Component Stocks because of time zone differences or holidays in the countries where such indexes' component stocks trade), then the last official calculated index value must remain available throughout Nasdaq's trading hours; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on the index or portfolio composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.
(C) Disseminated Information. The Reporting Authority will disseminate for each series of Index Fund Shares an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value") during Nasdaq's regular market session. The Intraday Indicative Value may be based, for example, upon current information regarding the required deposit of securities and cash amount to permit creation of new shares of the series or upon the index value. The Intraday Indicative Value will be updated at least every 15 seconds during Nasdaq's regular market session; to reflect changes in the exchange rate between the U.S. dollar and the currency in which any component stock is denominated. If the Intraday Indicative Value does not change during some or all of the period when trading is occurring on Nasdaq, then the last official calculated Intraday Indicative Value must remain available throughout Nasdaq's trading hours. All requirements set forth in this paragraph must be satisfied on an initial and continued listing basis.

(D) Initial Shares Outstanding. A minimum of 100,000 shares of a series of Index Fund Shares is required to be outstanding at start-up of trading.

(E) Surveillance Procedures. FINRA will implement and maintain written surveillance procedures for Index Fund Shares.

(F) Creation and redemption. For Index Fund Shares listed pursuant to Rule 5705(b)(3)(A)(ii) or (iii) above, the statutory prospectus or the application for exemption from provisions of the Investment Company Act of 1940 for the series of Index Fund Shares must state that the series of Index Fund Shares must comply with the federal securities laws in accepting securities for deposits and satisfying redemptions with redemption securities, including that the securities accepted for deposits and the securities used to satisfy redemption requests are sold in transactions that would be exempt from registration under the Securities Act of 1933.

(4) Fixed Income. Fixed Income Securities are debt securities that are notes, bonds, debentures or evidence of indebtedness that include, but are not limited to, U.S. Department of Treasury securities ("Treasury Securities"), government-sponsored entity securities ("GSE Securities"), municipal securities, trust preferred securities, supranational debt and debt of a foreign country or subdivision thereof. Nasdaq may approve a series of Index Fund Shares based on Fixed Income Securities for listing and trading pursuant to Rule 19b-4(e) under the Act provided such portfolio or index: (i) has been reviewed and approved for the trading of options, Portfolio Depository Receipts, Index Fund Shares, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b) of the Act and the rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied; or (ii) the following criteria are satisfied:

(A) Eligibility Criteria for Index Components. Components of an index or portfolio that underlies a series of Index Fund Shares listed pursuant to Rule 19b-4(e) under the Act shall meet the following criteria on an initial and continued listing basis:

(i) The index or portfolio must consist of (a) only Fixed Income Securities or (b) Fixed Income Securities and cash;

(ii) Components that in aggregate account for at least 75% of the weight of the index or portfolio must have a minimum original principal amount outstanding of $100 million or more;

(iii) A component may be a convertible security, however, once the convertible security component converts to an underlying equity security, the component is removed from the index or portfolio;

(iv) No component fixed-income security (excluding Treasury Securities) will represent more than 30% of the Fixed Income Securities portion of the weight of the index or portfolio, and the five highest weighted component fixed-income securities do not in the aggregate account for more than 60% of the index or portfolio.
65% of the Fixed Income Securities portion of the weight of the index or portfolio;

(v) An underlying index or portfolio (excluding one consisting entirely of exempted securities) must include securities from a minimum of 13 non-affiliated issuers; and

(vi) Component securities that in aggregate account for at least 90% of the Fixed Income Securities portion of the weight of the index or portfolio must be either: (a) from issuers that are required to file reports pursuant to Sections 13 and 15(d) of the Act; (b) from issuers that have a worldwide market value of its outstanding common equity held by non-affiliates of $700 million or more; (c) from issuers that have outstanding securities that are notes, bonds, debentures, or evidence of indebtedness having a total remaining principal amount of at least $1 billion; (d) exempted securities as defined in section 3(a)(12) of the Act; or (e) from issuers that are a government of a foreign country or a political subdivision of a foreign country.

(B) Index Methodology and Calculation. All requirements set forth in this paragraph must be satisfied on both an initial and continued listing basis.

(i) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect and maintain a “fire wall” around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer or fund advisor;

(ii) The current index value will be widely disseminated by one or more major market data vendors at least once per day; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on the index composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.

(5) Nasdaq may approve a series of Index Fund Shares based on a combination of indexes or an index or portfolio of component securities representing the U.S. equity market, the international equity market, and the fixed income market for listing and trading pursuant to Rule 19b-4(e) under the Act provided: (i) such portfolio or combination of indexes has been reviewed and approved for the trading of options, Portfolio Depository Receipts, Index Fund Shares, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b) of the Act and rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied; or (ii) each index or portfolio of equity and fixed income component securities separately meets either the criteria set forth in Rule 5705(b)(3) or (4) above. After Nasdaq approves a series for listing and trading pursuant to this paragraph (5), such series of Index Fund Shares shall continue to meet the requirements of sections (i) and (ii) in this paragraph (5), as applicable, on a continued listing basis.

(A) Index Methodology and Calculation. All requirements set forth in this paragraph must be satisfied on both an initial and continued listing basis.

(i) If an index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect and maintain a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer or fund advisor;

(ii) The current composite index value will be widely disseminated by one or more major market data vendors at least once every 15 seconds during regular market session, provided however, that (a) with respect to the Non-U.S. Component Stocks of the combination index, the impact on the
index is only required to be updated at least every 60 seconds during the regular market session, and (b) with respect to the fixed income components of the combination index the impact on the index is only required to be updated at least once each day; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on index composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.

(6) The following provisions shall apply to all series of Index Fund Shares listed pursuant Rules 5705(b)(4) and (5) above on an initial and, except for paragraph (B) below, continued listing basis:

(A) Disseminated Information. The Reporting Authority will disseminate for each series of Index Fund Shares an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value"). The Intraday Indicative Value may be based, for example, upon current information regarding the required deposit of securities and cash amount to permit creation of new shares of the series or upon the index value. The Intraday Indicative Value may be calculated by Nasdaq or by an independent third party throughout the day using prices obtained from independent market data providers or other independent pricing sources such as a broker-dealer or price evaluation services.

(B) Initial Shares Outstanding. A minimum of 100,000 shares of a series of Index Fund Shares is required to be outstanding at start-up of trading.

(C) Surveillance Procedures. FINRA will implement and maintain written surveillance procedures for Index Fund Shares.

(7) Regular market session trading will occur between 9:30 a.m. and either 4:00 p.m. or 4:15 p.m. for each series of Index Fund Shares, as specified by Nasdaq. In addition, Nasdaq may designate each series of Index Fund Shares for trading during a pre-market session beginning at 4:00 a.m. and/or a post-market session ending at 8:00 p.m.

(8) Nasdaq may list and trade Index Fund Shares based on one or more foreign or domestic indexes or portfolios. Each issue of Index Fund Shares based on each particular index or portfolio, or combination thereof, shall be designated as a separate series and shall be identified by a unique symbol. The components that are included in an index or portfolio on which a series of Index Fund Shares are based shall be selected by such person, which may be Nasdaq or an agent or wholly-owned subsidiary thereof, as shall have authorized use of such index or portfolio. Such index or portfolio may be revised from time to time as may be deemed necessary or appropriate to maintain the quality and character of the index or portfolio.

(9) Each series of Index Fund Shares will be listed and traded on Nasdaq subject to application of the following criteria:

(A) Initial Listing —

(i) for each series, Nasdaq will establish a minimum number of Index Fund Shares required to be outstanding at the time of commencement of trading on Nasdaq.

(ii) Nasdaq will obtain a representation from the issuer of each series of Index Fund Shares that the net asset value per share for the series will be calculated daily and will be made available to all market participants at the same time.
(B) Continued Listing —

(i) Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, a series of Index Fund Shares under any of the following circumstances:

   a. if any of the requirements set forth in this rule are not continuously maintained;

   b. if Nasdaq files separate proposals under Section 19(b) of the Act, any of the statements or representations regarding (a) the index composition; (b) the description of the portfolio; (c) limitations on portfolio holdings or reference assets; (d) dissemination and availability of the index or intraday indicative values; or (e) the applicability of Nasdaq listing rules specified in such proposals are not continuously maintained as referenced in subsection 10 of this rule;

   c. if, following the initial twelve month period after commencement of trading on Nasdaq of a series of Index Fund Shares, there are fewer than 50 beneficial holders of the series of Index Fund Shares;

   d. if the value of the index or portfolio of securities on which the series of Index Fund Shares is based is no longer calculated or available or an interruption to the dissemination persists past the trading day in which it occurred or the index or portfolio on which the series of Index Fund Shares is based is replaced with a new index or portfolio, unless the new index or portfolio meets the requirements of this Rule 5705(b) for listing either pursuant to Rule 19b-4(e) under the Act (including the filing of a Form 19b-4(e) with the Commission) or by Commission approval of a filing pursuant to Section 19(b) of the Act;

   e. if the Intraday Indicative Value is no longer disseminated at least every 15 seconds during Nasdaq's regular market session and the interruption to the dissemination persists past the trading day in which it occurred; or

   f. if such other event shall occur or condition exists which in the opinion of Nasdaq, makes further dealings on Nasdaq inadvisable.

Upon termination of an open-end management investment company, Nasdaq requires that Index Fund Shares issued in connection with such entity be removed from listing.

(C) Voting — voting rights shall be as set forth in the applicable open-end management investment company prospectus.

(10) Nasdaq may submit a rule filing pursuant to Section 19(b) of the Act to permit the listing and trading of Index Fund Shares that do not otherwise meet the standards set forth in this rule. Any of the statements or representations regarding (a) the index composition; (b) the description of the portfolio; (c) limitations on portfolio holdings or reference assets; (d) dissemination and availability of the index or intraday indicative values; or (e) the applicability of Nasdaq listing rules specified in such proposals constitute continued listing standards.

(11) Neither Nasdaq, the Reporting Authority, nor any agent of Nasdaq shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any current index or portfolio value, the current value of the portfolio of securities required to be deposited to the open-end management investment company in connection with issuance of Index Fund Shares; the amount of any dividend equivalent payment or cash distribution to holders of Index Fund Shares; net asset value; or other information relating to the purchase, redemption or trading of Index Fund Shares, resulting from any negligent act or omission by Nasdaq, the Reporting Authority or any agent of Nasdaq, or any act, condition or cause beyond the reasonable control of Nasdaq, its agent, or the Reporting Authority, including, but not limited to, an act of God; fire; flood; extraordinary weather
conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in one or more underlying securities.


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Nasdaq will consider for listing and trading equity index-linked securities ("Equity Index-Linked Securities") and commodity-linked securities ("Commodity-Linked Securities"), fixed income index-linked securities ("Fixed Income Index-Linked Securities"), futures-linked securities ("Futures-Linked Securities") and multifactor index-linked securities ("Multifactor Index-Linked Securities" and, together with Equity Index-Linked Securities, Commodity-Linked Securities, Fixed Income Index-Linked Securities and Futures-Linked Securities, "Linked Securities") that in each case meet the applicable criteria of this Rule.

Equity Index-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of an underlying equity index or indexes (an "Equity Reference Asset").

The payment at maturity with respect to Commodity-Linked Securities is based on one or more physical Commodities or Commodity futures, options or other Commodity derivatives, Commodity-Related Securities, or a basket or index of any of the foregoing (any such basis for payment is referred to below as the "Commodity Reference Asset"). The terms "Commodity" and "Commodity-Related Security" are defined in Rule 4630.

The payment at maturity with respect to Fixed Income Index-Linked Securities is based on the performance of one or more indexes or portfolios of notes, bonds, debentures or evidence of indebtedness that include, but are not limited to, U.S. Department of Treasury securities ("Treasury Securities"), government-sponsored entity securities ("GSE Securities"), municipal securities, trust preferred securities, supranational debt and debt of a foreign country or a subdivision thereof or a basket or index of any of the foregoing (a "Fixed Income Reference Asset").

The payment at maturity with respect to Futures-Linked Securities is based on the performance of an index of (a) futures on Treasury Securities, GSE Securities, supranational debt and debt of a foreign country or a subdivision thereof, or options or other derivatives on any of the foregoing; or (b) interest rate futures or options or derivatives on the foregoing in this subparagraph (b); or (c) CBOE Volatility Index (VIX) Futures (a "Futures Reference Asset").

The payment at maturity with respect to Multifactor Index-Linked Securities is based on the performance of any combination of two or more Equity Reference Assets, Commodity Reference Assets, Fixed Income Reference Assets or Futures Reference Assets (a "Multifactor Reference Asset", and together with Equity Reference Asset, Commodity Reference Asset, Fixed Income Reference Asset and Futures Reference Asset, "Reference Assets"). A Multifactor Reference Asset may include as a component a notional investment in cash or a cash equivalent based on a widely accepted overnight loan interest rate, LIBOR, Prime Rate, or an implied interest rate based on observed market spot and foreign currency forward rates.

Linked Securities may or may not provide for the repayment of the original principal investment amount. Nasdaq will consider Linked Securities for listing and trading pursuant to Rule 19b-4(e) under the Act, provided:

(a) Both the issue and the issuer of such security initially meet and continuously maintain the criteria for other securities set forth in Rule 5730(a), except that if the security is traded in $1,000 denominations or is redeemable at the option of holders thereof on at least a weekly basis, then no minimum number of holders and no minimum public distribution of trading units shall be required.

(b) The issue has a term of not less than one (1) year and not greater than thirty (30) years.

(c) The issue must, on an initial and continued listing basis, be the non-convertible debt of the Company.

(d) On an initial and continued listing basis, the payment at maturity may or may not provide for a multiple of the direct or inverse performance of an underlying index, indexes or Reference Asset; however, in no event will a loss (negative payment) at maturity be accelerated by a multiple that exceeds three times the performance of an underlying index, indexes or Reference Asset.
In addition, as applicable, the issuer of the Linked Security must include a statement on a public website in substantially the following form: "The <the series of Linked Securities> seeks returns that are <leverage or inverse factor or percentage> the returns of the <underlying index or Reference Asset> for a single day. Due to the compounding of daily returns, holding periods of greater than one day can result in returns that are significantly different than the target return. Investors should consult the prospectus for further details on the calculation of the returns and the risks associated with investing in this product."

(e) On an initial and continued listing basis, the Company will be expected to have a minimum tangible net worth in excess of $250,000,000 (if the Linked Securities are fully and unconditionally guaranteed by an affiliate of the Company, Nasdaq will rely on such affiliate’s tangible net worth for purposes of this requirement). In the alternative, the Company will be expected to have a minimum tangible net worth of $150,000,000 and the original issue price of the Linked Securities, combined with all of the Company's other Linked Securities listed on a national securities exchange or otherwise publicly traded in the United States, must not be greater than 25 percent of the Company's tangible net worth at the time of issuance (if the Linked Securities are fully and unconditionally guaranteed by an affiliate of the Company, Nasdaq will apply the provisions of this paragraph to such affiliate instead of the Company and will include in its calculation all Linked Securities that are fully and unconditionally guaranteed by such affiliate). Government issuers and supranational entities will be evaluated on a case-by-case basis.

(f) On an initial and continued listing basis, the Company is in compliance with Rule 10A-3 under the Act.

(g) Maintenance and Dissemination—(i) If the index is maintained by a broker-dealer, the broker-dealer shall erect and maintain a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer. (ii) Unless the Commission order applicable under paragraph (k) or (l) hereof provides otherwise, the current value of the index or the Reference Asset (as applicable) will be widely disseminated at least every 15 seconds during Nasdaq's regular market session, except as provided in the next clause (iii). (iii) The values of the following indexes need not be calculated and widely disseminated at least every 15 seconds if, after the close of trading, the indicative value of the Equity Index-Linked Security based on one or more of such indexes is calculated and disseminated to provide an updated value: CBOE S&P 500 BuyWrite Index(sm), CBOE DJIA Buy Write Index(sm), CBOE Nasdaq-100 BuyWrite Index(sm). (iv) If the value of a Linked Security is based on more than one index, then the dissemination requirement of this paragraph (g) applies to the composite value of such indexes. (v) In the case of a Commodity-Linked Security that is periodically redeemable, the indicative value of the subject Commodity-Linked Security must be calculated and widely disseminated by one or more major market data vendors on at least a 15-second basis during Nasdaq's regular market session. The provisions of sections (ii), (iii) and (v) of this paragraph shall be satisfied on an initial and continued listing basis.

(h) Trading Halts. In the case of Linked Securities, if the indicative value (if required to be disseminated) or the Reference Asset value is not being disseminated as required, or if the value of the index is not being disseminated as required, Nasdaq may halt trading during the day on which such interruption occurs. Nasdaq will halt trading no later than the beginning of trading following the trading day when the interruption commenced if such interruption persists at this time.

(i) Surveillance Procedures. FINRA will implement and maintain on behalf of Nasdaq written surveillance procedures for Linked Securities. Nasdaq will enter into adequate comprehensive surveillance sharing agreements for non-U.S. securities, as applicable.

(j) Linked Securities will be treated as equity instruments. Furthermore, for the purpose of fee determination, Linked Securities shall be deemed and treated as Other Securities.

(k) Linked Securities
   (i) Equity Index-Linked Securities Criteria
      (A) In the case of an Equity Index-Linked Security, each underlying index is required to have
at least ten (10) component securities. In addition, the index or indexes to which the security is linked shall either:

1. have been reviewed and approved for the trading of options or other derivatives by the Commission under Section 19(b)(2) of the Act and rules thereunder and the conditions set forth in the Commission's approval order, including comprehensive surveillance sharing agreements for non-U.S. stocks, continue to be satisfied, or

2. the index or indexes meet the following criteria:
   a. Each component security has a minimum market value of at least $75 million, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index, the market value can be at least $50 million;
   b. Each component security shall have trading volume in each of the last six months of not less than 1,000,000 shares, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index, the trading volume shall be at least 500,000 shares in each of the last six months;
   c. Indexes based upon the equal-dollar or modified equal-dollar weighting method will be rebalanced at least semiannually;
   d. In the case of a capitalization-weighted or modified capitalization-weighted index, the lesser of the five highest weighted component securities in the index or the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of component securities in the index, each have an average monthly trading volume of at least 2,000,000 shares over the previous six months;
   e. No underlying component security will represent more than 25% of the weight of the index, and the five highest weighted component securities in the index do not in the aggregate account for more than 50% of the weight of the index (60% for an index consisting of fewer than 25 component securities);
   f. 90% of the index's numerical value and at least 80% of the total number of component securities will meet the then current criteria for standardized option trading on a national securities exchange or a national securities association, provided, however, that an index will not be subject to this requirement if (a) no underlying component security represents more than 10% of the dollar weight of the index and (b) the index has a minimum of 20 components; and
   g. All component securities shall be either (A) securities (other than securities of a foreign issuer and American Depository Receipts ("ADRs")) that are (i) issued by a 1934 Act reporting company or by an investment company registered under the Investment Company Act of 1940 that, in each case, has securities listed on a national securities exchange and (ii) an "NMS stock" (as defined in Rule 600 of Regulation NMS under the Act), or (B) securities of a foreign issuer or ADRs, provided that securities of a foreign issuer (including when they
underlie ADRs) whose primary trading market outside the United States is not a member of the Intermarket Surveillance Group ("ISG") or a party to a comprehensive surveillance sharing agreement with Nasdaq will not in the aggregate represent more than 20% of the dollar weight of the index.

(B) Continued Listing Criteria

(1) Nasdaq will commence delisting or removal proceedings (unless the Commission has approved the continued trading of the subject Equity Index-Linked Security), if any of the standards set forth above in paragraph A are not continuously maintained, except that:

(a) the criteria that no single component represent more than 25% of the dollar weight of the index and the five highest dollar weighted components in the index cannot represent more than 50% (or 60% for indexes with less than 25 components) of the dollar weight of the index, need only be satisfied at the time the index is rebalanced; and

(b) Component stocks that in the aggregate account for at least 90% of the weight of the index each shall have a minimum global monthly trading volume of 500,000 shares, or minimum global notional volume traded per month of $12,500,000, averaged over the last six months.

(2) In connection with an Equity Index-Linked Security that is listed pursuant to paragraph (i)(A)(1) above, Nasdaq will commence delisting or removal proceedings (unless the Commission has approved the continued trading of the subject Equity Index-Linked Security) if an underlying index or indexes fails to satisfy the maintenance standards or conditions for such index or indexes as set forth by the Commission in its order under Section 19(b)(2) of the Act approving the index or indexes for the trading of options or other derivatives.

(3) Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series (unless the Commission has approved the continued trading of the subject Equity Index-Linked Security), under any of the following circumstances:

(a) if the aggregate market value or the principal amount of the Equity Index-Linked Securities publicly held is less than $400,000;

(b) if an interruption to the dissemination of the value of the index or composite value of the indexes persists past the trading day in which it occurred or is no longer calculated or widely disseminated on at least a 15-second basis with respect to indexes containing only securities listed on a national securities exchange, or on at least a 60-second basis with respect to indexes containing foreign country securities, provided, however, that, if the official index value does not change during some or all of the period when trading is occurring on Nasdaq (for example, for indexes of foreign country securities, because of time zone differences or holidays in the countries where such indexes' component stocks trade) then the last calculated official index value must remain available throughout Nasdaq trading hours; or

(c) if such other event shall occur or condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable.

(4) Equity-Linked Index Rebalancing. Equity-Linked Indexes will be rebalanced at least annually.
(ii) Reference Asset Criteria for Commodity-Linked Securities

(A) In the case of a Commodity-Linked Security, the Reference Asset shall meet the criteria in either subparagraph (1) or subparagraph (2) below:

(1) The Reference Asset to which the security is linked shall have been reviewed and approved for the trading of Commodity-Related Securities or options or other derivatives by the Commission under Section 19(b)(2) of the Act and rules thereunder and the conditions set forth in the Commission's approval order, including with respect to comprehensive surveillance sharing agreements, continue to be satisfied.

(2) The pricing information for each component of a Reference Asset other than a Currency must be derived from a market which is an ISG member or affiliate or with which Nasdaq has a comprehensive surveillance sharing agreement. Notwithstanding the previous sentence, pricing information for gold and silver may be derived from the London Bullion Market Association. The pricing information for each component of a Reference Asset that is a Currency must be either: (1) the generally accepted spot price for the currency exchange rate in question; or (2) derived from a market of which (a) is an ISG member or affiliate or with which Nasdaq has a comprehensive surveillance sharing agreement and (b) is the pricing source for a currency component of a Reference Asset that has previously been approved by the Commission. A Reference Asset may include components representing not more than 10% of the dollar weight of such Reference Asset for which the pricing information is derived from markets that do not meet the requirements of this subparagraph (2), provided, however, that no single component subject to this exception exceeds 7% of the dollar weight of the Reference Asset. The term "Currency," as used in this subparagraph, shall mean one or more currencies, or currency options, futures, or other currency derivatives, Commodity-Related Securities if their underlying Commodities are currencies or currency derivatives, or a basket or index of any of the foregoing.

(B) The issue must meet the following continued listing criteria:

(1) Nasdaq will commence delisting or removal proceedings if any of the initial listing criteria described above are not continuously maintained.

(2) Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series under any of the following circumstances:

   (a) If the aggregate market value or the principal amount of the Commodity-Linked Securities publicly held is less than $400,000;

   (b) An interruption to the dissemination of the value of the Commodity Reference Asset persists past the trading day in which it occurred or is no longer calculated or available and a new Commodity Reference Asset is substituted, unless the new Commodity Reference Asset meets the requirements of this rule; or

   (c) If such other event shall occur or condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable.

(iii) Fixed Income Index-Linked Securities Listing Standards

(A) The issue must meet one of the criteria set forth in either (1) or (2) below.

(1) The Fixed Income Reference Asset to which the security is linked shall have

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been reviewed and approved for the trading of options, Index Fund Shares, or other derivatives by the Commission under Section 19(b)(2) of the Securities Exchange Act of 1934 and rules thereunder and the conditions set forth in the Commission's approval order, continue to be satisfied.

(2) The issue must meet the following initial listing criteria:

(a) Components of the Fixed Income Reference Asset that in the aggregate account for at least 75% of the weight of the Fixed Income Reference Asset must each have a minimum original principal amount outstanding of $100 million or more;

(b) A component of the Fixed Income Reference Asset may be a convertible security, however, once the convertible security component converts to the underlying equity security, the component is removed from the Fixed Income Reference Asset;

(c) No component of the Fixed Income Reference Asset (excluding Treasury Securities and GSE Securities) will represent more than 30% of the dollar weight of the Fixed Income Reference Asset, and the five highest dollar weighted components in the Fixed Income Reference Asset will not in the aggregate account for more than 65% of the dollar weight of the Fixed Income Reference Asset;

(d) An underlying Fixed Income Reference Asset (excluding one consisting entirely of exempted securities) must include a minimum of 13 non-affiliated issuers; and

(e) Component securities that in the aggregate account for at least 90% of the dollar weight of the Fixed Income Reference Asset must be from one of the following: (a) issuers that are required to file reports pursuant to Sections 13 and 15(d) of the Act; or (b) issuers that have a worldwide market value of outstanding common equity held by non-affiliates of $700 million or more; or (c) issuers that have outstanding securities that are notes, bonds, debentures, or evidence of indebtedness having a total remaining principal amount of at least $1 billion; or (d) exempted securities as defined in Section 3(a)(12) of the Act, or (e) issuers that are a government of a foreign country or a political subdivision of a foreign country.

(B) In addition, the value of the Fixed Income Reference Asset must be widely disseminated to the public by one or more major market vendors at least once per business day.

(C) The issue must meet the following continued listing criteria:

(1) Nasdaq will commence delisting or removal proceedings if any of the initial listing criteria described above are not continuously maintained.

(2) Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series:

(a) if the aggregate market value or the principal amount of the Fixed Income Index-Linked Securities publicly held is less than $400,000;

(b) An interruption to the dissemination of the value of the Fixed Income Reference Asset persists past the trading day in which it occurred or is no longer calculated or available and a new Fixed Income Reference Asset is substituted, unless the new Fixed Income Reference Asset meets the requirements of this Rule 5710(k); or
(v) Multifactor Index-Linked Securities Listing Standards

(A) The issue must meet the following initial listing standards set forth in either (1) or (2) below:

1. The Futures Reference Asset to which the security is linked shall have been reviewed and approved for the trading of Futures-Linked Securities or options or other derivatives by the Commission under Section 19(b)(2) of the Act and rules thereunder and the conditions set forth in the Commission’s approval order, including with respect to comprehensive surveillance sharing agreements, continue to be satisfied, or

2. The pricing information for components of a Futures Reference Asset must be derived from a market which is an ISG member or affiliate or with which Nasdaq has a comprehensive surveillance sharing agreement. A Futures Reference Asset may include components representing not more than 10% of the dollar weight of such Futures Reference Asset for which the pricing information is derived from markets that do not meet the requirements of this subparagraph (2); provided, however, that no single component subject to this exception exceeds 7% of the dollar weight of the Futures Reference Asset.

(B) In addition, the issue must meet both of the following initial listing criteria:

1. The value of the Futures Reference Asset must be calculated and widely disseminated by one or more major market data vendors on at least a 15-second basis during the Regular Market Session (as defined in Rule 4120); and

2. In the case of Futures-Linked Securities that are periodically redeemable, the value of a share of each series (the “Intraday Indicative Value”) of the subject Futures-Linked Securities must be calculated and widely disseminated by Nasdaq or one or more major market data vendors on at least a 15-second basis during the Regular Market Session (as defined in Rule 4120).

(C) The issue must meet the following continued listing criteria:

1. Nasdaq will commence delisting or removal proceedings if any of the initial listing criteria described above are not continuously maintained.

2. Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series under any of the following circumstances:

   (a) if the aggregate market value or the principal amount of the Futures-Linked Securities publicly held is less than $400,000;

   (b) An interruption to the dissemination of the value of the Futures Reference Asset persists past the trading day in which it occurred or is no longer calculated or available and a new Futures Reference Asset is substituted, unless the new Futures Reference Asset meets the requirements of this Rule 5710(k); or

   (c) if such other event shall occur or condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable.
(1) each component of the Multifactor Reference Asset to which the security is linked shall have been reviewed and approved for the trading of either options, Index Fund Shares, or other derivatives under Section 19(b)(2) of the Act and rules thereunder and the conditions set forth in the Commission’s approval order continue to be satisfied, or

(2) each Reference Asset included in the Multifactor Reference Asset must meet the applicable initial and continued listing criteria set forth in the relevant subsection of this Rule 5710(k).

(B) In addition, the issue must meet both of the following initial listing criteria:

(1) the value of the Multifactor Reference Asset must be calculated and widely disseminated to the public on at least a 15-second basis during the time the Multifactor Index-Linked Security trades on Nasdaq; and

(2) in the case of Multifactor Index-Linked Securities that are periodically redeemable, the indicative value of the Multifactor Index-Linked Securities must be calculated and widely disseminated by one or more major market data vendors on at least a 15-second basis during the time the Multifactor Index-Linked Securities trade on Nasdaq.

(C) Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series:

(1) if any of the initial listing criteria described above are not continuously maintained;

(2) if the aggregate market value or the principal amount of the Multifactor Index-Linked Securities publicly held is less than $400,000;

(3) An interruption to the dissemination of the the value of the Multifactor Reference Asset persists past the trading day in which it occurred or is no longer calculated or available and a new Multifactor Reference Asset is substituted, unless the new Multifactor Reference Asset meets the requirements of this Rule 5710(k); or

(4) if such other event shall occur or condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable.

(I) Nasdaq may submit a rule filing pursuant to Section 19(b) of the Act to permit the listing and trading of Linked Securities that do not otherwise meet the standards set forth in this rule. Any of the statements or representations regarding (a) the index composition or reference asset description and limitations; (b) dissemination and availability of the index, reference asset, or intraday indicative values; or (c) the applicability of Nasdaq listing rules specified in such proposals constitute continued listing standards. If a series of Linked Securities does not satisfy these requirements, Nasdaq may halt trading in the securities and will initiate delisting proceedings pursuant to the Rule 5800 Series.

• • • Commentary

.01 (a) The registered Market Maker in Linked Securities must file with Nasdaq, in a manner prescribed by Nasdaq, and keep current a list identifying all accounts for trading in the Reference Asset components, the commodities, currencies or futures underlying the Reference Asset components, or any derivative instruments based on the Reference Asset or based on any Reference Asset component or any physical commodity, currency or futures underlying a Reference Asset component, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker in Linked Securities shall trade in the Reference Asset components, the commodities, currencies or futures underlying the Reference Asset components, or any derivative instruments based on the Reference Asset or based on any Reference Asset component or any physical commodity, or futures currency underlying a Reference Asset component, in an account in which a registered Market Maker, directly or indirectly, controls trading
activities, or has a direct interest in the profits or losses thereof, which has not been reported to Nasdaq as required by this Rule.

(b) In addition to the existing obligations under Nasdaq rules regarding the production of books and records (e.g., Rule 4625), the registered Market Maker in Linked Securities shall make available to Nasdaq such books, records or other information pertaining to transactions by such entity or any limited partner, officer or approved person thereof, registered or nonregistered employee affiliated with such entity for its or their own accounts in the Reference Asset components, the commodities, currencies or futures underlying the Reference Asset components, or any derivative instruments based on the Reference Asset or based on any Reference Asset component or any physical commodity, currency or futures underlying a Reference Asset component, as may be requested by Nasdaq.

Nasdaq Stock Market Rules, Regulation, 5711., Nasdaq, Trading of Certain Derivative Securities

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(a) Index-Linked Exchangeable Notes

Index-Linked Exchangeable Notes which are exchangeable debt securities that are exchangeable at the option of the holder (subject to the requirement that the holder in most circumstances exchange a specified minimum amount of notes), on call by the issuer or at maturity for a cash amount (the "Cash Value Amount") based on the reported market prices of the underlying stocks of an underlying index will be considered for listing and trading by Nasdaq pursuant to Rule 19b-4(e) under the Act, provided:

(i) Both the issue and the issuer of such security initially meet and continuously maintain the requirements of Rule 5730, Listing Requirements for Securities Not Specified Above (Other Securities), except that the minimum public distribution shall be 150,000 notes with a minimum of 400 public note-holders, except, if traded in thousand dollar denominations or redeemable at the option of the holders thereof on at least a weekly basis, then no minimum public distribution and no minimum number of holders.

(ii) The issue has a minimum term of one year.

(iii) On an initial and continued listing basis, the issuer will be expected to have a minimum tangible net worth in excess of $250,000,000, and to otherwise substantially exceed the earnings requirements set forth in Rule 5405(b). In the alternative, the issuer will be expected: (A) to have a minimum tangible net worth of $150,000,000 and to otherwise substantially exceed the earnings requirements set forth in Rule 5405(b); and (B) not to have issued Index-Linked Exchangeable Notes where the original issue price of all the issuer's other index-linked exchangeable note offerings (combined with other index-linked exchangeable note offerings of the issuer's affiliates) listed on a national securities exchange exceeds 25% of the issuer's net worth.

(iv) The index to which an exchangeable-note is linked shall either be (A) indices that have been created by a third party and been reviewed and have been approved for the trading of options or other derivatives securities (each, a "Third-Party Index") either by the Commission under Section 19(b) of the Act and rules thereunder or by Nasdaq under rules adopted pursuant to Rule 19b-4(e); or (B) indices which the issuer has created and for which Nasdaq will have obtained approval from either the Commission pursuant to Section 19(b) and rules thereunder or from Nasdaq under rules adopted pursuant to Rule 19b-4(e) (each an "Issuer Index"). The Issuer Indices and their underlying securities must meet one of the following on an initial and continued listing basis:

(A) the procedures and criteria set forth in NOM Rules, Chapter XIV, Section 6(b) and (c), or

(B) the criteria set forth in Rules 5715(b)(3) and (4), the index concentration limits set forth in NOM Rule Chapter XIV, Section 6, and NOM Rule Chapter XIV, Section 6(b)(12) insofar as it relates to NOM Rule Chapter XIV, Section 6(b)(6).

(v) Index-Linked Exchangeable Notes will be treated as equity instruments.

(vi) This section contains the continued listing requirements for Index-Linked Exchangeable Notes. If a series of Index-Linked Exchangeable Notes does not satisfy these requirements, Nasdaq may halt trading in the securities and will initiate delisting proceedings pursuant to the Rule 5800 Series.

a. The Intraday Indicative Value of the subject Index-Linked Exchangeable Notes must be calculated and widely disseminated by Nasdaq or one or more major market data vendors on at least a 15-
second basis during the Regular Market Session (as defined in Rule 4120). For purposes of this Rule, the term "Intraday Indicative Value" means an estimate of the value of a note or a share of the series of Index-Linked Exchangeable Notes. If an interruption to the dissemination persists past the trading day in which it occurred, Nasdaq may halt trading in the securities and will initiate delisting proceedings pursuant to the Rule 5800 Series.

b. The value of the underlying index must be publicly available to investors, on a real time basis, every 15 seconds. If an interruption to the dissemination persists past the trading day in which it occurred, Nasdaq may halt trading in the securities and will initiate delisting proceedings pursuant to the Rule 5800 Series.

c. Beginning twelve months after the initial issuance of a series of index-linked exchangeable notes, Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, that series of Index-Linked Exchangeable Notes under any of the following circumstances:

(A) if the series has fewer than 50,000 notes issued and outstanding;

(B) if the market value of all Index-Linked Exchangeable Notes of that series issued and outstanding is less than $1,000,000;

d. If Nasdaq submits a rule filing pursuant to Section 19(b) of the Act to permit the listing and trading of Index-Linked Exchangeable Notes that do not otherwise meet the standards set forth in this rule and any of the statements or representations regarding (a) the index composition; (b) the index or intraday indicative value; or (c) the applicability of Nasdaq listing rules specified in such proposals are not continuously maintained;

e. if any of the requirements set forth in this rule are not continuously maintained; or

f. if such other event shall occur or such other condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable.

(b) Equity Gold Shares

(i) The provisions of this sub-paragraph (b) apply only to Equity Gold Shares that represent units of fractional undivided beneficial interest in and ownership of the Equity Gold Trust. While Equity Gold Shares are not technically Index Fund Shares and thus are not covered by Nasdaq Rule 5705, all other rules that reference "Index Fund Shares" shall also apply to Equity Gold Shares.

(ii) Except to the extent that specific provisions in this rule govern, or unless the context otherwise requires, the provisions of all other Nasdaq Rules and policies shall be applicable to the trading of Equity Gold Shares on Nasdaq.

(iii) The provisions set forth in Rule 5711(d) shall also apply to Equity Gold Shares.

(c) Trust Certificates Nasdaq will consider for trading, whether by listing or pursuant to unlisted trading privileges, certificates ("Trust Certificates") representing an interest in a special purpose trust (the "Trust") created pursuant to a trust agreement. The Trust will only issue Trust Certificates. Trust Certificates may or may not provide for the repayment of the original principal investment amount.

(i) Trust Certificates pay an amount at maturity which is based upon the performance of specified assets as set forth below:

(A) an underlying index or indexes of equity securities (an "Equity Reference Asset");
(B) instruments that are direct obligations of the issuing company, either exercisable throughout their life (i.e., American style) or exercisable only on their expiration date (i.e., European style), entitling the holder to a cash settlement in U.S. dollars to the extent that the foreign or domestic index has declined below (for a put warrant) or increased above (for a call warrant) the pre-stated cash settlement value of the index ("Index Warrants"); or

(C) a combination of two or more Equity Reference Assets or Index Warrants.

(ii) Nasdaq will file separate proposals under Section 19(b) of the Act before listing and trading Trust Certificates. Any of the statements or representations regarding (a) the description of the index, reference assets, or trust holdings; (b) limitations on index composition, reference assets, or trust holdings; (c) dissemination and availability of the index, reference asset, or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals shall constitute continued listing standards.

Commentary:

.01 Continued Listing. Nasdaq will commence delisting proceedings under the Rule 5800 Series with respect to an issue of Trust Certificates (unless the Commission has approved the continued trading of such issue), under any of the following circumstances:

(a) if the aggregate market value or the principal amount of the securities publicly held is less than $400,000;

(b) if an interruption to the dissemination of the value of the index or composite value of the indexes persists past the trading day in which it occurred or is no longer calculated or widely disseminated on at least a 15-second basis with respect to indexes containing only securities listed on a national securities exchange, or on at least a 60-second basis with respect to indexes containing foreign country securities, provided, however, that, if the official index value does not change during some or all of the period when trading is occurring on Nasdaq (for example, for indexes of foreign country securities, because of time zone differences or holidays in the countries where such indexes' component stocks trade) then the last calculated official index value must remain available throughout Nasdaq trading hours;

(c) if the series of Trust Certificates is not in compliance with any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the index, reference assets, or trust holdings; (b) limitations on index composition, reference assets, or trust holdings; (c) dissemination and availability of the index, reference asset, or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals;

(d) if any of the requirements set forth in this rule are not continuously maintained; or

(e) if such other event shall occur or condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable.

.02 Term - The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

.03 Trustee - The following requirements apply on an initial and continued listing basis:

(a) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(b) No change is to be made in the trustee of a listed issue without prior notice to and approval of Nasdaq.

.04 Voting—Voting rights shall be as set forth in the applicable Trust prospectus.

.05 Surveillance Procedures. Nasdaq will implement and maintain written surveillance procedures for Trust Certificates.

.06 Equity Trading Rules. The Trust Certificates will be subject to Nasdaq's equity trading rules.
.07 Information Circular. Prior to the commencement of trading of a particular Trust Certificate listing pursuant to this Rule, Nasdaq will evaluate the nature and complexity of the issue and, if appropriate, distribute a circular to Members providing guidance regarding compliance responsibilities (including suitability recommendations and account approval) when handling transactions in Trust Certificates.

.08 Trust Certificates may be exchangeable at the option of the holder into securities that participate in the return of the applicable underlying asset. In the event that the Trust Certificates are exchangeable at the option of the holder and contain an Index Warrant, then a Member must ensure that the Member's account is approved for options trading in accordance with Nasdaq Options Market Rules in order to exercise such rights.

.09 Trust Certificates may pass-through periodic payments of interest and principle of the underlying securities.

.10 Trust Insurance. The Trust payments may be guaranteed pursuant to a financial guaranty insurance policy which may include swap agreements.

.11 Early Termination. The Trust Certificates may be subject to early termination or call features.

(d) Commodity-Based Trust Shares

(i) Nasdaq will consider for trading, whether by listing or pursuant to unlisted trading privileges, Commodity-Based Trust Shares that meet the criteria of this Rule.

(ii) Applicability. This Rule is applicable only to Commodity-Based Trust Shares. Except to the extent inconsistent with this Rule, or unless the context otherwise requires, the provisions of the trust issued receipts rules, Bylaws, and all other rules and procedures of the Board of Directors shall be applicable to the trading on Nasdaq of such securities. Commodity-Based Trust Shares are included within the definition of "security" or "securities" as such terms are used in the Bylaws and Rules of Nasdaq.

(iii) Nasdaq will file separate proposals under Section 19(b) of the Act before listing Commodity-Based Trust Shares. Any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the reference assets or trust holdings; (b) limitations on the reference assets or trust holdings; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals shall constitute continued listing standards.

(iv) Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meaning herein specified:

(A) Commodity-Based Trust Shares. The term "Commodity-Based Trust Shares" means a security (1) that is issued by a trust ("Trust") that holds a specified commodity deposited with the Trust; (2) that is issued by such Trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity; and (3) that, when aggregated in the same specified minimum number, may be redeemed at a holder's request by such Trust which will deliver to the redeeming holder the quantity of the underlying commodity.

(B) Commodity. The term "commodity" is defined in Section 1(a)(4) of the Commodity Exchange Act.

(v) Designation of an Underlying Commodity. Nasdaq may trade, either by listing or pursuant to unlisted trading privileges, Commodity-Based Trust Shares based on an underlying commodity. Each issue of a Commodity-Based Trust Share shall be designated as a separate series and shall be identified by a unique symbol.

(vi) Initial and Continued Listing. Commodity-Based Trust Shares will be listed and traded on Nasdaq subject to application of the following criteria:
(A) Initial Listing—Nasdaq will establish a minimum number of Commodity-Based Trust Shares required to be outstanding at the time of commencement of trading on Nasdaq.

(B) Continued Listing—Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, such series under any of the following circumstances:

1. if following the initial 12 month period following commencement of trading on Nasdaq:
   a. the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Commodity-Based Trust Shares;
   b. if the Trust has fewer than 50,000 receipts issued and outstanding; or
   c. if the market value of all receipts issued and outstanding is less than $1,000,000;

2. if an interruption to the dissemination of the value of the underlying commodity persists past the trading day in which it occurred or is no longer calculated or available on at least a 15-second delayed basis by Nasdaq or one or more major market data vendors during the Regular Market Session (as defined in Nasdaq Rule 4120).

3. if an interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred or is no longer made available on at least a 15-second delayed basis; or

4. if a series of Commodity-Based Trust Shares is not in compliance with any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the reference assets or trust holdings; (b) limitations on the reference assets or trust holdings; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals;

5. if any of the requirements set forth in this rule are not continuously maintained; or

6. if such other event shall occur or condition exists which, in the opinion of Nasdaq, makes further dealings on Nasdaq inadvisable.

Upon termination of a Trust, Nasdaq requires that Commodity-Based Trust Shares issued in connection with such entity Trust be removed from Nasdaq listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of the Trust falls below a specified amount.

(C) Term - The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(D) Trustee - The following requirements apply on an initial and continued listing basis:

1. The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

2. No change is to be made in the trustee of a listed issue without prior notice to and approval of Nasdaq.
(E) Voting—Voting rights shall be as set forth in the applicable Trust prospectus.

(vii) Limitation of Nasdaq Liability. Neither Nasdaq nor any agent of Nasdaq shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any underlying commodity value, the current value of the underlying commodity required to be deposited to the Trust in connection with issuance of Commodity-Based Trust Shares; resulting from any negligent act or omission by Nasdaq, or any agent of Nasdaq, or any act, condition or cause beyond the reasonable control of Nasdaq, its agent, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in an underlying commodity.

(viii) Market Maker Accounts. A registered Market Maker in Commodity-Based Trust Shares must file with Nasdaq in a manner prescribed by Nasdaq and keep current a list identifying all accounts for trading in an underlying commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker shall trade in an underlying commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to Nasdaq as required by this Rule.

In addition to the existing obligations under Nasdaq rules regarding the production of books and records (see, e.g., Rule 4625), the registered Market Maker in Commodity-Based Trust Shares shall make available to Nasdaq such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the underlying physical commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, as may be requested by Nasdaq.

Commentary:

.01 A Commodity-Based Trust Share is a Trust Issued Receipt that holds a specified commodity deposited with the Trust.

.02 Nasdaq requires that Members provide all purchasers of newly issued Commodity-Based Trust Shares a prospectus for the series of Commodity-Based Trust Shares.

.03 Transactions in Commodity-Based Trust Shares will occur during the trading hours specified in Rule 4120.

(e) Currency Trust Shares

(i) Nasdaq will consider for listing and trading Currency Trust Shares that meet the criteria of this Rule.

(ii) Applicability. This Rule is applicable only to Currency Trust Shares. Except to the extent inconsistent with this Rule, or unless the context otherwise requires, the provisions of the trust issued receipts rules, Bylaws, and all other rules and procedures of the Board of Directors shall be applicable to the trading on Nasdaq of such securities. Currency Trust Shares are included within the definition of "security" or "securities" as such terms are used in the Bylaws and Rules of Nasdaq.

(iii) Currency Trust Shares. The term "Currency Trust Shares" as used in these Rules shall, unless the context otherwise requires, mean a security that (A) is issued by a trust ("Trust") that holds a specified non-U.S. currency or currencies deposited with the Trust; (B) when aggregated in some specified minimum number may be surrendered to the Trust by an Authorized Participant (as defined in the Trust's prospectus) to receive the specified non-U.S. currency or currencies; and (C) pays beneficial owners interest and other distributions on the deposited non-U.S. currency or currencies, if
any, declared and paid by the Trust.

(iv) Designation of Non-U.S. Currency. Nasdaq may trade, either by listing or pursuant to unlisted trading privileges, Currency Trust Shares that hold a specified non-U.S. currency or currencies. Each issue of Currency Trust Shares shall be designated as a separate series and shall be identified by a unique symbol.

(v) Nasdaq may submit a rule filing pursuant to Section 19(b) of the Act to permit the listing and trading of Currency Trust Shares that do not otherwise meet the standards set forth below. Any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the reference assets or trust holdings; (b) limitations on the reference assets or trust holdings; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals shall constitute continued listing standards.

(vi) Initial and Continued Listing. Currency Trust Shares will be listed and traded on Nasdaq subject to application of the following criteria:

(A) Initial Listing — Nasdaq will establish a minimum number of Currency Trust Shares required to be outstanding at the time of commencement of trading on Nasdaq.

(B) Continued Listing — Nasdaq will consider the suspension of trading in and will initiate delisting proceedings under the Rule 5800 Series of, such series under any of the following circumstances:

(1) if following the initial 12 month period following commencement of trading on Nasdaq:

a. the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Currency Trust Shares;

b. if the Trust has fewer than 50,000 Currency Trust Shares issued and outstanding; or

c. if the market value of all Currency Trust Shares issued and outstanding is less than $1,000,000;

(2) if an interruption to the dissemination of the value of the applicable non-U.S. currency persists past the trading day in which it occurred or is no longer calculated or available on at least a 15-second delayed basis by Nasdaq or one or more major market data vendors during the Regular Market Session (as defined in Nasdaq Rule 4120);

(3) if an interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred or is no longer made available on at least a 15-second delayed basis;

(4) If Nasdaq files separate proposals under Section 19(b) of the Act, any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the reference assets or trust holdings; (b) limitations on reference assets or trust holdings; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals are not satisfied on a continued listing basis;

(5) if any of the requirements set forth in this rule are not continuously maintained; or

(6) if such other event shall occur or condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable.

Upon termination of a Trust, Nasdaq requires that Currency Trust Shares issued in connection
with such entity Trust be removed from Nasdaq listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of the Trust falls below a specified amount.

(C) Term —The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(D) Trustee —The following requirements apply on an initial and continued listing basis:

(1) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(2) No change is to be made in the trustee of a listed issue without prior notice to and approval of Nasdaq.

(E) Voting —Voting rights shall be as set forth in the applicable Trust prospectus.

(vii) Limitation of Nasdaq Liability. Neither Nasdaq nor any agent of Nasdaq shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any applicable non-U.S. currency value; the current value of the applicable non-U.S. currency required to be deposited to the Trust in connection with issuance of Currency Trust Shares; net asset value; or any other information relating to the purchase, redemption, or trading of the Currency Trust Shares, resulting from any negligent act or omission by Nasdaq, or any agent of Nasdaq, or any act, condition or cause beyond the reasonable control of Nasdaq, its agent, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in an applicable non-U.S. currency.

(viii) Market Maker Accounts. A registered Market Maker in Currency Trust Shares must file with Nasdaq, in a manner prescribed by Nasdaq, and keep current a list identifying all accounts for trading in the applicable non-U.S. currency, options, futures or options on futures on such currency, or any other derivatives based on such currency, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker shall trade in the applicable non-U.S. currency, options, futures or options on futures on such currency, or any other derivatives based on such currency, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to Nasdaq as required by this Rule.

In addition to the existing obligations under Nasdaq rules regarding the production of books and records (see e.g., Rule 4625), a registered Market Maker in Currency Trust Shares shall make available to Nasdaq such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the applicable non-U.S. currency, options, futures or options on futures on such currency, or any other derivatives based on such currency, as may be requested by Nasdaq.

Commentary:

.01 A Currency Trust Share is a Trust Issued Receipt that holds a specified non-U.S. currency or currencies deposited with the Trust.

.02 Nasdaq requires that Members provide all purchasers of newly issued Currency Trust Shares a
prospectus for the series of Currency Trust Shares.

.03 Transactions in Currency Trust Shares will occur during the trading hours specified in Nasdaq Rule 4120.

.04 Nasdaq may approve an issue of Currency Trust Shares for listing and/or trading pursuant to Rule 19b-4(e) under the Act. Such issue shall satisfy the criteria set forth in this rule on an initial and, except for paragraph (a) below, continued listing basis, provided that, for issues approved for trading pursuant to unlisted trading privileges, only paragraphs (b), (c), and (d) below are required to be satisfied. If an interruption to the dissemination required by paragraphs (b) or (c) persists past the trading day in which it occurred or paragraph (d) is not maintained, Nasdaq may halt trading in the securities and will initiate delisting proceedings pursuant to the Rule 5800 Series.

(a) a minimum of 100,000 shares of a series of Currency Trust Shares is required to be outstanding at commencement of trading;

(b) the value of the applicable non-U.S. currency, currencies or currency index must be disseminated by one or more major market data vendors on at least a 15-second delayed basis;

(c) the Intraday Indicative Value must be calculated and widely disseminated by Nasdaq or one or more major market data vendors on at least a 15-second basis during the Regular Market Session (as defined in Nasdaq Rule 4120); and

(d) Nasdaq will implement and maintain written surveillance procedures applicable to Currency Trust Shares.

.05 If the value of a Currency Trust Share is based in whole or in part on an index that is maintained by a broker-dealer, the broker-dealer shall erect and maintain a “fire wall” around the personnel responsible for the maintenance of such index or who have access to information concerning changes and adjustments to the index, and the index shall be calculated by a third party who is not a broker-dealer.

Any advisory committee, supervisory board or similar entity that advises an index licensor or administrator or that makes decisions regarding the index or portfolio composition, methodology and related matters must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material, nonpublic information regarding the applicable index or portfolio.

.06 Equity Trading Rules

Currency Trust Shares will be subject to Nasdaq’s equity trading rules.

.07 Trading Halts

If the Intraday Indicative Value, or the value of the non-U.S. currency or currencies or the currency index applicable to a series of Currency Trust Shares is not being disseminated as required, Nasdaq may halt trading during the day on which such interruption first occurs. If such interruption persists past the trading day in which it occurred, Nasdaq will halt trading no later than the beginning of the trading day following the interruption. If Nasdaq becomes aware that the net asset value applicable to a series of Currency Trust Shares is not being disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value is available to all market participants.

(f) Commodity Index Trust Shares

(i) Nasdaq will consider for trading, whether by listing or pursuant to unlisted trading privileges, Commodity Index Trust Shares that meet the criteria of this Rule.

(ii) Applicability. This Rule is applicable only to Commodity Index Trust Shares. Except to the extent inconsistent with this Rule, or unless the context otherwise requires, the provisions of the trust issued receipts rules, Bylaws, and all other rules and procedures of the Board of Directors shall be applicable to the trading on Nasdaq of such securities. Commodity Index Trust Shares are included within the definition of “security” or “securities” as such terms are used in the Bylaws and Rules of Nasdaq.
(iii) Nasdaq will file separate proposals under Section 19(b) of the Act before listing and trading Commodity Index Trust Shares. Any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the index, reference assets, or trust holdings; (b) limitations on index composition, reference assets, or trust holdings; (c) dissemination and availability of the reference asset, index, or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals shall constitute continued listing standards.

(iv) Commodity Index Trust Shares. The term "Commodity Index Trust Shares" as used in the Rules shall, unless the context otherwise requires, mean a security that: (A) is issued by a trust ("Trust") that: (1) is a commodity pool as defined in the Commodity Exchange Act and regulations thereunder, and that is managed by a commodity pool operator registered with the Commodity Futures Trading Commission, and (2) that holds long positions in futures contracts on a specified commodity index, or interests in a commodity pool which, in turn, holds such long positions; and (B) when aggregated in some specified minimum number may be surrendered to the Trust by the beneficial owner to receive positions in futures contracts on a specified index and cash or short term securities. The term "futures contract" is commonly known as a "contract of sale of a commodity for future delivery" set forth in Section 2(a) of the Commodity Exchange Act.

(v) Designation. Nasdaq may trade, either by listing or pursuant to unlisted trading privileges, Commodity Index Trust Shares based on one or more securities. The Commodity Index Trust Shares based on particular securities shall be designated as a separate series and shall be identified by a unique symbol.

(vi) Initial and Continued Listing. Commodity Index Trust Shares will be listed and traded on Nasdaq subject to application of the following criteria:

(A) Initial Listing—Nasdaq will establish a minimum number of Commodity Index Trust Shares required to be outstanding at the time of commencement of trading on Nasdaq.

(B) Continued Listing—Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, a series of Commodity Index Trust Shares under any of the following circumstances:

(1) following the initial twelve-month period beginning upon the commencement of trading of the Commodity Index Trust Shares, there are fewer than 50 record and/or beneficial holders of Commodity Index Trust Shares;

(2) if an interruption to the dissemination of the value of the applicable underlying index persists past the trading day in which it occurred or is no longer calculated or available on at least a 15-second delayed basis from a source unaffiliated with the sponsor, the Trust or the trustee of the Trust;

(3) if the net asset value for the trust is no longer disseminated to all market participants at the same time;

(4) if an interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred or is no longer made available on at least a 15-second delayed basis;

(5) if the Commodity Index Trust Shares do not comply with any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the index, reference assets, or trust holdings; (b) limitations on index composition, reference assets, or trust holdings; (c) dissemination and availability of the reference asset, index, or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals;
(6) if any of the requirements set forth in this rule are not continuously maintained; or

(7) if such other event shall occur or condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable.

Upon termination of a Trust, Nasdaq requires that Commodity Index Trust Shares issued in connection with such entity Trust be removed from Nasdaq listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of the Trust falls below a specified amount.

(C) Term—The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(D) Trustee—The following requirements apply on an initial and continued listing basis:

(1) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(2) No change is to be made in the trustee of a listed issue without prior notice to and approval of Nasdaq.

(E) Voting—Voting rights shall be as set forth in the applicable Trust prospectus.

(vii) Limitation of Nasdaq Liability. Neither Nasdaq nor any agent of Nasdaq shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any applicable underlying index value; the current value of the applicable positions or interests required to be deposited to the Trust in connection with issuance of Commodity Index Trust Shares; net asset value; or any other information relating to the purchase, redemption, or trading of the Commodity Index Trust Shares, resulting from any negligent act or omission by Nasdaq, or any agent of Nasdaq, or any act, condition or cause beyond the reasonable control of Nasdaq or its agent, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in the applicable positions or interests.

(viii) Market Maker Accounts. A registered Market Maker in Commodity Index Trust Shares must file with Nasdaq in a manner prescribed by Nasdaq and keep current a list identifying all accounts for trading in the applicable physical commodities included in, or options, futures or options on futures on, an index underlying an issue of Commodity Index Trust Shares or any other derivatives based on such index or based on any commodity included in such index, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker shall trade in the applicable physical commodities included in, or options, futures or options on futures on, an index underlying an issue of Commodity Index Trust Shares or any other derivatives based on such index or based on any commodity included in such index, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to Nasdaq as required by this Rule.

In addition to the existing obligations under Nasdaq rules regarding the production of books and records, (see e.g., Rule 4625), a registered Market Maker in Commodity Index Trust Shares shall make available to Nasdaq such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts...
for trading the applicable physical commodities included in, or options, futures or options on futures on, an index underlying an issue of Commodity Index Trust Shares or any other derivatives based on such index or based on any commodity included in such index, as may be requested by Nasdaq.

Commentary:

.01 A Commodity Index Trust Share is a Trust Issued Receipt that holds long positions in futures contracts on a specified commodity index, or interests in a commodity pool which, in turn, holds such long positions, deposited with the Trust.

.02 Nasdaq requires that Members provide all purchasers of newly issued Commodity Index Trust Shares a prospectus for the series of Commodity Index Trust Shares.

.03 Transactions in Commodity Index Trust Shares will occur during the trading hours specified in Rule 4120.

(g) Commodity Futures Trust Shares

(i) Nasdaq will consider for trading, whether by listing or pursuant to unlisted trading privileges, Commodity Futures Trust Shares that meet the criteria of this Rule.

(ii) Applicability. This Rule is applicable only to Commodity Futures Trust Shares. Except to the extent inconsistent with this Rule, or unless the context otherwise requires, the provisions of the trust issued receipts rules, Bylaws, and all other rules and procedures of the Board of Directors shall be applicable to the trading on Nasdaq of such securities. Commodity Futures Trust Shares are included within the definition of “security” or “securities” as such terms are used in the Bylaws and Rules of Nasdaq.

(iii) Commodity Futures Trust Shares. The term “Commodity Futures Trust Shares” as used in the Rules shall, unless the context otherwise requires, mean a security that (A) is issued by a trust ("Trust") that (1) is a commodity pool as defined in the Commodity Exchange Act and regulations thereunder, and that is managed by a commodity pool operator registered with the Commodity Futures Trading Commission, and (2) holds positions in futures contracts that track the performance of a specified commodity, or interests in a commodity pool which, in turn, holds such positions; and (B) is issued and redeemed daily in specified aggregate amounts at net asset value. The term "futures contract" is a "contract of sale of a commodity for future delivery" set forth in Section 2(a) of the Commodity Exchange Act. The term "commodity" is defined in Section 1(a)(4) of the Commodity Exchange Act.

(iv) Designation of an Underlying Commodity Futures Contract. Nasdaq may trade, either by listing or pursuant to unlisted trading privileges, Commodity Futures Trust Shares based on an underlying commodity futures contract. Each issue of Commodity Futures Trust Shares shall be designated as a separate series and shall be identified by a unique symbol.

(v) Nasdaq will file separate proposals under Section 19(b) of the Act before listing and trading separate and distinct Commodity Futures Trust Shares designated on different underlying futures contracts. Any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the reference assets or trust holdings; (b) limitations on reference assets, or trust holdings; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals shall constitute continued listing standards.

(vi) Initial and Continued Listing. Commodity Futures Trust Shares will be listed and traded on Nasdaq subject to application of the following criteria:

(A) Initial Listing—Nasdaq will establish a minimum number of Commodity Futures Trust Shares required to be outstanding at the time of commencement of trading on Nasdaq.
(B) Continued Listing—Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, a series of Commodity Futures Trust Shares under any of the following circumstances:

(1) if, following the initial twelve-month period beginning upon the commencement of trading of the Commodity Futures Trust Shares: (a) the Trust has fewer than 50,000 Commodity Futures Trust Shares issued and outstanding; or (b) the market value of all Commodity Futures Trust Shares issued and outstanding is less than $1,000,000; or (c) there are fewer than 50 record and/or beneficial holders of Commodity Futures Trust Shares;

(2) if an interruption to the dissemination of the value of the underlying futures contracts persists past the trading day in which it occurred or is no longer calculated or available on at least a 15-second delayed basis during Nasdaq's Regular Market Session (as defined in Nasdaq Rule 4120) from a source unaffiliated with the sponsor, the Trust or the trustee of the Trust;

(3) if the net asset value for the Trust is no longer disseminated to all market participants at the same time;

(4) if an interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred or is no longer disseminated on at least a 15-second delayed basis during Nasdaq's Regular Market Session (as defined in Nasdaq Rule 4120);

(5) if the Commodity Futures Trust Shares do not comply with any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the reference assets or trust holdings; (b) limitations on reference assets or trust holdings; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals;

(6) if any of the requirements set forth in this rule are not continuously maintained; or

(7) if such other event shall occur or condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable.

Upon termination of a Trust, Nasdaq requires that Commodity Futures Trust Shares issued in connection with such trust be removed from Nasdaq listing. A Trust will terminate in accordance with the provisions of the Trust prospectus.

(C) Term —The stated term of the Trust shall be as stated in the prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(D) Trustee —The following requirements apply on an initial and continued listing basis:

(1) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(2) No change is to be made in the trustee of a listed issue without prior notice to and approval of Nasdaq.

(E) Voting—Voting rights shall be as set forth in the applicable Trust prospectus.

(vii) Market Maker Accounts.
(A) A registered Market Maker in Commodity Futures Trust Shares must file with Nasdaq, in a manner prescribed by Nasdaq, and keep current a list identifying all accounts for trading the underlying commodity, related futures or options on futures, or any other related derivatives, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker in the Commodity Futures Trust Shares shall trade in the underlying commodity, related futures or options on futures, or any other related derivatives, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to Nasdaq as required by this Rule.

(B) In addition to the existing obligations under Nasdaq rules regarding the production of books and records (see, e.g., Rule 4625), the registered Market Maker in Commodity Futures Trust Shares shall make available to Nasdaq such books, records or other information pertaining to transactions by such entity or any limited partner, officer or approved person thereof, registered or nonregistered employee affiliated with such entity for its or their own accounts in the underlying commodity, related futures or options on futures, or any other related derivatives, as may be requested by Nasdaq.

(viii) Limitation of Nasdaq Liability. Neither Nasdaq nor any agent of Nasdaq shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any underlying futures contract value; the current value of positions or interests if required to be deposited to the Trust in connection with issuance of Commodity Futures Trust Shares; net asset value; or other information relating to the purchase, redemption or trading of Commodity Futures Trust Shares, resulting from any negligent act or omission by Nasdaq, or any agent of Nasdaq, or any act, condition or cause beyond the reasonable control of Nasdaq or its agent, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reporting of transactions in an underlying futures contract.

Commentary:

.01 Members trading in Commodity Futures Trust Shares shall provide all purchasers of newly issued Commodity Futures Trust Shares a prospectus for the series of Commodity Futures Trust Shares.

.02 Transactions in Commodity Futures Trust Shares will occur during the trading hours specified in Rule 4120.

.03 If the Intraday Indicative Value or the value of the underlying futures contract is not being disseminated as required, Nasdaq may halt trading during the day in which the interruption to the dissemination of the Intraday Indicative Value or the value of the underlying futures contract occurs. If the interruption to the dissemination of the Intraday Indicative Value or the value of the underlying futures contract persists past the trading day in which it occurred, Nasdaq will halt trading no later than the beginning of the trading day following the interruption.

In addition, if Nasdaq becomes aware that the net asset value with respect to a series of Commodity Futures Trust Shares is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value is available to all market participants.

.04 Nasdaq's rules governing the trading of equity securities apply.

.05 Nasdaq will implement and maintain written surveillance procedures for Commodity Futures Trust Shares.

(h) Partnership Units

(i) Nasdaq will consider for trading, whether by listing or pursuant to unlisted trading privileges, Partnership Units that meet the criteria of this Rule.
(ii) Definitions. The following terms as used in the Rule shall, unless the context otherwise requires, have the meanings herein specified:

(A) Commodity. The term "commodity" is defined in Section 1(a)(4) of the Commodity Exchange Act.

(B) Partnership Units. The term "Partnership Units" for purposes of this Rule means a security (a) that is issued by a partnership that invests in any combination of futures contracts, options on futures contracts, forward contracts, commodities and/or securities; and (b) that is issued and redeemed daily in specified aggregate amounts at net asset value.

(iii) Designation. Nasdaq may list and trade Partnership Units based on an underlying asset, commodity or security. Each issue of a Partnership Unit shall be designated as a separate series and shall be identified by a unique symbol.

(iv) Nasdaq will file separate proposals under Section 19(b) of the Act before listing and trading separate and distinct Partnership Units designated on different underlying investments, commodities and/or assets. Any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the portfolio or reference assets; (b) limitations on portfolio holdings or reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals shall constitute continued listing standards.

(v) Initial and Continued Listing. Partnership Units will be listed and/or traded on Nasdaq subject to application of the following criteria:

(A) Initial Listing—Nasdaq will establish a minimum number of Partnership Units required to be outstanding at the time of commencement of trading on Nasdaq.

(B) Continued Listing—Nasdaq will consider the suspension of trading in and will initiate delisting proceedings under the Rule 5800 Series of Partnership Units under any of the following circumstances:

1. if following the initial twelve month period following the commencement of trading of Partnership Units, (a) the partnership has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Partnership Units; (b) the partnership has fewer than 50,000 Partnership Units issued and outstanding; or (c) the market value of all Partnership Units issued and outstanding is less than $1,000,000;

2. if an interruption to the dissemination of the value of the underlying benchmark investment, commodity or asset persists past the trading day in which it occurred or is no longer calculated or available on at least a 15-second delayed basis by Nasdaq or one or more major market data vendors during the Regular Market Session (as defined in Nasdaq Rule 4120);

3. if an interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred or is no longer made available on at least a 15-second delayed basis;

4. if the Partnership Units do not comply with any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the portfolio or reference assets; (b) limitations on portfolio holdings or reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals;

5. if any of the requirements set forth in this rule are not continuously maintained; or
(6) if such other event shall occur or condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable.

Upon termination of a partnership, Nasdaq requires that Partnership Units issued in connection with such partnership be removed from Nasdaq listing. A partnership will terminate in accordance with the provisions of the partnership prospectus.

(C) Term—The stated term of the partnership shall be as stated in the prospectus. However, such entity may be terminated under such earlier circumstances as may be specified in the Partnership prospectus.

(D) General Partner—The following requirements apply on an initial and continued listing basis:

(1) The general partner of a partnership must be an entity having substantial capital and surplus and the experience and facilities for handling partnership business. In cases where, for any reason, an individual has been appointed as general partner, a qualified entity must also be appointed as general partner.

(2) No change is to be made in the general partner of a listed issue without prior notice to and approval of Nasdaq.

(E) Voting—Voting rights shall be as set forth in the applicable partnership prospectus.

(vi) Market Maker Accounts.

(A) A registered Market Maker in Partnership Units must file with Nasdaq, in a manner prescribed by Nasdaq, and keep current a list identifying all accounts for trading the underlying asset or commodity, related futures or options on futures, or any other related derivatives, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker in the Partnership Units shall trade in the underlying asset or commodity, related futures or options on futures, or any other related derivatives, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to Nasdaq as required by this Rule.

(B) In addition to the existing obligations under Nasdaq rules regarding the production of books and records (see, e.g., Rule 4625), a registered Market Maker in Partnership Units shall make available to Nasdaq such books, records or other information pertaining to transactions by such entity or any limited partner, officer or approved person thereof, registered or non-registered employee affiliated with such entity for its or their own accounts in the underlying asset or commodity, related futures or options on futures, or any other related derivatives, as may be requested by Nasdaq.

(vii) Limitation of Nasdaq Liability. Neither Nasdaq nor any agent of Nasdaq shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any underlying asset or commodity value, the current value of the underlying asset or commodity if required to be deposited to the partnership in connection with issuance of Partnership Units; net asset value; or other information relating to the purchase, redemption or trading of Partnership Units, resulting from any negligent act or omission by Nasdaq or any agent of Nasdaq, or any act, condition or cause beyond the reasonable control of Nasdaq or its agent, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in an underlying asset or commodity.
Commentary:

.01 Nasdaq requires that Members provide to all purchasers of newly issued Partnership Units a prospectus for the series of Partnership Units.

(i) Trust Units

(i) Applicability. The provisions in this Rule are applicable only to Trust Units. In addition, except to the extent inconsistent with this Rule, or unless the context otherwise requires, the rules and procedures of the Board of Directors shall be applicable to the trading on Nasdaq of such securities. Trust Units are included within the definition of "security," "securities," and "derivative securities products" as such terms are used in the Rules of Nasdaq.

(ii) Nasdaq will file separate proposals under Section 19(b) of the Act before listing and trading separate and distinct Trust Units designated on different underlying investments, commodities, assets and/or portfolios. Any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the reference assets or trust holdings; (b) limitations on reference assets or trust holdings; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals shall constitute continued listing standards.

(iii) Definitions. The following terms as used in this Rule shall, unless the context otherwise requires, have the meanings herein specified:

(A) Commodity. The term "commodity" is defined in Section 1(a)(4) of the Commodity Exchange Act.

(B) Trust Units. The term "Trust Units" for purposes of this Rule means a security that is issued by a trust or other similar entity that is constituted as a commodity pool that holds investments comprising or otherwise based on any combination of futures contracts, options on futures contracts, forward contracts, swap contracts, commodities and/or securities.

(iv) Designation. Nasdaq may list and trade Trust Units based on an underlying asset, commodity, security or portfolio. Each issue of a Trust Unit shall be designated as a separate series and shall be identified by a unique symbol.

(v) Initial and Continued Listing. Trust Units will be listed and/or traded on Nasdaq subject to application of the following criteria:

(A) Initial Listing.

(1) Nasdaq will establish a minimum number of Trust Units required to be outstanding at the time of commencement of trading on Nasdaq.

(2) Nasdaq will obtain a representation from the issuer of each series of Trust Units that the net asset value per share for the series will be calculated daily and will be made available to all market participants at the same time.

(B) Continued Listing.

(1) Nasdaq will consider the suspension of trading in and will initiate delisting proceedings under the Rule 5800 Series of Trust Units under any of the following circumstances:

(a) if following the initial twelve month period following the commencement of trading of Trust Units, (i) the trust has more than 60 days remaining until termination and there are fewer than 50
record and/or beneficial holders of Trust Units; (ii) the trust has fewer than 50,000 Trust Units issued and outstanding; or (iii) the market value of all Trust Units issued and outstanding is less than $1,000,000; or

(b) if the Trust Units do not comply with any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the reference assets or trust holdings; (b) limitations on reference assets or trust holdings; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals;

(c) if any of the requirements set forth in this rule are not continuously maintained; or

(d) if such other event shall occur or condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable.

(2) Nasdaq will halt trading in a series of Trust Units if the circuit breaker parameters in Rule 4120(a)(11) have been reached. In exercising its discretion to halt or suspend trading in a series of Trust Units, Nasdaq may consider any relevant factors. In particular, if the portfolio and net asset value per share are not being disseminated as required, Nasdaq may halt trading during the day in which the interruption to the dissemination of the portfolio holdings or net asset value per share occurs. If the interruption to the dissemination of the portfolio holdings or net asset value per share persists past the trading day in which it occurred, Nasdaq will halt trading no later than the beginning of the trading day following the interruption.

Upon termination of a trust, Nasdaq requires that Trust Units issued in connection with such trust be removed from Nasdaq listing. A trust will terminate in accordance with the provisions of the prospectus.

(C) Term — The stated term of the trust shall be as stated in the prospectus. However, such entity may be terminated under such earlier circumstances as may be specified in the prospectus.

(D) Trustee — The following requirements apply on an initial and continued listing basis:

(1) The trustee of a trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(2) No change is to be made in the trustee of a listed issue without prior notice to and approval of Nasdaq.

(E) Voting — Voting rights shall be as set forth in the prospectus.

(vi) Limitation of Nasdaq Liability. Neither Nasdaq nor any agent of Nasdaq shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any underlying portfolio value; net asset value; or other information relating to the purchase, redemption or trading of Trust Units, resulting from any negligent act or omission by Nasdaq or any agent of Nasdaq, or any act, condition or cause beyond the reasonable control of Nasdaq or its agent, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in the Trust Units.

(vii) Market Maker Accounts. A registered Market Maker in Trust Units must file with Nasdaq, in a
manner prescribed by Nasdaq, and keep current a list identifying all accounts for trading in an underlying commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker shall trade in an underlying commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to Nasdaq as required by this Rule.

In addition to the existing obligations under Nasdaq rules regarding the production of books and records (see e.g., Rule 4625), a registered Market Maker in Trust Units shall make available to Nasdaq such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the underlying physical commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, as may be requested by Nasdaq.

Commentary:

.01 Nasdaq requires that Members provide to all purchasers of newly issued Trust Units a prospectus for the series of Trust Units.

.02 Transactions in Trust Units will occur during the trading hours specified in Nasdaq Rule 4120.

(j) Managed Trust Securities

(i) Nasdaq will consider for trading, whether by listing or pursuant to unlisted trading privileges, Managed Trust Securities that meet the criteria of this Rule.

(ii) Applicability. This Rule is applicable only to Managed Trust Securities. Managed Trust Securities are included within the definition of "security" or "securities" as such terms are used in the Bylaws and Rules of Nasdaq.

(iii) Nasdaq will file separate proposals under Section 19(b) of the Act before listing and trading separate and distinct Managed Trust Securities. Any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the portfolio or reference assets; (b) limitations on portfolio holdings or reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals shall constitute continued listing standards.

(iv) Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meanings herein specified:

(A) Managed Trust Securities. The term "Managed Trust Securities" as used in the Rules shall, unless the context otherwise requires, mean a security that is registered under the Securities Act of 1933, as amended, (1) is issued by a trust ("Trust") that (a) is a commodity pool as defined in the Commodity Exchange Act and regulations thereunder, and that is managed by a commodity pool operator registered with the Commodity Futures Trading Commission, and (b) holds long and/or short positions in exchange-traded futures contracts and/or certain currency forward contracts selected by the Trust's advisor consistent with the Trust's investment objectives, which will only include exchange-traded futures contracts involving commodities, currencies, stock indices, fixed income indices, interest rates and sovereign, private and mortgage or asset backed debt instruments, and/or forward contracts on specified currencies, each as disclosed in the Trust's prospectus as such may be amended from time to time; and (2) is issued and redeemed continuously in specified aggregate amounts at the next applicable net asset value.

(B) Disclosed Portfolio. The term "Disclosed Portfolio" means the identities and quantities of the securities and other assets held by the Trust that will form the basis for the Trust's calculation of net asset value at the end of the business day.
(C) Intraday Indicative Value. The term "Intraday Indicative Value" is the estimated indicative value of a Managed Trust Security based on current information regarding the value of the securities and other assets in the Disclosed Portfolio.

(D) Reporting Authority. The term "Reporting Authority" in respect of a particular series of Managed Trust Securities means Nasdaq, an institution, or a reporting or information service designated by Nasdaq or by the Trust or the exchange that lists a particular series of Managed Trust Securities (if Nasdaq is trading such series pursuant to unlisted trading privileges) as the official source for calculating and reporting information relating to such series, including, but not limited to, the Intraday Indicative Value, the Disclosed Portfolio, the amount of any cash distribution to holders of Managed Trust Securities, net asset value, or other information relating to the issuance, redemption or trading of Managed Trust Securities. A series of Managed Trust Securities may have more than one Reporting Authority, each having different functions.

(v) Designation. Nasdaq may trade, either by listing or pursuant to unlisted trading privileges, Managed Trust Securities based on the underlying portfolio of exchange-traded futures and/or certain currency forward contracts described in the related prospectus. Each issue of Managed Trust Securities shall be designated as a separate trust or series and shall be identified by a unique symbol.

(vi) Initial and Continued Listing. Managed Trust Securities will be listed and traded on Nasdaq subject to application of the following criteria:

(A) Initial Listing—Each series of Managed Trust Securities will be listed and traded on Nasdaq subject to application of the following initial listing criteria:

(1) Nasdaq will establish a minimum number of Managed Trust Securities required to be outstanding at the time of commencement of trading on Nasdaq.

(2) Nasdaq will obtain a representation from the issuer of each series of Managed Trust Securities that the net asset value per share for the series will be calculated daily and that the net asset value and the Disclosed Portfolio will be made available to all market participants at the same time.

(B) Continued Listing—Each series of Managed Trust Securities will be listed and traded on Nasdaq subject to application of the following continued listing criteria:

(1) Intraday Indicative Value. The Intraday Indicative Value for Managed Trust Securities will be widely disseminated by one or more major market data vendors at least every 15 seconds during the time when the Managed Trust Securities trade on Nasdaq.

(2) Disclosed Portfolio.

(a) The Disclosed Portfolio must be disseminated at least once daily and will be made available to all market participants at the same time.

(b) The Reporting Authority that provides the Disclosed Portfolio must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the actual components of the portfolio.

(3) Rule Proposal Representations. Managed Trust Securities must continue to comply with any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the portfolio or reference assets; (b) limitations on portfolio holdings or reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals.
(4) Suspension of trading or removal. Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, a series of Managed Trust Securities under any of the following circumstances:

(a) if, following the initial twelve-month period beginning upon the commencement of trading of the Managed Trust Securities: (A) the Trust has fewer than 50,000 Managed Trust Securities issued and outstanding; (B) the market value of all Managed Trust Securities issued and outstanding is less than $1,000,000; or (C) there are fewer than 50 record and/or beneficial holders of Managed Trust Securities;

(b) if an interruption to the dissemination of the Intraday Indicative Value for the Trust persists past the trading day in which it occurred or is no longer calculated or available or the Disclosed Portfolio is not made available to all market participants at the same time;

(c) if the Trust issuing the Managed Trust Securities has failed to file any filings required by the Securities and Exchange Commission or if Nasdaq is aware that the Trust is not in compliance with the conditions of any exemptive order or no-action relief granted by the Securities and Exchange Commission to the Trust with respect to the series of Managed Trust Securities;

(d) if the series of Managed Trust Securities fails to comply with any of the requirements in paragraph (B) above; or

(e) if such other event shall occur or condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable.

(5) Trading Halts. If the Intraday Indicative Value of a series of Managed Trust Securities is not being disseminated as required, Nasdaq may halt trading during the day in which the interruption to the dissemination of the Intraday Indicative Value occurs. If the interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred, Nasdaq will halt trading no later than the beginning of the trading day following the interruption. If a series of Managed Trust Securities is trading on Nasdaq pursuant to unlisted trading privileges, Nasdaq will halt trading in that series as specified in Rule 4120(a) or (b), as applicable. In addition, if Nasdaq becomes aware that the net asset value or the Disclosed Portfolio with respect to a series of Managed Trust Securities is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value or the Disclosed Portfolio is available to all market participants.

(6) Upon termination of a Trust, Nasdaq requires that Managed Trust Securities issued in connection with such Trust be removed from Nasdaq listing. A Trust will terminate in accordance with the provisions of the Trust prospectus.

(C) Term —The stated term of the Trust shall be as stated in the prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(D) Trustee —The following requirements apply on an initial and continued listing basis:

(1) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(2) No change is to be made in the trustee of a listed issue without prior notice to and approval of Nasdaq.
(E) Voting—Voting rights shall be as set forth in the applicable Trust prospectus.

(vii) Market Maker Accounts.

(A) A registered Market Maker in Managed Trust Securities must file with Nasdaq, in a manner prescribed by Nasdaq, and keep current a list identifying all accounts for trading the underlying commodity or applicable currency, related futures or options on futures, or any other related derivatives, which a registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker in the Managed Trust Securities shall trade in the underlying commodity or applicable currency, related futures or options on futures, or any other related derivatives, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to Nasdaq as required by this Rule.

(B) In addition to the existing obligations under Nasdaq rules regarding the production of books and records, (see, e.g., Rule 4625) a registered Market Maker in Managed Trust Securities shall make available to Nasdaq such books, records or other information pertaining to transactions by such entity or any limited partner, officer or approved person thereof, registered or non-registered employee affiliated with such entity for its or their own accounts in the underlying commodity or applicable currency, related futures or options on futures, or any other related derivatives, as may be requested by Nasdaq.

(viii) Limitation of Nasdaq Liability. Neither Nasdaq, the Reporting Authority nor any agent of Nasdaq shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any underlying futures contract value; the current value of positions or interests if required to be deposited to the Trust in connection with issuance of Managed Trust Securities; net asset value; or other information relating to the purchase, redemption or trading of Managed Trust Securities, resulting from any negligent act or omission by Nasdaq, or the Reporting Authority, or any agent of Nasdaq, or any act, condition or cause beyond the reasonable control of Nasdaq or its agent, including, but not limited to, fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reporting of transactions in an underlying futures contract.

Commentary:

.01 Nasdaq requires that Members provide all purchasers of newly issued Managed Trust Securities a prospectus for the series of Managed Trust Securities.

.02 Transactions in Managed Trust Securities will occur during the trading hours specified in Rule 4120.

.03 Nasdaq's rules governing the trading of equity securities apply.

.04 Nasdaq will implement and maintain written surveillance procedures for Managed Trust Securities.

.05 If the Trust's advisor is affiliated with a broker-dealer, the broker-dealer shall erect and maintain a "fire wall" around the personnel who have access to information concerning changes and adjustments to the Disclosed Portfolio. Personnel who make decisions on the Trust's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable Trust portfolio.

(k) Listing of Currency Warrants

(i) Nasdaq will file separate proposals under Section 19(b) of the Act before listing and trading separate and distinct Currency Warrants. Any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the reference assets; (b) limitations on the
reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals shall constitute continued listing standards.

(ii) Each series of Currency Warrants will be listed and traded on Nasdaq subject to application of the following initial listing criteria:

(A) Term—One to five years from date of issuance.

(B) Cash Settlement—The warrants will be cash settled in U.S. dollars.

(C) Automatic Exercise—All currency warrants must include in their terms provisions specifying: (1) the time by which all exercise notices must be submitted, and (2) that all unexercised warrants that are in the money will be automatically exercised on their expiration date or on or promptly following the date on which such warrants are delisted by Nasdaq (if such warrant issue has not been listed on another organized securities market in the United States).

(iii) Each series of Currency Warrants shall meet the following criteria on an initial and continued listing basis. If a series of Currency Warrants does not satisfy these requirements, Nasdaq may halt trading in the securities and will initiate delisting proceedings pursuant to the Rule 5800 Series.

(A) Size and Earnings of Warrant Issuer—The warrant issuer will be expected to have a minimum tangible net worth in excess of $250,000,000 and otherwise to exceed substantially the earnings requirements set forth in Rule 5405(b). In the alternative, the warrant issuer will be expected: (1) to have a minimum tangible net worth of $150,000,000 and otherwise to exceed substantially the earnings requirements set forth in Rule 5405(b), and (2) not to have issued warrants where the original issue price of all the issuer's currency warrant offerings (combined with currency warrant offerings of the issuer's affiliates) listed on a national securities exchange or traded through the facilities of Nasdaq exceeds 25% of the warrant issuer's net worth.

(B) Distribution/Market Value—(i) Minimum public distribution of 1,000,000 warrants together with a minimum of 400 public holders, and an aggregate market value of $4,000,000; or (ii) Minimum public distribution of 2,000,000 warrants together with a minimum number of public warrant holders determined on a case by case basis, an aggregate market value of $12,000,000 and an initial warrant price of $6.

(iv) Suspension of trading or removal. Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, a series of Currency Warrants under any of the following circumstances:

(A) if a series of Currency Warrants is not in compliance with any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the reference assets; (b) limitations on the reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals;

(B) if any of the requirements set forth in this rule are not continuously maintained; or

(C) if such other event shall occur or condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable.

(v) Regulatory Matters
(A) No Member shall accept an order from a customer to purchase or sell a Currency Warrant unless the customer's account has been approved for options trading pursuant to Chapter XI, Section 7 of the rules of The Nasdaq Options Market ("NOM").

(B) Suitability. The provisions of NOM Rules Chapter XI, Section 9 shall apply to recommendations in Currency Warrants and the term "option" as used therein shall be deemed for purposes of this Rule to include such warrants.

(C) Discretionary Accounts. Any account in which a Member exercises discretion to trade in Currency Warrants shall be subject to the provisions of NOM Rules, Chapter XI, Section 10 with respect to such trading. For purposes of this Rule, the terms, "option" and "options contract" as used in Chapter XI, Section 10 shall be deemed to include Currency Warrants.

(D) Supervision of Accounts. NOM Rules, Chapter XI, Section 8 shall apply to all customer accounts of a Member in which transactions in Currency Warrants are effected. The term "option" as used in Chapter XI, Section 8 shall be deemed to include Currency Warrants.

(E) Public Customer Complaints. NOM Rules, Chapter XI, Section 24 shall apply to all public customer complaints received by a Member regarding Currency Warrants. The term "option" as used in Chapter XI, Section 24 shall be deemed to include such warrants.

(F) Communications with Public Customers. Members participating in Currency Warrants shall be bound to comply with the Communications and Disclosures rule of FINRA, as applicable, as though such rule were part of these Rules.

(vi) Trading Halts or Suspensions. Trading on Nasdaq in any Currency Warrant shall be halted whenever Nasdaq deems such action appropriate in the interests of a fair and orderly market or to protect investors. Trading in Currency Warrants that have been the subject of a halt or suspension by Nasdaq may resume if Nasdaq determines that the conditions which led to the halt or suspension are no longer present, or that the interests of a fair and orderly market are best served by a resumption of trading.

(vii) Reporting of Warrant Positions

(A) Each Member shall file with Nasdaq a report with respect to each account in which the Member has an interest, each account of a partner, officer, director, or employee of such Member, and each customer account that has established an aggregate position (whether long or short) of 100,000 warrants covering the same underlying currency combining for purposes of this Rule: (1) long positions in put warrants and short positions in call warrants, and (2) short positions in put warrants with long positions in call warrants. The report shall be in such form as may be prescribed by Nasdaq and shall be filed no later than the close of business on the next day following the day on which the transaction or transactions requiring the filing of such report occurred.

(B) Whenever a report shall be required to be filed with respect to an account pursuant to this Rule, the Member filing the same shall file with Nasdaq such additional periodic reports with respect to such account as Nasdaq may from time to time require.

(C) All reports required by this Rule shall be filed with Nasdaq in such manner and form as prescribed by Nasdaq.
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Equity Index-Linked Securities are Linked Securities, as defined in Exchange Rule 5710, that provide for the payment at maturity of a cash amount based on the performance of an underlying equity index or indexes (an "Equity Reference Asset"). Nasdaq will consider for listing and trading Equity Index-Linked Securities with respect to which the Equity Reference Asset is one of the following indexes (the "Alpha Indexes"): GOOG vs. SPY (GOOSY) and AAPL vs. SPY (AVSPY). Each such Equity Index-Linked Security is referred to herein as an Alpha Index-Linked Security.

The Alpha Indexes are proprietary relative performance based indexes owned and maintained by Nasdaq, Inc. Each Alpha Index consists of two components. The Alpha Indexes that underlie Alpha Index-Linked Securities measure relative total returns of one stock versus SPY, a non-leveraged ETF share (each such combination of two components is referred to as an "Alpha Pair"). The first component identified in an Alpha Pair (the "Target Component") is measured against the second component identified in the Alpha Pair (the "Benchmark Component").

(a) Nasdaq will file separate proposals under Section 19(b) of the Act before listing and trading separate and distinct Alpha Index-Linked Securities that are not linked to previously approved Alpha Indexes. Any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the reference assets; (b) limitations on the reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals shall constitute continued listing standards.

(b) Initial Listing. Nasdaq will consider Alpha-Index Linked Securities for listing and trading provided that:

(i) the requirements set forth for Equity Index-Linked Securities in Exchange Rule 5710(a)-(j) are met; and

(ii) each Alpha Index underlying an Alpha Index-Linked Security meets the following criteria. The initial listing criteria set forth in Rule 5710(k)(i)(A) do not apply to Alpha Index-Linked Securities. Instead, at initial listing of the Alpha Index-Linked Security, options on both the Target Component and the Benchmark Component of the Alpha Index must also be listed and traded on The Nasdaq Options Market and must meet the requirements of Chapter IV, Section 3, Criteria for Underlying Securities, of The Nasdaq Options Market rules. Additionally, both the Target Component’s and the Benchmark Component’s trading volume (in all markets in which the Target Component and the Benchmark Component are traded) must have averaged at least 2,250,000 shares per day in the preceding twelve months. No Alpha Index-Linked Security will be listed unless and until options overlying each of the Target Component and the Benchmark Component have been listed and traded on a national securities exchange with an average daily options trading volume during the three previous months of at least 10,000 contracts. Finally, values of Alpha Indexes underlying Alpha Index-Linked Securities must be disseminated at least once every second over the Nasdaq Global Index Data Service ("GIDS").

(c) Continued Listing. The continued listing criteria set forth in Rule 5710(k)(i)(B) do not apply to Alpha Index-Linked Securities. Instead, following the initial listing of the Alpha Index-Linked Security, options on both the Target Component and the Benchmark Component of the Alpha Index must continue to meet the continued listing standards set forth by Chapter IV, Section 4, Withdrawal of Approval of Underlying Securities, of The Nasdaq Options Market rules. Additionally, both the Target Component’s and the Benchmark Component’s trading volume (in all markets in which the Target Component and the Benchmark Component are traded) must have averaged at least 2,000,000 shares per day in the preceding twelve months. Following the listing of an Alpha Index-Linked Security, options on each of
the Target Component and Benchmark Component of the Alpha Index must continue to meet the options average daily volume standard set forth in Section (a)(ii) above.

(d) Delisting or Removal Proceedings. Nasdaq may halt trading in the securities and will initiate delisting proceedings pursuant to the Rule 5800 Series (unless the Commission has approved the continued trading) with respect to any Alpha Index-Linked Security if the standards set forth in Rule 5712(c) with respect to the underlying Alpha Index or any of the requirements below are not continuously maintained.

(i) if the aggregate market value or principal amount of the Alpha Index-Linked Securities publicly held is less than $400,000;

(ii) if an interruption to the dissemination of the value of the underlying Alpha Index persists past the trading day in which it occurred or is no longer calculated or widely disseminated on at least a one second basis, provided, however, that if the official index value does not change during some or all of the period when trading is occurring on Nasdaq then the last calculated official index value must remain available throughout Nasdaq trading hours;

(iii) if such other event shall occur or condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable;

(iv) if the Alpha-Index Linked Securities no longer comply with any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the reference assets; (b) limitations on the reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals; or

(v) if any of the requirements set forth in this rule are not continuously maintained.

(vi) if an underlying Alpha Index fails to satisfy the maintenance standards or conditions for such index as set forth by the Commission in its order under Section 19(b) of the Act approving the index for the trading of options or other derivatives.


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(a) Nasdaq will consider for trading, whether by listing or pursuant to unlisted trading privileges, Paired Class Shares that meet the criteria of this Rule.

(b) Applicability. This Rule is applicable only to Paired Class Shares. Except to the extent inconsistent with this Rule, or unless the context otherwise requires, the By-laws and all other rules and procedures of the Board of Directors shall be applicable to the trading on Nasdaq of such securities. Paired Class Shares are included within the definition of "security" or "securities" as such terms are used in the By-laws and Rules of Nasdaq.

(c) Nasdaq will file separate proposals under Section 19(b) of the Securities Exchange Act of 1934 ("Act") before listing and trading Paired Class Shares. In addition, prior to a substitute or replacement Underlying Benchmark being selected for the Fund, Nasdaq must file a related proposed rule change pursuant to Rule 19b-4 under the Act to continue listing and trading the Paired Class Shares. Any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the portfolio or reference assets; (b) limitations on portfolio holdings or reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals shall constitute continued listing standards.

(d) Paired Class Shares. The term "Paired Class Share" means a security: (1) that is issued by a trust (the "Trust") on behalf of a segregated series (the "Fund") as part of a pair of shares of opposing classes whose respective underlying values move in opposite directions as the value of the Fund’s Underlying Benchmark (defined in Rule 5713(f)) varies from its starting level, where one constituent of the pair is positively linked to the Fund’s Underlying Benchmark ("Up Shares") and the other constituent is inversely linked to the Fund’s Underlying Benchmark ("Down Shares"); (2) that is issued in exchange for cash; (3) the issuance proceeds of which are invested and reinvested in highly rated short-term financial instruments that mature within 90 calendar days and that serve the functions of (i) covering the Fund’s expenses, (ii) providing income distributions to investors, based on income (after expenses) from the financial instruments held by the Fund, (iii) providing cash proceeds for regular and special distributions to be made in cash in lieu of Paired Class Shares, and (iv) providing cash proceeds to be paid upon the redemption of Paired Class Shares; (4) that represents a beneficial interest in the Fund; (5) the value of which is determined by the underlying value of the Fund that is attributable to the class of which such security is a part, which security underlying value will either (i) increase as a result of an increase in the Underlying Benchmark and decrease as a result of a decrease in the Underlying Benchmark (in the case of an Up Share) or (ii) increase as a result of a decrease in the Underlying Benchmark and decrease as the result of an increase in the Underlying Benchmark (in the case of a Down Share); (6) that, when timely aggregated in a specified minimum number or amount of securities, along with an equal number or amount of the securities of the opposite class that constitute the other part of the pair, may be redeemed for a distribution of cash on specified dates by authorized parties; and (7) that may be subject to mandatory redemption of all Paired Class Shares under specified circumstances.

(e) Distributions. A Fund may engage in scheduled regular distributions, special distributions that are automatically triggered upon the Underlying Benchmark exceeding a fixed rate of change since the prior distribution, and corrective distributions that are automatically triggered when the trading price of a Paired Class Share deviates by a specified amount from its underlying value for a specified period of time.

(f) Designation. Nasdaq may trade, either by listing or pursuant to unlisted trading privileges, Paired Class Shares whose values are based on an index or other numerical variable ("Underlying Benchmark") whose value reflects the value of assets, prices, price volatility or other economic interests ("Reference Asset"). Each issue of Up Shares or Down Shares of a Fund shall be designated as a separate series and shall be identified by a unique symbol.

(g) Initial and Continued Listing. Paired Class Shares will be listed and traded on Nasdaq subject to application of the following criteria:
(i) Initial Listing

(A) Nasdaq will establish a minimum number of Paired Class Shares for each Fund required to be outstanding at the time of commencement of trading on Nasdaq;

(B) Nasdaq will obtain a representation from the Trust on behalf of each Fund that the underlying value per share of each Up Share and Down Share will be calculated daily and that these underlying values and information about the assets of the Fund will be made available to all market participants at the same time; and

(C) If the Underlying Benchmark is maintained by a broker-dealer or investment advisor, the broker-dealer or investment advisor shall erect and maintain a "firewall" around the personnel who have access to information concerning changes and adjustments to the Underlying Benchmark.

(ii) Continued Listing—Nasdaq will consider the suspension of trading in and will initiate delisting proceedings under the Rule 5800 Series of a Fund’s Paired Class Shares under any of the following circumstances:

(A) if, following the initial twelve-month period beginning upon the commencement of trading of the Paired Class Shares: (i) there are fewer than 50 record and/or beneficial holders of the Fund’s Up Shares or Down Shares; (ii) the Fund has fewer than 50,000 Up Shares or 50,000 Down Shares issued and outstanding; or (iii) the combined market value of all shares of a Fund issued and outstanding is less than $1,000,000;

(B) if an interruption to the dissemination of the intraday level of the Underlying Benchmark persists past the trading day in which it occurred, or a substitute or replacement Underlying Benchmark based on the same Reference Asset, is no longer calculated or available on at least a 15-second delayed basis during the Regular Market Session from a source unaffiliated with the sponsor, the custodian, the trustee of the Trust, the Fund or Nasdaq that is a major market data vendor (e.g., Reuters or Bloomberg);

(C) if the underlying value per share of each Up Share and Down Share of a Fund is no longer made available on a daily basis to all market participants at the same time;

(D) if an interruption to the dissemination of the estimate of the value of a share of the series of Paired Class Shares (the "Intraday Indicative Value") of the underlying value of each listed Up Share and Down Share of the Fund persists past the trading day in which it occurred or is no longer made available on at least a 15-second delayed basis by a major market vendor during the Regular Market Session;

(E) if the "fire wall" erected around the personnel who have access to information concerning changes and adjustments to the Underlying Benchmark is no longer in place;

(F) if Paired Class Shares no longer comply with any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the portfolio or reference assets; (b) limitations on portfolio holdings or reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals;

(G) if any of the requirements set forth in this rule are not continuously maintained; or

(H) if such other event shall occur or condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable.

(iii) Term - The stated term of a Fund shall be as stated in the Fund prospectus. However, a Fund may be terminated under such earlier circumstances as may be specified in the Fund prospectus.

(iv) Trustee - The following requirements apply on an initial and continued listing basis:
(A) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee; and

(B) No change is to be made in the trustee of a listed issue without prior notice to and approval of Nasdaq.

(v) Voting - Voting rights, if any, shall be as set forth in the applicable Fund prospectus.

(h) Limitation of Nasdaq Liability. Neither Nasdaq nor any agent of Nasdaq shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any applicable Underlying Benchmark value; the underlying value of the Fund and its Paired Class Shares; distribution values or any other information relating to the purchase, redemption, or trading of the Paired Class Shares, resulting from any negligent act or omission by Nasdaq, or any agent of Nasdaq, or any act, condition or cause beyond the reasonable control of Nasdaq or its agent, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in the applicable positions or interests.

(i) Market Maker Accounts.

(i) A registered Market Maker in Paired Class Shares must file with Nasdaq in a manner prescribed by Nasdaq and keep current a list identifying all accounts for trading in the applicable securities or physical commodities included in, or options, futures or options on futures on, the Reference Asset of the Underlying Benchmark of any Paired Class Shares or any other derivatives based on such Reference Asset or based on any security or Reference Asset included in the Underlying Benchmark, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker shall trade in the applicable securities or physical commodities included in, or options, futures or options on futures on, the Reference Asset of the Underlying Benchmark of any Paired Class Shares or any other derivatives based on such Reference Asset or based on any security or Reference Asset included in the Underlying Benchmark, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to Nasdaq as required by this Rule.

(ii) In addition to the existing obligations under Nasdaq rules regarding the production of books and records, (see e.g., Rule 4625), a registered Market Maker in Paired Class Shares shall make available to Nasdaq such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the applicable securities or physical commodities included in, or options, futures or options on futures on, the Reference Asset of the Underlying Benchmark of any Paired Class Shares or any other derivatives based on such Reference Asset or based on any security or Reference Asset included in the Underlying Benchmark, as may be requested by Nasdaq.

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Commentary

.01 Nasdaq requires that Members provide all purchasers of newly issued Paired Class Shares a prospectus for the Fund.

.02 Transactions in Paired Class Shares will occur during the trading hours specified in Rule 4120.

.03 Nasdaq will implement and maintain written surveillance procedures for trading the Paired Class Shares.


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Nasdaq Stock Market Rules, Regulation, 5715., Nasdaq, Selected Equity-linked Debt Securities ("SEEDS")

(a) Definition

(1) SEEDS are limited-term, non-convertible debt securities of a Company where the value of the debt is based, at least in part, on the value of up to thirty (30) other issuers' common stock or non-convertible preferred stock (or sponsored American Depositary Receipts (ADRs) overlying such equity securities).

(2) Nasdaq may submit a rule filing pursuant to Section 19(b) of the Act to permit the listing and trading of SEEDS that do not otherwise meet the standards set forth in this rule. Any of the statements or representations regarding the index composition or reference asset, the description of the index or reference asset, limitations on the index or reference assets, dissemination and availability of the index, reference asset, or intraday indicative values, or the applicability of Nasdaq listing rules specified in such proposals, constitute continued listing standards.

(b) Listing Requirements - SEEDS shall meet the following criteria on both an initial and continued listing basis. If a series of SEEDS does not satisfy these requirements, Nasdaq may halt trading in the securities and will initiate delisting proceedings pursuant to the Rule 5800 Series.

Nasdaq will consider listing on the Nasdaq Global Market or Nasdaq Global Select Market Selected Equity-linked Debt Securities (SEEDS), pursuant to Rule 19b-4(e) under the Act, that meet the criteria of paragraph (b) of this rule.

(1) Issuer Listing Standards - An issuer of SEEDS shall meet the following criteria on both an initial and continued listing basis. If an issuer of SEEDS does not satisfy these requirements, Nasdaq may halt trading in the SEEDS and will initiate delisting proceedings pursuant to the Rule 5800 Series.

(A) The issuer of a SEEDS must be an entity that:

(i) is listed on the Nasdaq Global Market, Nasdaq Global Select or the New York Stock Exchange (NYSE) or is an affiliate of a Company listed on the Nasdaq Global Market, Nasdaq Global Select or the NYSE; provided, however, that the provisions of Rule 5730(b) will be applied to sovereign issuers of SEEDS on a case-by-case basis; and

(ii) has a minimum net worth of $150 million.

(B) In addition, the market value of a SEEDS offering, when combined with the market value of all other SEEDS offerings previously completed by the Company and traded on the Nasdaq Global, Nasdaq Global Select Market or another national securities exchange, may not be greater than 25 percent of the Company's net worth at the time of issuance.

(2) Issue Listing Standards – SEEDS shall meet the following criteria on both an initial and continued listing basis. If a series of SEEDS does not satisfy these requirements, Nasdaq may halt trading in the securities and will initiate delisting proceedings pursuant to the Rule 5800 Series.

(A) Equity-Linked Debt Security Listing Standards
The issue must have:

(i) a minimum public distribution of one million SEEDS;
(ii) a minimum of 400 holders of the SEEDS, provided, however, that if the SEEDS is traded in $1,000 denominations or is redeemable at the option of holders thereof on at least a weekly basis, there is no minimum number of holders and no minimum public distribution;

(iii) a minimum market value of $4 million; and

(iv) a minimum term of one year.

(B) Minimum Standards Applicable to the Linked Security

An equity security on which the value of the SEEDS is based must:

(i) have a market value of listed securities of at least $3 billion and a trading volume in the United States of at least 2.5 million shares in the one-year period preceding the listing of the SEEDS;

(ii) have a market value of listed securities of at least $1.5 billion and a trading volume in the United States of at least 10 million shares in the one-year period preceding the listing of the SEEDS; or

(iii) have a market value of listed securities of at least $500 million and a trading volume in the United States of at least 15 million shares in the one-year period preceding the listing of the SEEDS.

(ii) be issued by a Company that has a continuous reporting obligation under the Act, and the security must be listed on the Nasdaq Global Market, Nasdaq Global Select or another national securities exchange and be subject to last sale reporting; and

(iii) be issued by:

(a) a U.S. company; or

(b) a non-U.S. company (including a Company that is traded in the United States through sponsored ADRs) (for purposes of this paragraph, a non-U.S. company is any company formed or incorporated outside of the United States) if:

1. Nasdaq or its subsidiaries has a comprehensive surveillance sharing agreement in place with the primary exchange in the country where the security is primarily traded (in the case of an ADR, the primary exchange on which the security underlying the ADR is traded);

2. the combined trading volume of the non-U.S. security (a security issued by a non-U.S. company) and other related non-U.S. securities occurring in the U.S. market and in markets with which Nasdaq or its subsidiaries has in place a comprehensive surveillance sharing agreement represents (on a share equivalent basis for any ADRs) at least 50% of the combined world-wide trading volume in the non-U.S. security, other related non-U.S. securities, and other classes of common stock related to the non-U.S. security over the six month period preceding the date of listing; or

3  

a. the combined trading volume of the non-U.S. security and other related non-U.S. securities occurring in the U.S. market represents (on a share equivalent basis) at least 20% of the combined world-wide trading volume in the non-U.S. security and in other related non-U.S. securities over the six-month period preceding the date of selection of the non-U.S.
security for a SEEDS listing.

b. the average daily trading volume for the non-U.S. security in the U.S. markets over the six-month period preceding the date of selection of the non-U.S. security for a SEEDS listing is 100,000 or more shares; and

c. the trading volume for the non-U.S. security in the U.S. market is at least 60,000 shares per day for a majority of the trading days for the six-month period preceding the date of selection of the non-U.S. security for a SEEDS listing.

(iv) If the underlying security to which the SEEDS is to be linked is the stock of a non-U.S. company which is traded in the U.S. market as a sponsored ADR, ordinary shares or otherwise, then the minimum number of holders of the underlying linked security shall be 2,000.

(C) Limits on the Number of SEEDS Linked to a Particular Security

(i) The issuance of SEEDS relating to any underlying U.S. security may not exceed five percent of the total outstanding shares of such underlying security. The issuance of SEEDS relating to any underlying non-U.S. security or sponsored ADR may not exceed:

(a.) two percent of the total shares outstanding worldwide if at least 30 percent of the worldwide trading volume in such security occurs in the U.S. market during the six-month period preceding the date of listing (The two percent limit, based on 20 percent of the worldwide trading volume in the non-U.S. security or sponsored ADR, applies only if there is a comprehensive surveillance sharing agreement in place with the primary exchange in the country where the security is primarily traded, or, in the case of an ADR, the primary exchange on which the security underlying the ADR is traded. If there is no such agreement, subparagraph (B) above requires that the combined trading volume of such security and other related securities occurring in the U.S. market represents (on a share equivalent basis for any ADRs) at least 50% of the combined worldwide trading volume in such security, other related securities, and other classes of common stock related to such security over the six month period preceding the date of listing.);

(b.) three percent of the total shares outstanding worldwide if at least 50 percent of the worldwide trading volume in such security occurs in the U.S. market during the six-month period preceding the date of listing; or

(c.) five percent of the total shares outstanding worldwide if at least 70 percent of the worldwide trading volume in such security occurs in the U.S. market during the six-month period preceding the date of listing.

(ii) If a Company proposes to issue SEEDS that relate to more than the allowable percentages of the underlying security specified above, then Nasdaq, with the concurrence of the staff of the Division of Market Regulation of the Commission, will evaluate the maximum percentage of SEEDS that may be issued on a case-by-case basis.

(D) Prior to the commencement of trading of a particular SEEDS listed pursuant to this subsection, Nasdaq or its subsidiaries will distribute a circular to the membership providing guidance regarding Nasdaq member firm compliance responsibilities (including suitability recommendations and account approval) when handling transactions in SEEDS.

(3) Prior to the commencement of trading of a particular SEEDS listed pursuant to this subsection,
Nasdaq or its subsidiaries will distribute a circular to the membership providing guidance regarding Nasdaq member firm compliance responsibilities (including suitability recommendations and account approval) when handling transactions in SEEDS.


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**Nasdaq Stock Market Rules, Regulation, 5720., Nasdaq, Trust Issued Receipts**

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(a) **Definitions**

(1) The term "Trust Issued Receipt" means a security (a) that is issued by a trust ("Trust") which holds specified securities deposited with the Trust; (b) that, when aggregated in some specified minimum number, may be surrendered to the trust by the beneficial owner to receive the securities; and (c) that pays beneficial owners dividends and other distributions on the deposited securities, if any are declared and paid to the trustee by an issuer of the deposited securities.

(b) Nasdaq may submit a rule filing pursuant to Section 19(b) of the Act to permit the listing and trading of Trust Issued Receipts that do not otherwise meet the standards set forth below. Any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the portfolio or reference assets; (b) limitations on portfolio holdings or reference assets; or (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals shall constitute continued listing standards.

(c) **Listing Requirements**

(1) Nasdaq requires that Members provide to all purchasers of newly issued Trust Issued Receipts a prospectus for the series of Trust Issued Receipts.

(2) The eligibility requirements for component securities that are represented by a series of Trust Issued Receipts and that became part of the Trust Issued Receipt when the security was either:

(A) distributed by a Company already included as a component security in the series of Trust Issued Receipts; or

(B) received in exchange for the securities of a Company previously included as a component security that is no longer outstanding due to a merger, consolidation, corporate combination or other event, shall be as follows:

(i) the component security must be listed on Nasdaq or another national securities exchange;

(ii) the component security must be registered under Section 12 of the Act; and

(iii) the component security must have a Standard & Poor's Sector Classification that is the same as the Standard & Poor's Sector Classification represented by the component securities included in the Trust Issued Receipt at the time of the distribution or exchange.

(3) Transactions in Trust Issued Receipts may be effected until 4:00 p.m. ET each business day.

(4) Nasdaq may list and trade Trust Issued Receipts based on one or more securities. The Trust Issued Receipts based on particular securities shall be designated as a separate series and shall be identified by a unique symbol. The securities that are included in a series of Trust Issued Receipts shall be selected by Nasdaq or its agent, a wholly-owned subsidiary of Nasdaq, or by such other person as shall have a proprietary interest in such Trust Issued Receipts.

(5) Trust Issued Receipts will be listed and traded on Nasdaq subject to application of the following
criteria:

(A) Initial Listing — for each Trust, Nasdaq will establish a minimum number of Trust Issued Receipts required to be outstanding at the time of the commencement of trading on Nasdaq.

(B) Continued Listing — Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, a Trust upon which a series of Trust Issued Receipts is based under any of the following circumstances:

(i) following the initial twelve month period following formation of a Trust and commencement of trading on Nasdaq, if the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Trust Issued Receipts;

(ii) following the initial twelve month period following formation of a Trust and commencement of trading on Nasdaq, if the Trust has fewer than 50,000 receipts issued and outstanding;

(iii) following the initial twelve month period following formation of a Trust and commencement of trading on Nasdaq, if the market value of all receipts issued and outstanding is less than $1 million;

(iv) if the Trust Issued Receipts do not comply with any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the portfolio or reference assets; (b) limitations on portfolio holdings or reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals;

(v) if any of the requirements set forth in this rule are not continuously maintained;

(vi) if the series of Trust Issued Receipts was listed pursuant to Rule 19b4-(e) under the Act, any component security does not meet any of the requirements of paragraph (7) below; or

(vii) if such other event shall occur or condition exists which, in the opinion of Nasdaq, makes further dealings on Nasdaq inadvisable.

Upon termination of a Trust, Nasdaq requires that Trust Issued Receipts issued in connection with such Trust be removed from listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of securities in the Trust falls below a specified amount.

(C) Term — the stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(D) Trustee — the following requirements apply on an initial and continued listing basis:

(i) the trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(ii) no change is to be made in the trustee of a listed issue without prior notice to and approval of Nasdaq.

(E) Voting — voting rights shall be as set forth in the Trust prospectus.

(6) Unit of Trading — transactions in Trust Issued Receipts may only be made in round lots of 100
receipts or round lot multiples.

(7) Nasdaq may approve a series of Trust Issued Receipts for listing and trading on Nasdaq pursuant to Rule 19b-4(e) under the Act, provided each of the component securities satisfies the following criteria on an initial and continued listing basis:

(A) each component security must be registered under Section 12 of the Act;

(B) each component security must have a minimum public float of at least $150 million;

(C) each component security must be listed on Nasdaq or another national securities exchange;

(D) each component security must have an average daily trading volume of at least 100,000 shares during the preceding sixty-day trading period;

(E) each component security must have an average daily dollar value of shares traded during the preceding sixty-day trading period of at least $1 million; and

(F) the most heavily weighted component security may not initially represent more than 20% of the overall value of the Trust Issued Receipt.

Nasdaq Stock Market Rules, Regulation, 5725., Nasdaq, Index Warrants

(a) Definitions

(1) "Index Warrants" means instruments that are direct obligations of the issuing company, either exercisable throughout their life (i.e., American style) or exercisable only on their expiration (i.e., European style), entitling the holder to a cash settlement in U.S. dollars to the extent that the index has declined below (for a put warrant) or increased above (for a call warrant) the pre-stated cash settlement value of the index. Index Warrants may be based on either foreign or domestic indexes.

(2) Nasdaq may submit a rule filing pursuant to Section 19(b) of the Act to permit the listing and trading of Index Warrants that do not otherwise meet the standards set forth in this rule. Any of the statements or representations regarding (a) the index composition or reference assets; (b) limitations on the index or reference assets; (c) dissemination and availability of the index, reference asset, or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals constitute continued listing standards.

(b) Listing Requirements. Index Warrants listed pursuant to this rule shall meet the following criteria on an initial and continued listing basis. If any of these criteria are not continuously maintained, Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, the series of Index Warrants.

(1) An Index Warrant may be listed on the Global Market if it substantially meets the following criteria:

(A) The minimum public distribution shall be at least 1 million warrants.

(B) The minimum number of Public Holders shall be at least 400.

(C) The Market Value of the outstanding Index Warrants shall be at least $4 million.

(D) The issuer of the Index Warrants must have a minimum tangible net worth in excess of $150 million.

(E) The term of the Index Warrant shall be for a period from one to five years.

(F) Limitations on Issuance — Where a Company has a minimum tangible net worth in excess of $150 million but less than $250 million, Nasdaq will not list stock Index Warrants of the Company if the value of such warrants plus the aggregate value, based upon the original issuing price, of all outstanding stock index, currency index and currency warrants of the Company and its affiliates combined that are listed for trading on Nasdaq or another national securities exchange exceeds 25% of the Company's net worth.

(G) A.M. Settlement — The terms of stock Index Warrants for which 25% or more of the value of the underlying index is represented by securities that are traded primarily in the United States must provide that the opening prices of the stocks comprising the index will be used to determine (i) the final settlement value (i.e., the settlement value for warrants that are exercised at expiration) and (ii) the settlement value for such warrants that are valued on either of the two business days preceding the day on which the final settlement value is to be determined.

(H) Automatic Exercise — All stock Index Warrants and any other cash-settled warrants must include in their terms provisions specifying (i) the time by which all exercise notices must be submitted and (ii) that all unexercised warrants that are in the money (or that are in the money by a stated amount) will...
be automatically exercised on their expiration date or on or promptly following the date on which such
warrants are delisted by Nasdaq (if such warrant issue has not been listed on another national
securities exchange).

(I) Foreign Country Securities — In instances where the stock index underlying a warrant is
comprised in whole or in part with securities traded outside the United States, the foreign country
securities or American Depositary Receipts ("ADRs") thereon that (i) are not subject to a
comprehensive surveillance agreement, and (ii) have less than 50% of their global trading volume in
dollar value within the United States, shall not, in the aggregate represent more than 20% of the weight
of the index, unless such index is otherwise approved for warrant or option trading.

(J) Changes in Number of Warrants Outstanding — Issuers of stock Index Warrants either will make
arrangements with warrant transfer agents to advise Nasdaq immediately of any change in the number
of warrants outstanding due to the early exercise of such warrants or will provide this information
themselves. With respect to stock Index Warrants for which 25% or more of the value of the underlying
index is represented by securities traded primarily in the United States, such notice shall be filed with
Nasdaq no later than 4:30 p.m. Eastern Time, on the date when the settlement value for such warrants
is determined. Such notice shall be filed in such form and manner as may be prescribed by Nasdaq
from time to time.

(K) Only eligible broad-based indexes can underlie Index Warrants. For purposes of this
subparagraph, eligible broad-based indexes shall include those indexes approved by the Commission
to underlie Index Warrants or index options traded on Nasdaq or another national securities exchange.

(L) Rule Proposal Representations. Index Warrants must continue to comply with any statements or
representations included in the applicable rule proposal under Section 19(b) regarding (a) the index
composition or reference asset; (b) the description of the index or reference asset; (c) limitations on the
index or reference assets; (c) dissemination and availability of the index, reference asset, or intraday
indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals.

Any Index Warrant listed pursuant to this paragraph shall not be required to meet the requirements of
Rule 5210(h), 5210(a), or 5450. Nasdaq may apply additional or more stringent criteria as necessary to
protect investors and the public interest.
Nasdaq Stock Market Rules, Regulation, 5730., Nasdaq, Listing Requirements for Securities Not Otherwise Specified (Other Securities)

(a) Initial Listing Requirements

(1) Nasdaq will consider listing on the Global Market any security not otherwise covered by the criteria in the Rule 5400 or 5700 Series, provided the instrument is otherwise suited to trade through the facilities of Nasdaq. Such securities will be evaluated for listing against the following criteria:

(A) The Company shall have assets in excess of $100 million and stockholders' equity of at least $10 million. In the case of a Company which is unable to satisfy the income criteria set forth in Rule 5405 (b)(1)(A), Nasdaq generally will require the Company to have the following:

(i) assets in excess of $200 million and stockholders' equity of at least $10 million; or

(ii) assets in excess of $100 million and stockholders' equity of at least $20 million.

(B) For equity securities, there must be:

(i) a minimum of 400 holders of the security; and

(ii) a minimum public distribution of 1,000,000 trading units.

However, if the instrument is redeemable at the option of the holders thereof on at least a weekly basis, these requirements shall not apply.

(C) The aggregate market value/principal amount of the security shall be at least $4 million.

(2) Issuers of securities listed pursuant to this Rule 5730 must be listed on the Nasdaq Global Market, Nasdaq Global Select Market or the New York Stock Exchange (NYSE) or be an affiliate of a Company listed on the Nasdaq Global Market, Nasdaq Global Select Market or the NYSE; provided, however, that the provisions of Rule 5450 will be applied to sovereign issuers of "other" securities on a case-by-case basis.

(3) Prior to the commencement of trading of securities listed pursuant to this paragraph, Nasdaq will evaluate the nature and complexity of the issue and, if appropriate, distribute a circular to the membership providing guidance regarding Nasdaq member firm compliance responsibilities and requirements when handling transactions in such securities.

(b) Continued Listing Requirements

Except as otherwise provided in these rules, the aggregate market value or principal amount of publicly-held units must be at least $1 million.


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Manual at its discretion.
Nasdaq will consider listing Managed Fund Shares that meet the criteria of Rule 5735.

(b) Applicability. Rule 5735 is applicable only to Managed Fund Shares. Except to the extent inconsistent with Rule 5735, or unless the context otherwise requires, the rules and procedures of the Board of Directors shall be applicable to the trading on Nasdaq of such securities. Managed Fund Shares are included within the definition of "security" or "securities" as such terms are used in the Rules of Nasdaq.

(1) Nasdaq may approve Managed Fund Shares for listing and/or trading (including pursuant to unlisted trading privileges) pursuant to Rule 19b-4(e) under the Securities Exchange Act of 1934. Components of a series of Managed Fund Shares listed pursuant to Rule 19b-4(e) shall satisfy the criteria set forth in this Rule 5735 upon initial listing and on a continual basis. Nasdaq will file separate proposals under Section 19(b) of the Securities Exchange Act of 1934 before the listing and trading of a series of Managed Fund Shares with components that do not satisfy the criteria set forth in this Rule 5735(b)(1) or components other than those specified below. Any of the statements or representations regarding (a) the description of the portfolio or reference assets; (b) limitations on portfolio holdings or reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals shall constitute continued listing standards.

(A) Equity – Equity securities include the following: U.S. Component Stocks (as defined in Rule 5705); Non-U.S. Component Stocks (as defined in Rule 5705); Exchange Traded Derivative Securities (as defined in Rule 5735(c)(6)); and Linked Securities (as defined in Rule 5710). For Exchange Traded Derivative Securities and Linked Securities, no more than 25% of the equity weight of the portfolio shall consist of leveraged and/or inverse leveraged Exchange Traded Derivative Securities or Linked Securities. The securities defined in Rules 5705, 5710, and 5735(c)(6), as referenced above, shall include securities listed on another national securities exchange pursuant to substantially equivalent listing rules. To the extent that a portfolio includes convertible securities, the equity security into which such security is converted shall meet the criteria of this Rule 5735(b)(1)(A) after converting.

(i) U.S. Component Stocks. The component stocks of the equity portion of a portfolio that are U.S. Component Stocks shall meet the following criteria initially and on a continuing basis:

(a) Component stocks (excluding Exchange Traded Derivative Securities and Linked Securities) that in the aggregate account for at least 90% of the equity weight of the portfolio (excluding such Exchange Traded Derivative Securities and Linked Securities) each shall have a minimum market value of at least $75 million;

(b) Component stocks (excluding Exchange Traded Derivative Securities and Linked Securities) that in the aggregate account for at least 70% of the equity weight of the portfolio (excluding such Exchange Traded Derivative Securities and Linked Securities) each shall have a minimum monthly trading volume of 250,000 shares, or minimum notional volume traded per month of $25,000,000, averaged over the last six months;

(c) The most heavily weighted component stock (excluding Exchange Traded Derivative Securities and Linked Securities) shall not exceed 30% of the equity weight of the portfolio, and, to the extent applicable, the five most heavily weighted component stocks (excluding Exchange Traded Derivative
Securities and Linked Securities) shall not exceed 65% of the equity weight of the portfolio;

(d) Where the equity portion of the portfolio does not include Non-U.S. Component Stocks, the equity portion of the portfolio shall include a minimum of 13 component stocks; provided, however, that there shall be no minimum number of component stocks if (i) one or more series of Exchange Traded Derivative Securities or Linked Securities constitute, at least in part, components underlying a series of Managed Fund Shares, or (ii) one or more series of Exchange Traded Derivative Securities or Linked Securities account for 100% of the equity weight of the portfolio of a series of Managed Fund Shares;

(e) Except as provided herein, equity securities in the portfolio shall be U.S. Component Stocks listed on a national securities exchange and shall be NMS Stocks as defined in Rule 600 of Regulation NMS under the Securities Exchange Act of 1934; and

(f) American Depositary Receipts ("ADRs") in a portfolio may be exchange-traded or non-exchange-traded. However, no more than 10% of the equity weight of a portfolio shall consist of non-exchange-traded ADRs.

(ii) Non-U.S. Component Stocks. The component stocks of the equity portion of a portfolio that are Non-U.S. Component Stocks shall meet the following criteria initially and on a continuing basis:

(a) Non-U.S. Component Stocks each shall have a minimum market value of at least $100 million;

(b) Non-U.S. Component Stocks each shall have a minimum global monthly trading volume of 250,000 shares, or minimum global notional volume traded per month of $25,000,000, averaged over the last six months;

(c) The most heavily weighted Non-U.S. Component stock shall not exceed 25% of the equity weight of the portfolio, and, to the extent applicable, the five most heavily weighted Non-U.S. Component Stocks shall not exceed 60% of the equity weight of the portfolio;

(d) Where the equity portion of the portfolio includes Non-U.S. Component Stocks, the equity portion of the portfolio shall include a minimum of 20 component stocks; provided, however, that there shall be no minimum number of component stocks if (i) one or more series of Exchange Traded Derivative Securities or Linked Securities constitute, at least in part, components underlying a series of Managed Fund Shares, or (ii) one or more series of Exchange Traded Derivative Securities or Linked Securities account for 100% of the equity weight of the portfolio of a series of Managed Fund Shares; and

(e) Each Non-U.S. Component Stock shall be listed and traded on an exchange that has last-sale reporting.

(B) Fixed Income – Fixed income securities are debt securities that are notes, bonds, debentures, or evidence of indebtedness that include, but are not limited to, U.S. Department of Treasury securities ("Treasury Securities"), government-sponsored entity securities ("GSE Securities"), municipal securities, trust preferred securities, supranational debt and debt of a foreign country or a subdivision thereof, investment grade and high yield corporate debt, bank loans, mortgage and asset backed securities, and commercial paper. To the extent that a portfolio includes convertible securities, the fixed income security into which such security is converted shall meet
the criteria of this Rule 5735(b)(1)(B) after converting. The components of the fixed income portion of a portfolio shall meet the following criteria initially and on a continuing basis:

(i) Components that in the aggregate account for at least 75% of the fixed income weight of the portfolio each shall have a minimum original principal amount outstanding of $100 million or more;

(ii) No component fixed-income security (excluding Treasury Securities and GSE Securities) shall represent more than 30% of the fixed income weight of the portfolio, and the five most heavily weighted component fixed income securities in the portfolio (excluding Treasury Securities and GSE Securities) shall not in the aggregate account for more than 65% of the fixed income weight of the portfolio;

(iii) An underlying portfolio (excluding exempted securities) that includes fixed income securities shall include a minimum of 13 non-affiliated issuers, provided, however, that there shall be no minimum number of non-affiliated issuers required for fixed income securities if at least 70% of the weight of the portfolio consists of equity securities as described in Rule 5735(b)(1)(A) above;

(iv) Component securities that in aggregate account for at least 90% of the fixed income weight of the portfolio must be either: (a) from issuers that are required to file reports pursuant to Sections 13 and 15(d) of the Securities Exchange Act of 1934; (b) from issuers that have a worldwide market value of its outstanding common equity held by non-affiliates of $700 million or more; (c) from issuers that have outstanding securities that are notes, bonds debentures, or evidence of indebtedness having a total remaining principal amount of at least $1 billion; (d) exempted securities as defined in Section 3(a)(12) of the Securities Exchange Act of 1934; or (e) from issuers that are a government of a foreign country or a political subdivision of a foreign country; and

(v) Non-agency, non-GSE and privately-issued mortgage-related and other asset-backed securities components of a portfolio shall not account, in the aggregate, for more than 20% of the weight of the fixed income portion of the portfolio.

(C) Cash and Cash Equivalents. Cash equivalents shall include short-term instruments with maturities of less than 3 months (as described herein). In addition, a portfolio may hold cash.

(i) There shall be no limitation to the percentage of the portfolio invested in such holdings.

(ii) Short-term instruments shall include the following:

(a) U.S. Government securities, including bills, notes, and bonds differing as to maturity and rates of interest, which are either issued or guaranteed by the U.S. Treasury or by U.S. Government agencies or instrumentalities;

(b) certificates of deposit issued against funds deposited in a bank or savings and loan association;

(c) bankers’ acceptances, which are short-term credit instruments used to finance commercial transactions;

(d) repurchase agreements and reverse repurchase agreements;

(e) bank time deposits, which are monies kept on deposit with banks or savings and loan associations for a stated period of time at a fixed rate of interest;

(f) commercial paper, which are short-term unsecured promissory notes; and

(g) money market funds.

(D) Listed Derivatives. The portfolio may hold listed derivatives, including futures, options and swaps on commodities, currencies and financial instruments (e.g., stocks, fixed income, interest rates,
and volatility) or a basket or index of any of the foregoing. There shall be no limitation to the percentage of the portfolio invested in such holdings, subject to the following requirements:

(i) in the aggregate, at least 90% of the weight of such holdings invested in futures, exchange-traded options, and listed swaps shall, on both an initial and continuing basis, consist of futures, options, and swaps for which the Exchange may obtain information via the Intermarket Surveillance Group (“ISG”), from other members or affiliates of the ISG, or for which the principal market is a market with which the Exchange has a comprehensive surveillance sharing agreement. (For purposes of calculating this limitation, a portfolio’s investment in listed derivatives will be calculated as the aggregate gross notional value of the listed derivatives.); and

(ii) the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets shall not exceed 65% of the weight of the portfolio (including gross notional exposures), and the aggregate gross notional value of listed derivatives based on any single underlying reference asset shall not exceed 30% of the weight of the portfolio (including gross notional exposures).

(E) Over-the-Counter (“OTC”) Derivatives. The portfolio may hold OTC derivatives, including forwards, options, and swaps on commodities, currencies and financial instruments (e.g., stocks, fixed income, interest rates, and volatility) or a basket or index of any of the foregoing; however, on both an initial and continuing basis, no more than 20% of the assets in the portfolio may be invested in OTC derivatives. For purposes of calculating this limitation, a portfolio’s investment in OTC derivatives will be calculated as the aggregate gross notional value of the OTC derivatives.

(F) To the extent that listed or OTC derivatives are used to gain exposure to individual equities and/or fixed income securities, or to indexes of equities and/or indexes of fixed income securities, the aggregate gross notional value of such exposure shall meet the criteria set forth in Rules 5735(b)(1)(A) and 5735(b)(1)(B), respectively.

(2) Transactions in Managed Fund Shares will occur throughout Nasdaq's trading hours.

(3) Reserved

(4) Surveillance Procedures. Nasdaq will implement and maintain written surveillance procedures for Managed Fund Shares.

(5) Creation and Redemption. For Managed Fund Shares based on an international or global portfolio, the statutory prospectus or the application for exemption from provisions of the Investment Company Act of 1940 for the series of Managed Fund Shares must state that such series must comply with the federal securities laws in accepting securities for deposits and satisfying redemptions with redemption securities, including that the securities accepted for deposits and the securities used to satisfy redemption requests are sold in transactions that would be exempt from registration under the Securities Act of 1933.

(c) Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meanings herein specified:

(1) Managed Fund Share. The term "Managed Fund Share" means a security that (a) represents an interest in a registered investment company ("Investment Company") organized as an open-end management investment company or similar entity, that invests in a portfolio of securities selected by the Investment Company's investment adviser consistent with the Investment Company's investment objectives and policies; (b) is issued in a specified aggregate minimum number in return for a deposit of a specified portfolio of securities and/or a cash amount with a value equal to the next determined net asset value; and (c) when aggregated in the same specified minimum number, may be redeemed at a holder's request, which holder will be paid a specified portfolio of securities and/or cash with a value equal to the
next determined net asset value.

(2) Disclosed Portfolio. The term "Disclosed Portfolio" means the identities and quantities of the securities and other assets held by the Investment Company that will form the basis for the Investment Company's calculation of net asset value at the end of the business day. The website for each series of Managed Fund Shares shall disclose the following information regarding the Disclosed Portfolio, to the extent applicable:

(A) ticker symbol;
(B) CUSIP or other identifier;
(C) description of the holding;
(D) with respect to holdings in derivatives, the identity of the security, commodity, index or other asset upon which the derivative is based;
(E) the strike price for any options;
(F) the quantity of each security or other asset held as measured by;
   (i) par value,
   (ii) notional value,
   (iii) number of shares,
   (iv) number of contracts, and
   (v) number of units;
(G) maturity date;
(H) coupon rate;
(I) effective date;
(J) market value; and
(K) percentage weighting of the holding in the portfolio.

(3) Intraday Indicative Value. The term "Intraday Indicative Value" is the estimated indicative value of a Managed Fund Share based on current information regarding the value of the securities and other assets in the Disclosed Portfolio.

(4) Reporting Authority. The term "Reporting Authority" in respect of a particular series of Managed Fund Shares means Nasdaq, an institution, or a reporting service designated by Nasdaq or by the exchange that lists a particular series of Managed Fund Shares (if Nasdaq is trading such series pursuant to unlisted trading privileges) as the official source for calculating and reporting information relating to such series, including, but not limited to, the Intraday Indicative Value; the Disclosed Portfolio; the amount of any cash distribution to holders of Managed Fund Shares, net asset value, or other information relating to the issuance, redemption or trading of Managed Fund Shares. A series of Managed Fund Shares may have more than one Reporting Authority, each having different functions.

(5) Normal Market Conditions. The term "normal market conditions" includes, but is not limited to, the absence of trading halts in the applicable financial markets generally; operational issues (e.g., systems failure) causing dissemination of inaccurate market information; or force majeure type events such as a natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption, or any similar intervening circumstance.

(6) Exchange Traded Derivative Securities. The term "Exchange Traded Derivative Securities" means the securities described in Nasdaq Rules 5705(a) (Portfolio Depository Receipts); 5705(b) (Index Fund
Shares); 5720 (Trust Issued Receipts); 5711(d) (Commodity-Based Trust Shares); 5711(e) (Currency Trust Shares); 5711(f) (Commodity Index Trust Shares); 5711(g) (Commodity Futures Trust Shares); 5711(h) (Partnership Units); 5711(i) (Trust Units); 5735 (Managed Fund Shares); and 5711(j) (Managed Trust Securities).

(d) Initial and Continued Listing — Managed Fund Shares will be listed and traded on Nasdaq subject to application of the following criteria:

(1) Initial Listing — Each series of Managed Fund Shares will be listed and traded on Nasdaq subject to application of the following initial listing criteria:

(A) For each series, Nasdaq will establish a minimum number of Managed Fund Shares required to be outstanding at the time of commencement of trading on Nasdaq.

(B) Nasdaq will obtain a representation from the issuer of each series of Managed Fund Shares that the net asset value per share for the series will be calculated daily and that the net asset value and the Disclosed Portfolio will be made available to all market participants at the same time.

(C) All Managed Fund Shares shall have a stated investment objective, which shall be adhered to under normal market conditions.

(2) Continued Listing — Each series of Managed Fund Shares will be listed and traded on Nasdaq subject to application of the following continued listing criteria:

(A) Intraday Indicative Value. The Intraday Indicative Value for Managed Fund Shares will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Regular Market Session (as defined in Nasdaq Rule 4120(b)).

(B) Disclosed Portfolio.

(i) The Disclosed Portfolio will be disseminated at least once daily and will be made available to all market participants at the same time.

(ii) The Reporting Authority that provides the Disclosed Portfolio must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the actual components of the portfolio.

(C) Suspension of trading or removal. Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, a series of Managed Fund Shares under any of the following circumstances:

(i) if, following the initial twelve-month period after commencement of trading on Nasdaq of a series of Managed Fund Shares, there are fewer than 50 beneficial holders of the series of Managed Fund Shares;

(ii) if the an interruption to the dissemination of value of the Intraday Indicative Value persists past the trading day in which it occurred or is no longer calculated or available or the Disclosed Portfolio is not made available to all market participants at the same time;

(iii) if the Investment Company issuing the Managed Fund Shares has failed to file any filings required by the Commission or if Nasdaq is aware that the Investment Company is not in compliance with the conditions of any exemptive order or no-action relief granted by the Commission to the Investment Company with respect to the series of Managed Fund Shares;
(iv) if the series of Managed Fund Shares is not in compliance with any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the portfolio or reference assets; (b) limitations on portfolio holdings or reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals;

(v) if any of the requirements set forth in this rule are not continuously maintained; or

(vi) if such other event shall occur or condition exists which, in the opinion of Nasdaq, makes further dealings on Nasdaq inadvisable.

(D) Trading Halt. If the Intraday Indicative Value of a series of Managed Fund Shares is not being disseminated as required, Nasdaq may halt trading during the day in which the interruption to the dissemination of the Intraday Indicative Value occurs. If the interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred, Nasdaq will halt trading no later than the beginning of the trading day following the interruption. In addition, if Nasdaq becomes aware that the net asset value or the Disclosed Portfolio with respect to a series of Managed Fund Shares is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value or the Disclosed Portfolio is available to all market participants.

(E) Termination. Upon termination of an Investment Company, Nasdaq requires that Managed Fund Shares issued in connection with such entity be removed from listing on Nasdaq.

(F) Voting. Voting rights shall be as set forth in the applicable Investment Company prospectus.

(e) Limitation of Liability. Neither Nasdaq, the Reporting Authority, nor any agent of Nasdaq shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any current portfolio value; the current value of the portfolio of securities required to be deposited to the open-end management investment company in connection with issuance of Managed Fund Shares; the amount of any dividend equivalent payment or cash distribution to holders of Managed Fund Shares; net asset value; or other information relating to the purchase, redemption, or trading of Managed Fund Shares, resulting from any negligent act or omission by Nasdaq, the Reporting Authority or any agent of Nasdaq, or any act, condition, or cause beyond the reasonable control of Nasdaq, its agent, or the Reporting Authority, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission, or delay in the reports of transactions in one or more underlying securities.

(f) Disclosures. The provisions of this subparagraph apply only to series of Managed Fund Shares that are the subject of an order by the Securities and Exchange Commission exempting such series from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and are not otherwise subject to prospectus delivery requirements under the Securities Act of 1933. Nasdaq will inform its members regarding application of these provisions of this subparagraph to a particular series of Managed Fund Shares by means of an information circular prior to commencement of trading in such series.

Nasdaq requires that members provide to all purchasers of a series of Managed Fund Shares a written description of the terms and characteristics of those securities, in a form prepared by the open-end management investment company issuing such securities, not later than the time a confirmation of the first transaction in such series is delivered to such purchaser. In addition, members shall include such a written description with any sales material relating to a series of Managed Fund Shares that is provided to customers or the public. Any other written materials provided by a member to customers or the public making specific reference to a series of Managed Fund Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of (the series of Managed
Fund Shares) has been prepared by the (open-end management investment company name) and is available from your broker. It is recommended that you obtain and review such circular before purchasing (the series of Managed Fund Shares)."

A member carrying an omnibus account for a non-member broker-dealer is required to inform such non-member that execution of an order to purchase a series of Managed Fund Shares for such omnibus account will be deemed to constitute agreement by the non-member to make such written description available to its customers on the same terms as are directly applicable to members under this rule.

Upon request of a customer, a member shall also provide a prospectus for the particular series of Managed Fund Shares.

(g) If the investment adviser to the Investment Company issuing Managed Fund Shares is affiliated with a broker-dealer, such investment adviser shall erect and maintain a "fire wall" between the investment adviser and the broker-dealer with respect to access to information concerning the composition and/or changes to such Investment Company portfolio. Personnel who make decisions on the Investment Company's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable Investment Company portfolio.


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Nasdaq Stock Market Rules, Regulation, 5740., Nasdaq, Derivative Securities Traded under Unlisted Trading Privileges

Nasdaq may extend unlisted trading privileges to any security that is an NMS Stock (as defined in Rule 600 of Regulation NMS under the Act) that is listed on another national securities exchange. Any such security will be subject to all Nasdaq trading rules applicable to NMS Stocks, unless otherwise noted, including provisions of Rules 4120, 4630, the Rule 5400 Series, and the Rule 5700 Series.

(a) Any security that is a "new derivative securities product" as defined in Rule 19b-4(e) under the Act (a "UTP Derivative Security") and traded under unlisted trading privileges pursuant to Rule 19b-4(e) under the Act shall be subject to the additional following rules:

(1) Information Circular. Nasdaq shall distribute an information circular prior to the commencement of trading in each such UTP Derivative Security that generally includes the same information as contained in the information circular provided by the listing exchange, including: (a) the special risks of trading the new derivative securities product; (b) the Rules of Nasdaq that will apply to the new derivative securities product, including Rule 2310; (c) information about the dissemination of the value of the underlying assets or indexes; and (d) the applicable trading hours for the UTP Derivative Security and the risks of trading during the period from 8:00 a.m. to 9:30 a.m. and from 4:00 p.m. to 7:00 p.m. due to the lack of calculation or dissemination of the underlying index value, the Intra-Day Indicative Value (as defined in Rule 5705(a)(3)(C)) or a similar value.

(2) Product Description. Members are subject to the prospectus delivery requirements under the Securities Act of 1933, unless the UTP Derivative Security is the subject of an order by the Commission exempting the product from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and the product is not otherwise subject to prospectus delivery requirements under the Securities Act of 1933.

Nasdaq shall inform Members of the application of the provisions of this subparagraph to UTP Derivative Securities by means of an information circular. Nasdaq requires that Members provide all purchasers of UTP Derivative Securities a written description of the terms and characteristics of those securities, in a form approved by Nasdaq or prepared by the open-ended management company issuing such securities, not later than the time a confirmation of the first transaction in such series is delivered to such purchaser. In addition, Members shall include a written description with any sales material relating to UTP Derivative Securities that is provided to customers or the public. Any other written materials provided by a Member to customers or the public making specific reference to the UTP Derivative Securities as an investment vehicle must include a statement substantially in the following form:

"A circular describing the terms and characteristics of [the UTP Derivative Securities] has been prepared by the [open-ended management investment company name] and is available from your broker. It is recommended that you obtain and review such circular before purchasing [the UTP Derivative Securities]."

A Member carrying an omnibus account for a non-Member is required to inform such non-Member that execution of an order to purchase UTP Derivative Securities for such omnibus account will be deemed to constitute an agreement by the non-Member to make such written description available to its customers on the same terms as are directly applicable to the Member under this Rule.

Upon request of a customer, a Member shall also provide a prospectus for the particular UTP Derivative Securities.

(3) Trading Halts. Trading halts of UTP Derivative Securities shall be governed by Rule 4120.
(4) Limitations on Market Makers. Market makers in a UTP Derivative Security that is a Commodity-Related Security (as defined in Rule 4630) shall comply with Rule 4630.

(5) Surveillance. Nasdaq shall enter into a comprehensive surveillance sharing agreement with markets trading components of the index or portfolio on which the UTP Derivative Security is based to the same extent as the listing exchange's rules require the listing exchange to enter into a comprehensive surveillance sharing agreement with such markets.

Nasdaq Stock Market Rules, Regulation, 5745., Nasdaq, Exchange-Traded Managed Fund Shares ("NextShares")

(a) Nasdaq will consider listing NextShares that meet the criteria of Rule 5745.

(b) Applicability. Rule 5745 is applicable only to NextShares. Except to the extent inconsistent with Rule 5745, or unless the context otherwise requires, the rules and procedures of the Board of Directors shall be applicable to the trading on Nasdaq of such securities. NextShares are included within the definition of “security” or “securities” as such terms are used in the Rules of Nasdaq.

(1) Nasdaq will file separate proposals under Section 19(b) of the Act before the listing of NextShares. Any statements or representations included in the applicable rule proposal under Section 19(b) regarding:
   (a) the description of the portfolio or reference assets; (b) limitations on portfolio holdings or reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals shall constitute continued listing standards.

(2) Transactions in NextShares will occur during the Regular Market Session through 4:00 p.m.

(3) NAV-Based Trading. NextShares will trade on Nasdaq at market-determined premiums or discounts to the NextShares Fund’s next-determined net asset value per share. All bids, offers and execution prices will be expressed as a premium/discount (which may be zero) to the next-determined net asset value per share (“NAV-Based Trading”). The minimum price variation for quoting and entry of orders in NextShares is $0.01. Trade executions will be binding at the time that orders are matched, with the transaction price contingent upon the next-determined net asset value per share. After the Reporting Authority calculates the net asset value, Nasdaq will price each transaction at the agreed premium or discount to net asset value and deliver the trading data for clearance and settlement.

(4) Surveillance Procedures. Nasdaq will implement and maintain written surveillance procedures for NextShares.

(5) Creation and Redemption. For NextShares based on an international or global portfolio, the statutory prospectus or the application for exemption from provisions of the Investment Company Act of 1940 for the series of NextShares must state that such series must comply with the federal securities laws in accepting securities for deposits and satisfying redemptions with securities, including that the securities accepted for deposits and the securities used to satisfy redemption requests are sold in transactions that would be exempt from registration under the Securities Act of 1933.

(6) The Order Attributes, as described in rule 4703, are applicable to NextShares with the following exceptions;
   (A) Any Order received with a routing instruction, as described in Rule 4758, which is received prior to the opening of a NextShares, will be automatically canceled and returned.
   (B) The following Time-in-Force Order Attributes, as defined in Rule 4703, are not applicable for NextShares: GTC, MGTC, and SGTC Orders (as defined in Rule 4703(a)(3)).

(c) Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meanings herein specified:

(1) NextShares. The term “NextShare” means a security that (a) represents an interest in a registered investment company (“NextShares Fund”) organized as an open-end management investment company that invests in a portfolio of securities and other assets selected and managed by the NextShares Fund’s investment adviser consistent with the NextShares Fund’s investment objectives and policies; (b) is issued in a specified aggregate unit quantity in return for a deposit of a specified portfolio of securities and/or a cash amount with a value per NextShare equal to the NextShares
Fund’s net asset value; (c) when aggregated in the same specified unit quantity, may be redeemed for a specified portfolio of securities and/or cash with a value per NextShare equal to the NextShares Fund’s net asset value; and (d) is traded on Nasdaq or another national securities exchange using NAV-Based Trading, including pursuant to unlisted trading privileges.

(2) Intraday Indicative Value. The term “Intraday Indicative Value” is the estimated indicative value of a NextShare based on current information regarding the value of the securities and other assets held by the NextShares Fund.

(3) Composition File. The term “Composition File” means the specified portfolio of securities and/or cash that a NextShares Fund will accept as a deposit in issuing NextShares, and the specified portfolio of securities and/or cash that a NextShares Fund will deliver in a redemption of NextShares. The Composition File will be disseminated through the National Securities Clearing Corporation once each business day before the open of trading in NextShares on Nasdaq on such day. To maintain the confidentiality of current portfolio trading, a NextShares Fund’s Composition File generally will not be a pro rata reflection of the NextShares Fund’s securities positions. Each security included in the Composition File will be a current holding of the NextShares Fund, but the Composition File generally will not include all of the securities in the NextShares Fund’s portfolio or match the weightings of the included securities in the portfolio. The Composition File also may consist entirely of cash, in which case it will not include any of the securities in the NextShares Fund’s portfolio.

(4) Reporting Authority. The term “Reporting Authority” in respect of a particular series of NextShares means Nasdaq, an institution, or a reporting service designated by Nasdaq as the official source for calculating and reporting information relating to such series of NextShares, including, but not limited to, the Intraday Indicative Value, the amount of any cash distribution to holders of NextShares, net asset value per share, and the Composition File or other information relating to the issuance, redemption or trading of NextShares. A series of NextShares may have more than one Reporting Authority, each having different functions.

(d) Initial and Continued Listing — NextShares will be listed and traded on Nasdaq subject to application of the following criteria:

(1) Initial Listing — Each series of NextShares will be listed and traded on Nasdaq subject to application of the following initial listing criteria:

(A) For each series, Nasdaq will establish a minimum number of NextShares required to be outstanding at the time of commencement of trading on Nasdaq.

(B) Nasdaq will obtain a representation from the issuer of each series of NextShares that the net asset value per share for the series will be calculated on each business day that the New York Stock Exchange is open for trading and that the net asset value per share will be made available to all market participants at the same time.

(C) The Reporting Authority that provides the Composition File must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the NextShares Fund’s portfolio positions and changes in the positions.

(2) Continued Listing — Each series of NextShares will be listed and traded on Nasdaq subject to application of the following continued listing criteria:

(A) Intraday Indicative Value. The Intraday Indicative Value for the NextShares will be widely disseminated by one or more major market data vendors at intervals of not more than 15 minutes during the Regular Market Session when the NextShares trade on Nasdaq.

(B) If the investment adviser to a NextShares Fund issuing NextShares is a registered broker-dealer or is affiliated with a broker-dealer, such investment adviser shall erect and maintain a "fire wall" between the investment adviser and the broker-dealer personnel or broker-dealer

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affiliate, as applicable, with respect to access to information concerning the composition and/or changes to such NextShares Fund's portfolio holdings. Personnel who make decisions on the NextShares Fund's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable NextShares Fund portfolio.

(C) Suspension of trading or removal. Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, a series of NextShares under any of the following circumstances:

(i) if, following the initial twelve-month period after commencement of trading on Nasdaq of a series of NextShares, there are fewer than 50 beneficial holders of the series of NextShares;

(ii) if an interruption to the dissemination of the value of the Intraday Indicative Value persists past the trading day in which it occurred or the net asset value is no longer calculated, or if the Intraday Indicative Value, net asset value or Composition File is no longer available to all market participants at the same time;

(iii) if the NextShares Fund issuing the NextShares has failed to file any filings required by the Commission or the NextShares Fund is not in compliance with the conditions of any exemptive order or no-action relief granted by the Commission with respect to the series of NextShares;

(iv) if the series of NextShares is not in compliance with any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the portfolio or reference assets; (b) limitations on portfolio holdings or reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals;

(v) if any of the requirements set forth in this rule are not continuously maintained; or

(vi) if such other event shall occur or condition exists which, in the opinion of Nasdaq, makes further dealings on Nasdaq inadvisable.

(D) Trading Halt. If the Intraday Indicative Value of a series of NextShares is not being disseminated as required, Nasdaq may halt trading during the day in which the interruption to the dissemination of the Intraday Indicative Value occurs. If the interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it first occurred, Nasdaq will halt trading no later than the beginning of the trading day following the interruption. In addition, if Nasdaq becomes aware that the net asset value per share with respect to a series of NextShares is not calculated on each business day that the Nasdaq Stock Market is open for trading and disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value per share is available to all market participants. In addition, if Nasdaq becomes aware that the Composition File with respect to a series of NextShares is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the Composition File is available to all market participants.

(E) Termination. Upon termination of a NextShares Fund, Nasdaq requires that NextShares issued in connection with such entity be removed from listing on Nasdaq.

(F) Voting. Voting rights shall be as set forth in the applicable NextShares Fund prospectus.

(e) Limitation of Liability. Neither Nasdaq, the Reporting Authority, nor any agent of Nasdaq shall have any liability for damages, claims, losses or expenses caused by any errors, omissions or delays in calculating or disseminating any current portfolio value; the current value of the securities and other assets required to be
deposited in connection with issuance of NextShares; the amount of any dividend equivalent payment or cash
distribution to holders of NextShares; net asset value per share; the Composition File; or other information
relating to the purchase, redemption or trading of NextShares, resulting from any negligent act or omission by
Nasdaq, the Reporting Authority or any agent of Nasdaq, or any act, condition or cause beyond the reasonable
control of Nasdaq, its agent or the Reporting Authority, including, but not limited to, an act of God, fire, flood,
extraordinary weather conditions, war, insurrection, riot, strike, accident, action of government, communications
or power failure, equipment or software malfunction, or any error, omission, or delay in the reports of
transactions in one or more underlying securities.

(f) Disclosures. The provisions of this subparagraph apply only to series of NextShares that are the subject of an
order by the Securities and Exchange Commission exempting such series from certain prospectus delivery
requirements under Section 24(d) of the Investment Company Act of 1940 and are not otherwise subject to
prospectus delivery requirements under the Securities Act of 1933. Nasdaq will inform its members regarding
application of the provisions of this subparagraph to a particular series of NextShares by means of an
information circular prior to commencement of trading in such series.

Nasdaq requires that members provide to all purchasers of a series of NextShares a written description of the
terms and characteristics of those securities, in a form prepared by the openend management investment
company issuing such securities, not later than the time a confirmation of the first transaction in such series is
delivered to such purchaser. In addition, members shall include such a written description with any sales
material relating to a series of NextShares that is provided to customers or the public. Any other written materials
provided by a member to customers or the public making specific reference to a series of NextShares as an
investment vehicle must include a statement in substantially the following form: "A circular describing the terms
and characteristics of (the series of NextShares) has been prepared by the (open-end management investment
company name) and is available from your broker. It is recommended that you obtain and review such circular
before purchasing (the series of NextShares)."

A member carrying an omnibus account for a non-member broker-dealer is required to inform such non-member
that execution of an order to purchase a series of NextShares for such omnibus account will be deemed to
constitute agreement by the non-member to make such a written description available to its customers on the
same terms as are directly applicable to members under this rule.

Upon request of a customer, a member shall also provide a prospectus for the particular series of NextShares.

(g) Proxy Price Protection. Every NextShares order is subject to the Proxy Price Protection threshold of
plus/minus $1.00, which determines the lower and upper threshold for the life of the order and whereby the order
will be cancelled at any point if it exceeds $101.00 or falls below $99.00, the established thresholds. This
threshold is applied to the proxy price amount of $100.00, which is the proxy price that reflects the NAV of a
NextShares Fund.

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Securities of a Company that does not meet the listing standards set forth in the Rule 5000 Series are subject to delisting from, or denial of initial listing on The Nasdaq Stock Market. This Section sets forth procedures for the independent review, suspension, and delisting of Companies that fail to satisfy one or more standards for initial or continued listing, and thus are “deficient” with respect to the listing standards.

The Listings Qualifications Department is responsible for identifying deficiencies that may lead to delisting or denial of a listing application; notifying the Company of the deficiency or denial; and issuing Staff Delisting Determinations and Public Reprimand Letters. Rule 5810 contains provisions regarding the Listing Qualifications Department’s process for notifying Companies of different types of deficiencies and their corresponding consequences.

The Hearings Panel, upon timely request by a Company, will review a Staff Delisting Determination, denial of a listing application, or Public Reprimand Letter at an oral or written hearing, and issue a Decision that may, among other things, grant an “exception” to Nasdaq’s listing standards or affirm a delisting. Rule 5815 contains provisions relating to the hearings process.

The Nasdaq Listing and Hearings Review Council, upon timely appeal by a Company or on its own initiative, may review the Decisions of the Hearings Panel. Rule 5820 contains provisions relating to the Listing Council appeal process.

Finally, the Nasdaq Board of Directors may exercise discretion to call for review a Listing Council Decision. Rule 5825 contains provisions related to that process.

Procedures related to SEC notification of Nasdaq’s final Delisting Determinations are discussed in Rule 5830. Rules applicable to Adjudicators and Advisors are provided in Rule 5835 and general information relating to the adjudicatory process is provided in Rule 5840.

A Company’s failure to maintain compliance with the applicable provisions of the Rule 5000 Series will result in the termination of the listing unless an exception is granted to the Company, as described below. The termination of the Company's listing will become effective in accordance with the procedures set forth herein, including Rule 5830.

"Adjudicatory Body" or "Adjudicator" means the Hearings Panel, the Listing Council, or the Nasdaq Board, or a member thereof.

(b) "Advisor" means an individual employed by Nasdaq who is advising an Adjudicatory Body with respect to a proceeding under this section.

(c) "Hearings Department" means the Hearings Department of the Nasdaq Office of General Counsel.

(d) The "Hearings Panel" is an independent panel made up of at least two persons who are not employees or otherwise affiliated with Nasdaq or its affiliates, and who have been authorized by the Nasdaq Board of Directors.

(e) "Listing Council" means the Nasdaq Listing and Hearing Review Council.

(f) The "Listing Qualifications Department" is the department of Nasdaq responsible for evaluating Company compliance with quantitative and qualitative listing standards and determining eligibility for initial and continued listing of a Company's securities.

(g) "Staff" refers to employees of the Listing Qualifications Department.

(h) "Staff Delisting Determination" or "Delisting Determination" is a written determination by the Listing Qualifications Department to delist a listed Company's securities for failure to meet a continued listing standard.

(i) "Decision" means a written decision of an Adjudicatory Body.

(j) "Public Reprimand Letter" means a letter issued by Staff or a Decision of an Adjudicatory Body in cases where the Company has violated a Nasdaq corporate governance or notification listing standard (other than one required by Rule 10A-3 of the Act) and Staff or the Adjudicatory Body determines that delisting is an inappropriate sanction. In determining whether to issue a Public Reprimand Letter, Staff or the Adjudicatory Body will consider whether the violation was inadvertent, whether the violation materially adversely affected shareholders' interests, whether the violation has been cured, whether the Company reasonably relied on an independent advisor and whether the Company has demonstrated a pattern of violations.

(k) "Office of Appeals and Review" means the Office of Appeals and Review of the Nasdaq Office of General Counsel.


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When the Listing Qualifications Department determines that a Company does not meet a listing standard set forth in the Rule 5000 Series, it will immediately notify the Company of the deficiency. As explained in more detail below, deficiency notifications are of four types:

1. Staff Delisting Determinations, which are notifications of deficiencies that, unless appealed, subject the Company to immediate suspension and delisting;

2. notifications of deficiencies for which a Company may submit a plan of compliance for staff review;

3. notifications of deficiencies for which a Company is entitled to an automatic cure or compliance period; and

4. Public Reprimand Letters, except such notification type is not available for unresolved deficiencies from the standards of Rules 5250(c) (Obligation to File Periodic Financial Reports), 5615(a)(4)(D) (Partner Meetings of Limited Partnerships) and 5620(a) (Meetings of Shareholders).

Notifications of deficiencies that allow for submission of a compliance plan or an automatic cure or compliance period may result, after review of the compliance plan or expiration of the cure or compliance period, in issuance of a Staff Delisting Determination or a Public Reprimand Letter.

(a) Information Contained in Deficiency Notification and Delisting Determination

Deficiency notifications and Delisting Determinations will:

1. inform the Company of the factual bases for Staff's determination of deficiency or delisting, and the quantitative or qualitative standard the Company has failed to satisfy;

2. provide the Company with instructions regarding its obligations to disclose the deficiency under Nasdaq Listing Rules; and

3. inform the Company:

   (A) in the case of a Staff Delisting Determination, that the Company's securities will be suspended as of a date certain; the Company has a right to request review of the Delisting Determination by a Hearings Panel; and that a request for review within seven days (as set forth in Rule 5815(a)(1)) will stay the suspension;

   (B) in the case of a deficiency for which the Company may submit a plan of compliance for review by Staff, the deadline by which a plan must be submitted;

   (C) in the case of a deficiency for which the Company is entitled to an automatic cure or compliance period, the expiration date of the cure or compliance period; and

   (D) in the case of a Public Reprimand Letter, an explanation of why Staff concluded the letter is appropriate and the Company's right to request review of the Letter by a Hearings Panel.

(b) Company Disclosure Obligations

A Company that receives a notification of deficiency, Staff Delisting Determination, or Public Reprimand Letter is required to make a public announcement disclosing receipt of the notification and the Rule(s) upon which the deficiency is based, and describing each specific basis and concern identified by Nasdaq in reaching its determination that the Company does not meet the listing
standard. If the deficiency or Staff Delisting Determination relates to the requirement to file a periodic report contained in Rule 5250(c)(1) or (2), the Company is required to make the public announcement by issuing a press release, in addition to filing any Form 8-K required by SEC rules. In all other cases, the Company may make the public announcement either by filing a Form 8-K, where required by SEC rules, or by issuing a press release. Additional information about this disclosure obligation is provided in IM-5810-1.

As described in Rule 5250(b)(1) and IM-5250-1, the Company must notify Nasdaq's MarketWatch Department about the announcement through the electronic disclosure submission system available at www.nasdaq.net, except in emergency situations when notification may instead be provided by telephone or facsimile. If the public announcement is made during Nasdaq market hours, the Company must notify MarketWatch at least ten minutes prior to the announcement. If the public announcement is made outside of Nasdaq market hours, the Company must notify MarketWatch of the announcement prior to 6:50 a.m. ET. The Company should make the public announcement as promptly as possible but not more than four business days following receipt of the notification.

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Nasdaq Stock Market Rules, Regulation, IM-5810-1., Nasdaq, Disclosure of Written Notice of Staff Determination

Rule 5810(b) requires that a Company make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing the receipt of (i) a notice that the Company does not meet a listing standard set forth in the Rule 5000 Series, (ii) a Staff Delisting Determination to limit or prohibit continued listing of the Company's securities under Rule 5810 as a result of the Company's failure to comply with the continued listing requirements, or (iii) a Public Reprimand Letter; provided, however, that if the notification relates to a failure to meet the requirements of Rules 5250(c)(1) or (2), the Company must make the public announcement by issuing a press release. Such public announcement shall be made as promptly as possible, but not more than four business days following the receipt of the notification, Staff Delisting Determination, or Public Reprimand Letter, as applicable. In addition to containing all disclosure required by Form 8-K, if applicable, the public announcement must describe each specific basis and concern identified by Nasdaq in its determination that the Company does not meet the listing standard and identify the Rules upon which the deficiency is based. For example, if the Listing Qualifications Department determines to delist a Company based on its discretionary authority under Rule 5101, the Company must include in its public announcement the specific concerns cited in the Staff Delisting Determination. In addition, a Company may provide its own analysis of the issues raised in the Staff Delisting Determination.

If the public announcement is not made by the Company within the time allotted or does not include all of the required information, trading of its securities shall be halted (if not already halted), even if the Company appeals the Staff Delisting Determination or Public Reprimand Letter as set forth in Rule 5815, and Nasdaq may make a public announcement with the required information. If the company’s failure to make this public announcement is the only basis for a trading halt, Nasdaq would ordinarily resume trading if Nasdaq makes the public announcement. If the Company fails to make the public announcement by the time that the Hearings Panel issues its Decision, that Decision will also determine whether to delist the Company’s securities for failure to make the public announcement.

Rule 5810(b) does not relieve a Company of its disclosure obligation under the federal securities laws, nor should it be construed as providing a safe harbor under the federal securities laws. It is suggested that the Company consult with corporate/securities counsel in assessing its disclosure obligations under the federal securities laws.

(c) Types of Deficiencies and Notifications
The type of deficiency at issue determines whether the Company will be immediately suspended and delisted, or whether it may submit a compliance plan for review or is entitled to an automatic cure or compliance period before a Staff Delisting Determination is issued. In the case of a deficiency not specified below, Staff will issue the Company a Staff Delisting Determination or a Public Reprimand Letter.

(1) Deficiencies that Immediately Result in a Staff Delisting Determination
Staff's notice will inform the Company that its securities are immediately subject to suspension and delisting when:

- a Company fails to timely solicit proxies;
- an Equity Investment Tracking Stock fails to comply with the additional continued listing requirements in Rule 5222(c) or a Staff Delisting Determination has been issued with respect to the security such Equity Investment Tracking Stock tracks;
- the common stock of the REIT in a Paired Share Unit listed under Rule 5226 becomes separately tradable from the common stock of the Parent;
• An issuer of non-convertible bonds listed on Nasdaq fails to meet its obligations on the non-convertible bonds, as set forth in Rule 5702(b)(2); or
• a Subscription Receipt listed under Rule 5520 fails to comply with the continued listing requirements in Rule 5565 or a Staff Delisting Determination has been issued with respect to the security such Subscription Receipt is exchangeable for; or
• Staff has determined, under its discretionary authority in the Rule 5100 Series, that the Company's continued listing raises a public interest concern.

(2) Deficiencies for which a Company may Submit a Plan of Compliance for Staff Review

(A) Unless the Company is currently under review by an Adjudicatory Body for a Staff Delisting Determination, the Listing Qualifications Department may accept and review a plan to regain compliance when a Company is deficient with respect to one of the standards listed in subsections (i) through (vi) below. In accordance with Rule 5810(c)(2)(C), plans provided pursuant to subsections (i) through (iv) and (vi) below must be provided generally within 45 calendar days, and in accordance with Rule 5810(c)(2)(F), plans provided pursuant to subsection (v) must be provided generally within 60 calendar days. If a Company's plan consists of transferring from the Nasdaq Global or Global Select Market to the Nasdaq Capital Market, the Company should submit its application and the applicable application fee at the same time as its plan to regain compliance.

(i) all quantitative deficiencies from standards that do not provide a compliance period;

(ii) deficiencies from the standards of Rules 5605 {Board of Directors and Committees} or 5615(a)(4)(C) {Independent Directors/Audit Committee of Limited Partnerships} where the cure period of the Rule is not applicable;

(iii) deficiencies from the standards of Rules 5620(a) {Meetings of Shareholders}, 5620(c) {Quorum}, 5630 {Review of Related Party Transactions}, 5635 {Shareholder Approval}, 5250(c)(3) {Auditor Registration}, 5255(a) {Direct Registration Program}, 5610 {Code of Conduct}, 5615(a)(4)(D) {Partner Meetings of Limited Partnerships}, 5615(a)(4)(E) {Quorum of Limited Partnerships}, 5615(a)(4)(G) {Related Party Transactions of Limited Partnerships}, or 5640 {Voting Rights}; or

(iv) failure to make the disclosure required by Rule 5250(b)(3).

(v) failure to file periodic reports as required by Rules 5250(c)(1) or (2).

(vi) failure to meet a continued listing requirement contained in the Rule 5700 Series.
As provided in Rule 5810(c)(2)(A)(i), the Staff may accept a plan to regain compliance with respect to quantitative deficiencies from standards that do not themselves provide a compliance period. Such standards include:

- **Rules 5550(b)(1)** (Stockholders' Equity) and **5550(b)(3)** (Net Income from Continuing Operations)
- **Rule 5550(a)(3)** (Public Holders)
- **Rule 5550(a)(4)** (Publicly Held Shares)
- Rules 5350(b)(1)(B) (Publicly Held Shares), **5450(b)(1)(A)** (Stockholders' Equity), and 5450(a)(2) (Total Holders)
- **Rules 5450(b)(3)(A)** (Total Assets/Total Revenue), **5450(b)(2)(B)** (Publicly Held Shares), and 5450(a)(2) (Total Holders), and
- **Rules 5460(a)(1)** (Publicly Held Shares) and **5460(a)(4)** (Public Holders).


**(B) Staff Alternatives Upon Review of Plan**

Staff may request such additional information from the Company as is necessary to make a determination, as described below. In cases other than filing delinquencies and annual meeting deficiencies, which are governed by Rules 5810(c)(2)(F) and 5810(c)(2)(G), respectively, upon review of a plan of compliance, Staff may either:

- **(i)** grant an extension of time to regain compliance not greater than 180 calendar days from the date of Staff's initial notification, unless the Company is currently under review by an Adjudicatory Body for a Staff Delisting Determination. If Staff grants an extension, it will inform the Company in writing of the basis for granting the extension and the terms of the extension;
- **(ii)** issue a Staff Delisting Determination letter that includes a description of the basis for denying the extension; or
- **(iii)** issue a Public Reprimand Letter, as defined in Rule 5805(j).

**(C) Timeline for Submission of Compliance Plans**

Except for deficiencies from the standards of Rule 5250(c)(1) or (2), Staff's notification of deficiencies that allow for compliance plan review will inform the Company that it has 45 calendar days to submit a plan to regain compliance with Nasdaq's listing standard(s). Staff may extend this deadline for up to an additional 5 calendar days upon good cause shown and may request such additional information from the Company as is necessary to make a determination whether to grant such an extension.

**(D) Restrictions on Compliance Plans for Certain Deficiencies**

Staff will not accept a plan to achieve compliance with deficiencies in net income from continuing operations or total assets and total revenue, since compliance requires stated levels of net income or assets and revenues during completed fiscal years and therefore can only be demonstrated through audited financial statements. Similarly, a Company may not submit a plan relying on partial-year performance to demonstrate compliance with these standards. A Company may, however, submit a plan that demonstrates current or near-term compliance with the listing requirement relating to stockholders' equity or Market Value of Listed Securities.

**(E) Failure to Meet the Terms of a Staff Extension**
If the Company does not regain compliance within the time period provided by all applicable Staff extensions, Staff will immediately issue a Staff Delisting Determination indicating the date on which the Company's securities will be suspended unless it requests review by a Hearings Panel.

(F) Filing Delinquencies
In the case of deficiencies from the standards of Rule 5250(c)(1) or (2):

(i) Staff's notice shall provide the Company with 60 calendar days to submit a plan to regain compliance with the listing standard; provided, however, that the Company shall not be provided with an opportunity to submit such a plan if review under the Rule 5800 Series of a prior Staff Delisting Determination with respect to the Company is already pending. Staff may extend this deadline for up to an additional 15 calendar days upon good cause shown and may request such additional information from the Company as is necessary to make a determination regarding whether to grant such an extension.

(ii) The maximum additional time provided by all exceptions granted by Staff for a deficiency described in paragraph (i) above is 180 calendar days from the due date of the first late periodic report (as extended by Rule 12b-25 under the Act, if applicable). In determining whether to grant an exception, and the length of any such exception, Staff will consider, and the Company should address in its plan of compliance, the Company's specific circumstances, including the likelihood that the filing can be made within the exception period, the Company's past compliance history, the reasons for the late filing, corporate events that may occur within the exception period, the Company's general financial status, and the Company's disclosures to the market. This review will be based on information provided by a variety of sources, which may include the Company, its audit committee, its outside auditors, the staff of the SEC and any other regulatory body.

(G) Annual Meeting
In the case of deficiencies from the standards of Rules 5620(a) and 5615(a)(4)(D):

(i) Staff's notice shall provide the Company with 45 calendar days to submit a plan to regain compliance with the listing standard; provided, however, that the Company shall not be provided with an opportunity to submit such a plan if review under the Rule 5800 Series of a prior Staff Delisting Determination with respect to the Company is already pending. Staff may extend this deadline for up to an additional 15 calendar days upon good cause shown and may request such additional information from the Company as is necessary to make a determination regarding whether to grant such an extension.

(ii) The maximum additional time provided by all exceptions granted by Staff is 180 calendar days from the deadline to hold the annual meeting (one year after the end of the Company’s fiscal year). In determining whether to grant an exception, and the length of any such exception, Staff will consider, and the Company should address in its plan of compliance, the Company's specific circumstances, including the likelihood that the Company would be able to hold an annual meeting within the exception period, the Company's past compliance history, the reasons for the failure to hold the annual meeting timely, corporate events that may occur within the exception period, the Company's general financial status, and the Company's disclosures to the market. This review will be based on information provided by a variety of sources, which may include the Company, its audit committee, its outside auditors, the staff of the SEC and any other regulatory body.

(3) Deficiencies for which the Rules Provide a Specified Cure or Compliance Period
With respect to deficiencies related to the standards listed in (A) - (F) below, Staff's notification will inform the Company of the applicable cure or compliance period provided by these Rules and discussed below. If the Company does not regain compliance within the specified cure or compliance period, the Listing Qualifications Department will immediately issue a Staff Delisting Determination letter.

(A) Bid Price
A failure to meet the continued listing requirement for minimum bid price shall be determined to exist only if the deficiency continues for a period of 30 consecutive business days. Upon such failure, the Company shall be notified promptly and shall have a period of 180 calendar days from such notification to achieve compliance. Compliance can be achieved during any compliance period by meeting the applicable standard for a minimum of 10 consecutive business days during the applicable compliance period, unless Staff exercises its discretion to extend this 10 day period as discussed in Rule 5810(c)(3)(G).

(i) Global Select Market and Global Market

If a Company listed on The Nasdaq Global Market has not been deemed in compliance prior to the expiration of the 180 day compliance period, it may transfer to The Nasdaq Capital Market, provided that it meets the applicable market value of publicly held shares requirement for continued listing and all other applicable requirements for initial listing on the Capital Market (except for the bid price requirement) based on the Company’s most recent public filings and market information and notifies Nasdaq of its intent to cure this deficiency. Following a transfer to The Nasdaq Capital Market, the Company will be afforded the remainder of the applicable compliance period set forth in Rule 5810(c)(3)(A)(ii), unless it does not appear to Nasdaq that it is possible for the Company to cure the deficiency. The Company may also request a hearing to remain on The Nasdaq Global Market pursuant to the Rule 5800 Series. Any time spent in the hearing process will not extend the length of the remaining applicable compliance periods on The Nasdaq Capital Market afforded by this rule.

(ii) Capital Market

If a Company listed on the Capital Market is not deemed in compliance before the expiration of the 180 day compliance period, it will be afforded an additional 180 day compliance period, provided that on the 180th day of the first compliance period it meets the applicable market value of publicly held shares requirement for continued listing and all other applicable standards for initial listing on the Capital Market (except the bid price requirement) based on the Company’s most recent public filings and market information and notifies Nasdaq of its intent to cure this deficiency. If a Company does not indicate its intent to cure the deficiency, or if it does not appear to Nasdaq that it is possible for the Company to cure the deficiency, the Company will not be eligible for the second grace period. If the Company has publicly announced information (e.g., in an earnings release) indicating that it no longer satisfies the applicable listing criteria, it shall not be eligible for the additional compliance period under this rule.

(B) Market Makers

A failure to meet the continued listing requirement for a number of Market Makers shall be determined to exist only if the deficiency continues for a period of 10 consecutive business days. Upon such failure, the Company shall be notified promptly and shall have a period of 30 calendar days from such notification to achieve compliance. Compliance can be achieved by meeting the applicable standard for a minimum of 10 consecutive business days during the 30 day compliance period.

(C) Market Value of Listed Securities

A failure to meet the continued listing requirements for Market Value of Listed Securities shall be determined to exist only if the deficiency continues for a period of 30 consecutive business days. Upon such failure, the Company shall be notified promptly and shall have a period of 180 calendar days from such notification to achieve compliance. Compliance can be achieved by meeting the applicable standard for a minimum of 10 consecutive business days during the 180 day compliance period, unless Staff exercises its discretion to extend this 10 day period as discussed in Rule 5810(c)(3)(G).

(D) Market Value of Publicly Held Shares

A failure to meet the continued listing requirement for Market Value of Publicly Held Shares shall be determined to exist only if the deficiency continues for a period of 30 consecutive business days. Upon such failure, the Company shall be notified promptly and shall have a period of 180 calendar days from
such notification to achieve compliance. Compliance can be achieved by meeting the applicable standard for a minimum of 10 consecutive business days during the 180 day compliance period, unless Staff exercises its discretion to extend this 10 day period as discussed in Rule 5810(c)(3)(G).

(E) Independent Director and Audit Committee Rules

If a Company fails to meet the majority board independence requirement in Rule 5605(b)(1) due to one vacancy, or because one director ceases to be independent for reasons beyond his/her reasonable control, the Listing Qualifications Department will promptly notify the Company and inform it has until the earlier of its next annual shareholders meeting or one year from the event that caused the deficiency to cure the deficiency. However, if the Company’s next annual shareholders’ meeting is held sooner than 180 days after the event that caused the deficiency, then the Company has 180 days from the event that caused the deficiency to cure it.

If a Company fails to meet the audit committee composition requirements in Rule 5605(c)(2) because an audit committee member ceases to be independent for reasons outside his/her control, the Listing Qualifications Department will promptly notify the Company and inform it that has until the earlier of its next annual shareholders meeting or one year from the occurrence of the event that caused the failure, to cure the deficiency. If the Company fails to meet the audit committee composition requirement due to one vacancy on the audit committee, and the Company is not relying upon a cure period for another member, the Listing Qualifications Department will promptly notify the Company and inform it that it has until the earlier of its next annual shareholders meeting or one year from the event that caused the failure to cure the deficiency. However, if the Company’s next annual shareholders’ meeting is held sooner than 180 days after the event that caused the deficiency, then the Company has 180 days from the event that caused the deficiency to cure it.

(F) Market Value/Principal Amount Outstanding of Non-Convertible Bonds

A failure to meet the continued listing requirement for non-convertible bonds, as set forth in Rule 5702(b)(1) (requiring non-convertible bonds to have at least $400,000 in market value or principal amount outstanding) shall be determined to exist only if the deficiency continues for a period of 30 consecutive business days. Upon such failure, the Company shall be notified promptly and shall have a period of 180 calendar days from such notification to achieve compliance. Compliance can be achieved during this 180 calendar day compliance period by meeting the applicable standard for a minimum of 10 consecutive business days during the applicable compliance period, unless Staff exercises its discretion to extend this 10 day period as discussed in Rule 5810(c)(3)(G).

(G) Staff Discretion Relating to the Price-based Requirements

If a Company fails to meet the Market Value of Listed Securities, Market Value of Publicly Held Shares, Bid Price, or Market Value/Principal Amount Outstanding requirements, each of which is related to the Company’s security price and collectively called the “Price-based Requirements,” compliance is generally achieved by meeting the requirement for a minimum of ten consecutive business days. However, Staff may, in its discretion, require a Company to satisfy the applicable Price-based Requirement for a period in excess of ten consecutive business days, but generally no more than 20 consecutive business days, before determining that the Company has demonstrated an ability to maintain long-term compliance. In determining whether to require a Company to meet the applicable Price-based requirement beyond ten business days, Staff may consider all relevant facts and circumstances, including without limitation:

(i) the margin of compliance (the amount by which a Company exceeds the applicable Price-based Requirement);

(ii) the trading volume (a lack of trading volume may indicate a lack of bona fide market interest in the security at the posted bid price);

(iii) the Market Maker montage (the number of Market Makers quoting at or above $1.00 or the minimum price necessary to satisfy another Price-based Requirement; and the size of their quotes);
and

(iv) the trend of the security price (is it up or down).

(4) Public Reprimand Letter

Staff's notification may be in the form of a Public Reprimand Letter in cases where the Company has violated a Nasdaq corporate governance or notification listing standard (other than one required by Rule 10A-3 of the Act) and Staff determines that delisting is an inappropriate sanction. In determining whether to issue a public reprimand letter, the Listing Qualifications Department will consider whether the violation was inadvertent, whether the violation materially adversely affected shareholders' interests, whether the violation has been cured, whether the Company reasonably relied on an independent advisor and whether the Company has demonstrated a pattern of violations.

(d) Additional Deficiencies

The Listing Qualifications Department continues to evaluate the compliance of Companies while they are under review by Adjudicatory Bodies and may identify additional deficiencies. Upon identification of an additional deficiency, Staff will issue an additional notification of deficiency to the Company and send a copy to the appropriate Adjudicatory Body.

(1) Staff's notification of the additional deficiency will conform to the requirements set forth in Rule 5810(a) if:

(A) the matter under review by an Adjudicatory Body is a Public Reprimand Letter; or

(B) the additional deficiency identified is one that has an automatic cure or compliance period.

(2) If the additional deficiency is one that would in the normal course result in immediate suspension and delisting, or one for which the Company may submit a compliance plan to Staff for review, Staff's notification will instruct the Company to address the issue to the Hearings Panel at its hearing, unless the hearing for the original deficiency has already taken place. If the hearing has already taken place, Staff's notification will instruct the Company to provide in writing, within a specified time period, a submission that addresses the deficiency to the Adjudicatory Body before which its matter is pending.


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Nasdaq Stock Market Rules, Regulation, 5815., Nasdaq, Review of Staff Determinations by Hearings Panel

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When a Company receives a Staff Delisting Determination or a Public Reprimand Letter issued by the Listing Qualifications Department, or when its application for initial listing is denied, it may request in writing that the Hearings Panel review the matter in a written or an oral hearing. This section sets forth the procedures for requesting a hearing before a Hearings Panel, describes the Hearings Panel and the possible outcomes of a hearing, and sets forth Hearings Panel procedures.

(a) Procedures for Requesting and Preparing for a Hearing

(1) Timely Request Stays Delisting

(A) A Company may, within seven calendar days of the date of the Staff Delisting Determination notification, Public Reprimand Letter, or written denial of a listing application, request a written or oral hearing before a Hearings Panel to review the Staff Delisting Determination, Public Reprimand Letter, or written denial of a listing application. Subject to the limitation in paragraph (B) below, a timely request for a hearing will stay the suspension and delisting action pending the issuance of a written Panel Decision. Requests for hearings should be submitted in writing to the Hearings Department.

(B) A request for a hearing shall ordinarily stay the delisting action pending the issuance of a Panel Decision. However, if the Staff Delisting Determination relates to deficiencies from the standards of Rule 5250(c)(1) or (2), which require a Company to timely file its periodic reports with the Commission, the delisting action will only be stayed for 15 calendar days from the deadline to request a hearing unless the Company specifically requests and the Hearings Panel grants a further stay. A request for a further stay must include an explanation of why such a stay would be appropriate and should be included in the Company's request for a hearing. Based on that submission and any recommendation provided by Staff, the Hearings Panel will determine whether to grant the Company a further stay. In determining whether to grant the stay, the Hearings Panel will consider the Company's specific circumstances, including the likelihood that the filing can be made within any exception period that could subsequently be granted, the Company's past compliance history, the reasons for the late filing, corporate events that may occur within the exception period, the Company's general financial status, and the Company's disclosures to the market. The Hearings Panel will notify the Company of its conclusion as soon as is practicable, but in no event more than 15 calendar days following the deadline to request the hearing. In the event the Hearings Panel determines not to grant the Company a stay, the Company's securities will be immediately suspended and will remain suspended unless the Panel Decision issued after the hearing determines to reinstate the securities.

(2) Failure to Request Results in Immediate Delisting

If a Company fails to request in writing a hearing within seven calendar days, it waives its right to request review of a Delisting Determination, Public Reprimand Letter, or written denial of an initial listing application. In the case of a Company's failure to timely request a hearing to review a Delisting Determination, the Hearings Department will take action to suspend trading of the securities and follow procedures to delist the securities.

(3) Fees

Within 15 calendar days of the date of the Staff Delisting Determination, Public Reprimand Letter, or written denial of an initial listing application, the Company must submit a hearing fee of $10,000.

(4) Scheduling of Hearings
The Hearings Department will schedule hearings to take place, to the extent practicable, within 45 days of the request for a hearing, at a location determined by the Hearings Department. The Hearings Department will send written acknowledgment of the Company’s hearing request and inform the Company of the date, time, and location of the hearing, and deadlines for written submissions to the Hearings Panel. The Company will be provided at least ten calendar days notice of the hearing unless the Company waives such notice.

(5) Submissions from Company
The Company may submit to the Hearings Department a written plan of compliance and request that the Hearings Panel grant an exception to the listing standards for a limited time period, as permitted by Rule 5815(c)(1)(A) or may set forth specific grounds for the Company's contention that the issuance of a Staff Delisting Determination, Public Reprimand Letter, or denial of a listing application, was in error, and may also submit public documents or other written material in support of its position, including any information not available at the time of the Staff Determination. The Hearings Panel will review the written record, as described in Rule 5840(a), before the hearing.

(6) Presentation at Hearing
At an oral hearing, the Company may make such presentation as it deems appropriate, including the appearance by its officers, directors, accountants, counsel, investment bankers, or other persons, and the Hearings Panel may question any representative appearing at the hearing. Hearings are generally scheduled to last one hour, but the Hearings Panel may extend the time. The Hearings Department will arrange for and keep on file a transcript of oral hearings.

(b) Composition of the Hearings Panel
Each Hearing is presided over by at least two Hearings Panel members, except as provided in Rule 5815(d)(3).

(c) Scope of the Hearings Panel's Discretion

(1) When the Hearings Panel review is of a deficiency related to continued listing standards, the Hearings Panel may, where it deems appropriate:

(A) grant an exception to the continued listing standards for a period not to exceed 180 days from the date of the Staff Delisting Determination with respect to the deficiency for which the exception is granted;

(B) Reserved;

(C) suspend and delist the Company's securities;

(D) issue a Decision that serves as a Public Reprimand Letter in cases where the Company has violated a Nasdaq corporate governance or notification listing standard (other than one required by Rule 10A-3 of the Act) and the Hearings Panel determines that delisting is an inappropriate sanction. In determining whether to issue a Public Reprimand Letter, the Hearings Panel will consider whether the violation was inadvertent, whether the violation materially adversely affected shareholders' interests, whether the violation has been cured, whether the Company reasonably relied on an independent advisor and whether the Company has demonstrated a pattern of violations;

(E) find the Company in compliance with all applicable listing standards; or

(F) In the case of a Company that fails to file a periodic report (e.g., Form 10-K, 10-Q, 20-F, 40-F, or N-CSR), the Hearings Panel may grant an exception for a period not to exceed 360 days from the due date of the first such late periodic report. The Company can regain compliance with the requirement by
filing that periodic report and any other delinquent reports with due dates falling before the end of the exception period. In determining whether to grant an exception, and the length of any such exception, the Hearings Panel will consider the Company's specific circumstances, including the likelihood that the filing can be made within the exception period, the Company's past compliance history, the reasons for the late filing, corporate events that may occur within the exception period, the Company's general financial status, and the Company's disclosures to the market. This review will be based on information provided by a variety of sources, which may include the Company, its audit committee, its outside auditors, the staff of the SEC and any other regulatory body.

(G) In the case of a Company that fails to hold an annual meeting, the Hearings Panel may grant an exception for a period not to exceed 360 days from the deadline to hold the annual meeting (one year after the end of the Company’s fiscal year).

(2) When the Hearings Panel's review is of a Staff denial of an initial listing application, the Hearings Panel may, where it deems appropriate:

(A) affirm Staff's denial of the application;

(B) conditionally approve initial listing subject to an exception to the listing standards not to exceed 180 calendar days from the date of the Staff Delisting Determination with respect to the deficiency for which the exception is granted; or

(C) approve initial listing on a finding that the Company meets all initial listing requirements

(3) A Hearings Panel may consider any failure to meet any quantitative or qualitative standard for initial or continued listing, including failures previously not considered by Staff. The Company will be given written notice of such consideration and an opportunity to respond.

(4) Under the authority described in the Rule 5100 Series, the Hearings Panel may subject the Company to additional or more stringent criteria for the initial or continued listing of particular securities based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities inadvisable or unwarranted in its opinion, even though the securities meet all enumerated criteria for initial or continued listing on Nasdaq.

(d) Hearings Panel Procedures

(1) Panel Decision
After the hearing, the Hearings Department, on behalf of the Hearings Panel, will issue a Panel Decision that meets the requirements of Rule 5840(c) and has been approved by each member of the Hearings Panel. The Panel Decision shall be promptly provided to the Company, and is effective immediately upon issuance, unless it specifies to the contrary. The Panel Decision will provide notice that the Company may appeal the Panel Decision to the Listing Council within 15 calendar days of the date of the Decision and that the Decision may be called for review by the Listing Council within 45 calendar days from the date of the Decision.

(2) Form 25 Notification of Delisting
If the Panel issues a Decision to delist the Company's securities, the Hearings Department will immediately take action to suspend trading of the securities, unless the Decision specifies to the contrary. If the Company does not appeal a Decision to delist and the Listing Council does not call the matter for review, or withdraws its call for review, Nasdaq will follow the procedures described in Rule 5830 to submit an application on Form 25 to the SEC to strike the security from listing.
(3) Hearings Panel Deadlock
If, following the hearing, the Hearings Panel cannot reach a unanimous decision, the Hearings Department will notify the Company of this circumstance. The Company will be provided an additional hearing before a Hearings Panel composed of three members who did not participate in the previous hearing. The Company may decide whether the hearing will be written or oral, in person or by telephone. The Company may submit any documents or other written material in support of its request for review, including information not available at the time of the initial hearing. There will be no fee for the new hearing. After review by a Hearings Panel convened pursuant to this paragraph, the Hearings Department on behalf of the Hearings Panel will issue a Decision that meets the requirements of Rule 5840(c) and that has been approved by at least a majority of the Hearings Panel.

(4) Procedures Applicable for Recurring Deficiencies

(A) Hearings Panel Monitor
A Hearings Panel may, after a Company regains compliance with all applicable listing standards, monitor the Company's continued compliance for up to one year after the compliance date, if the Hearings Panel concludes that there is a likelihood that the issuer will fail to maintain compliance with one or more listing standards during that period. If the Hearings Panel or the Listing Qualifications Department determines that a Company under Hearings Panel monitor fails any listing standard during the monitor period, the Staff will issue a Staff Delisting Determination and the Hearings Department will promptly schedule a new hearing, with the initial Hearings Panel or a newly convened Hearings Panel if the initial Hearings Panel is unavailable. The hearing may be oral or written, at the Company's election. Notwithstanding Rule 5810(c)(2), the Company will not be permitted to provide the Listing Qualifications Department with a plan of compliance with respect to any deficiency that arises during the monitor period, and the Listing Qualifications Department will not be permitted to grant additional time for the Company to regain compliance with respect to any deficiency. The Hearings Panel will consider the Company's compliance history when rendering its Decision.

(B) No Hearings Panel Monitor
If a Hearings Panel has not opted to monitor a Company that has regained compliance with the listing standards requiring the Company to maintain certain levels of stockholders' equity or to timely file periodic reports, and within one year of the date the Company regained compliance with such listing standard, the Listing Qualifications Department finds the Company again out of compliance with the requirement that was the subject of the exception, then, notwithstanding Rule 5810(c)(2), the Listing Qualifications Department will not allow the Company to provide it with a plan of compliance or grant additional time for the Company to regain compliance. Rather, the Listing Qualifications Department will promptly issue a Staff Delisting Determination, and the Company may request review by a Hearings Panel. The Hearings Panel will consider the Company's compliance history when rendering its Decision.

(5) Request for Hearings Panel Reconsideration
A Company may request, in writing, that the Hearings Panel reconsider a Panel Decision only upon the basis that a mistake of material fact existed at the time of the Panel Decision. The Company's request for reconsideration shall be made within seven calendar days of the date of issuance of the Panel Decision. A Company's request for reconsideration will not stay a delisting determination or suspension of trading of the Company's securities, unless the Hearings Panel, before the scheduled date for suspension, issues a written determination staying the suspension and/or reversing the determination to delist. A Company's request for reconsideration will not extend the time for the Company to initiate the Listing Council's review of the Panel Decision.

If the Hearings Panel grants a Company's reconsideration request, it will issue a modified Decision meeting the requirements of Rule 5840(c) within 15 calendar days of the date of the original Panel
Decision, or lose jurisdiction over the matter. If the Listing Council calls a Panel Decision for review on the same issue that the Company has requested reconsideration by the Hearings Panel, the Listing Council may assert jurisdiction over the initial Panel Decision or permit the Hearings Panel to proceed with the reconsideration and issue a new Decision.


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A Company may appeal a Panel Decision to the Listing Council. The Listing Council may also call for review a Panel Decision on its own initiative. This Rule 5820 describes the procedures applicable to appeals and calls for review.

(a) Procedure for Requesting Appeal
A Company may appeal any Panel Decision to the Listing Council by submitting a written request for appeal and a fee of $10,000 to the Nasdaq Office of Appeals and Review within 15 calendar days of the date of the Panel Decision. An appeal will not operate as a stay of the Panel Decision. Upon receipt of the appeal request and the applicable fee, the Nasdaq Office of Appeals and Review will acknowledge the Company’s request and provide deadlines for the Company to provide written submissions.

(b) Procedures for Initiating Call for Review
The Listing Council may also call for review any Panel Decision upon the request of one or more members of the Listing Council within 45 calendar days of the date of the Panel Decision. The Office of Appeals and Review will promptly inform the Company of the reasons for the review and provide a deadline for written submissions. A call for review by the Listing Council will not operate as a stay of the Panel Decision, unless the call for review specifies to the contrary. The Listing Council may withdraw the call for review of a Panel Decision at any time.

(c) Composition of Listing Council
The Listing Council is a committee appointed by the Nasdaq Board of Directors pursuant to the Nasdaq By-Laws whose responsibilities include the review of Panel Decisions by a Hearings Panel.

(d) Scope of Listing Council’s Discretion

1. The Listing Council may, where it deems appropriate, affirm, modify, or reverse the Panel Decision, or remand the matter to the Listing Qualifications Department or to the Hearings Panel for further consideration. The Listing Council may grant an exception for a period not longer than 360 calendar days from the date of the Staff Delisting Determination with respect to the deficiency for which the exception is granted. The Listing Council also may issue a Decision that serves as a Public Reprimand Letter in cases where the Company has violated a Nasdaq corporate governance or notification listing standard (other than one required by Rule 10A-3 of the Act) and the Listing Council determines that delisting is an inappropriate sanction. In determining whether to issue a Public Reprimand Letter, the Listing Council will consider whether the violation was inadvertent, whether the violation materially adversely affected shareholders’ interests, whether the violation has been cured, whether the Company reasonably relied on an independent advisor and whether the Company has demonstrated a pattern of violations.

2. The Listing Council may consider any failure to meet any quantitative standard or qualitative consideration for initial or continued listing, including failures previously not considered by the Hearings Panel. The Listing Council may also consider any action taken by a Company during the review process that would have constituted a violation of Nasdaq’s corporate governance requirements had the Company’s securities been trading on Nasdaq at the time. The Company will be afforded written notice of such consideration and an opportunity to respond.

3. Under the authority described in the Rule 5100 Series, the Listing Council may subject the Company to additional or more stringent criteria for the initial or continued listing of particular securities based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities inadvisable or unwarranted in its opinion, even though the securities meet all enumerated
criteria for initial or continued listing on Nasdaq.

(4) In the case of a Company that fails to file a periodic report (e.g., Form 10-K, 10-Q, 20-F, 40-F, or N-CSR), the Listing Council may grant an exception for a period not to exceed 360 days from the due date of the first such late periodic report. The Company can regain compliance with the requirement by filing that periodic report and any other delinquent reports with due dates falling before the end of the exception period. In determining whether to grant an exception, and the length of any such exception, the Listing Council will consider the Company's specific circumstances, including the likelihood that the filing can be made within the exception period, the Company's past compliance history, the reasons for the late filing, corporate events that may occur within the exception period, the Company's general financial status, and the Company's disclosures to the market. This review will be based on information provided by a variety of sources, which may include the Company, its audit committee, its outside auditors, the staff of the SEC and any other regulatory body.

(5) In the case of a Company that fails to hold an annual meeting, the Listing Council may grant an exception for a period not to exceed 360 days from the deadline to hold the annual meeting (one year after the end of the Company's fiscal year).

(6) The Listing Council may also recommend that the Nasdaq Board consider the matter.

(e) Listing Council Review Process

(1) Review Generally on Written Record
For each matter before the Listing Council, whether on appeal for call for review, a subcommittee consisting of at least two members of the Listing Council will review the written record, as described in Rule 5840(a). Members of the Listing Council who are not on a subcommittee will be provided with a written summary of the record prepared by an Advisor, and may, but will not be required to, review the written record. The Listing Council shall consider the written record and, at its discretion, may request additional written materials and/or hold additional hearings. If an oral hearing is scheduled, it will take place, to the extent practicable, within 45 days of the date the appeal was submitted or the call for review was initiated.

(2) Record of Proceedings Maintained
A record of the documents considered by the Listing Council will be kept by the Nasdaq Office of Appeals and Review.

(3) Written Decision Issued
A written Listing Council Decision meeting the requirements of Rule 5840(c) will be issued after approval by at least a majority of the Listing Council. The Listing Council Decision will be promptly provided to the Company and will take immediate effect unless it specifies to the contrary. If the Listing Council determines to delist the Company, the securities of the Company will be immediately suspended, unless the Listing Council Decision specifies to the contrary.

(4) Reconsideration of a Listing Council Decision
A Company may request, in writing, that the Listing Council reconsider a Listing Council Decision only upon the basis that a mistake of material fact existed at the time of the Listing Council Decision. The Company's request must be made within seven calendar days of the date of the Listing Council Decision. A Company's request for reconsideration will not stay a Listing Council Decision unless the Listing Council issues a written determination staying the Decision. If the Listing Council grants a Company's reconsideration request, the Listing Council will issue a modified Decision meeting the requirements of Rule 5840(c) within 15 calendar days of the date of the original Listing Council Decision, or lose jurisdiction over the matter.
(5) **Notice of Board Right to Call**

The Listing Council Decision will provide notice that the Nasdaq Board may call the Listing Council Decision for review pursuant to provisions in Rule 5825.

(6) **Form 25 Notification of Delisting**

If the Listing Council determines to delist the Company and the Nasdaq Board does not call the matter for review or withdraws its call for review, Nasdaq will follow the procedures described in Rule 5830 to submit an application on Form 25 to the Securities and Exchange Commission to delist the security.


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Nasdaq Stock Market Rules, Regulation, 5825., Nasdaq, Discretionary Review by Nasdaq Board

(a) Review at Discretion of Board

A Panel Decision, in a matter where the Hearings Panel has granted the maximum exception period and the Listing Council is precluded from granting additional time under Rules 5815(c)(1)(F) and 5820(d)(4), or a Listing Council Decision may be called for review by the Board of Directors of Nasdaq (the "Nasdaq Board") solely upon the request of one or more Board members not later than the next Nasdaq Board meeting that is 15 calendar days or more following the date of the Panel or Listing Council Decision. This review will be undertaken solely at the discretion of the Nasdaq Board and will not operate as a stay of the Panel or Listing Council Decision, unless the Board's call for review specifies to the contrary. At the sole discretion of the Nasdaq Board, it may withdraw its call for review of a Panel or Listing Council Decision at any time before issuance of a Decision.

(b) Scope of Discretion of Board

The Board may consider any failure to meet any quantitative standard or qualitative consideration for initial or continued listing, including failures previously not considered by the Listing Council. It may also consider any action taken by a Company during the review process that would have constituted a violation of Nasdaq's corporate governance requirements had the Company's securities been trading on Nasdaq at the time. The Company will be afforded written notice of such consideration and an opportunity to respond. Pursuant to the Rule 5100 Series, the Board may subject the Company to additional or more stringent criteria for the initial or continued listing of particular securities based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities inadvisable or unwarranted in its opinion, even though the securities meet all enumerated criteria for initial or continued listing on Nasdaq.

(c) Review on Written Record

If the Nasdaq Board conducts a discretionary review, the review generally will be based on the written record considered by the Hearings Panel or Listing Council. However, the Nasdaq Board may, at its discretion, request and consider additional information from the Company and/or from Staff. If the Board considers additional information, a record of the documents reviewed by the Nasdaq Board will be kept by the Nasdaq Office of Appeals and Review.

(d) Board Decision

If the Nasdaq Board conducts a discretionary review, the Company will be provided a written Decision that meets the requirements of Rule 5840(c). The Nasdaq Board may affirm, modify or reverse the Panel or Listing Council Decision and may remand the matter to the Listing Council, Hearings Panel, or staff of the Listing Qualifications Department with appropriate instructions. The Nasdaq Board also may issue a Decision that serves as a Public Reprimand Letter in cases where the Company has violated a Nasdaq corporate governance or notification listing standard (other than one required by Rule 10A-3 of the Act) and the Nasdaq Board determines that delisting is an inappropriate sanction. In determining whether to issue a Public Reprimand Letter, the Nasdaq Board will consider whether the violation was inadvertent, whether the violation materially adversely affected shareholders' interests, whether the violation has been cured, whether the Company reasonably relied on an independent advisor and whether the Company has demonstrated a pattern of violations. The Decision of the Nasdaq Board will take immediate effect, unless it specifies to the contrary, and represents the final action of Nasdaq. If the Nasdaq Board determines to delist the Company, the securities of the Company will be immediately suspended, unless the Nasdaq Board specifies to the contrary, and Nasdaq will follow the procedures contained in Rule 5830 and submit an application on Form 25 to the Commission to strike the security from listing.

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When Nasdaq has made a final determination to delist a Company's securities, it will follow procedures consistent with the Act to strike the security from listing. Nasdaq's determination to delist a Company's securities is final when, after a Delisting Determination has been issued, all available review and appeal procedures and periods available under these Rules have expired.

Nasdaq will issue a press release and post a notice on its website announcing its final determination to remove a security from listing, consistent with Rule 12d2-2 under the Act. Under Rule 12d2-2, Nasdaq must disseminate this public notice not less than 10 days before the delisting becomes effective and maintain the website notice until the delisting is effective. Following the public notification, Nasdaq will file an application on Form 25 with the Commission to delist the security, and will promptly provide a copy of that Form 25 to the Company. The delisting of the security becomes effective 10 days after the Form 25 is filed pursuant to Rule 12d2-2(d)(1) under the Act, unless the Commission postpones the delisting pursuant to Rule 12d2-2(d)(3).

Nasdaq Stock Market Rules, Regulation, 5835., Nasdaq, Rules Applicable to Adjudicators and Advisors

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(a) Ex Parte Communications

(1) No Ex parte Communications

No member of the staff of the Listing Qualifications Department or its counsel, and no Company representative will make or knowingly cause to be made an ex parte communication relevant to the merits of a proceeding under this Section to an Adjudicator or any Advisor.

Similarly, no Adjudicator who is participating in a Decision with respect to a proceeding under this Section, and no Advisor with respect to such a proceeding, will make or knowingly cause to be made an ex parte communication relevant to the merits of that proceeding to a Company representative, a member of the staff of the Listing Qualifications Department or its counsel.

(2) An Adjudicator or Advisor who is participating in or advising with respect to a proceeding who receives, makes, or knowingly causes to be made an ex parte communication relevant to the merits of a proceeding will place a copy of it, or its substance if it is an oral communication, in the record of the proceeding. Staff of the Listing Qualifications Department or the Company, as applicable, will be permitted to respond to the ex parte communication, and any response will be placed in the record of the proceeding.

(b) No Communications Between Adjudicatory Bodies

(1) Members of a Hearings Panel and their Advisors who are participating in a proceeding under this Section are prohibited from making communications relevant to the merits of such proceeding to members of the Listing Council or the Nasdaq Board or their respective Advisors.

(2) Members of the Listing Council and their Advisors are prohibited from making communications relevant to the merits of a proceeding under this Rule 5800 Series to members of a Hearings Panel who are participating in such proceeding or their Advisors, or members of the Nasdaq Board or their Advisors.

(3) Members of the Nasdaq Board and their Advisors are prohibited from making communications relevant to the merits of a proceeding under this Rule 5800 Series to members of a Hearings Panel who are participating in such proceeding or their Advisors, or members of the Listing Council or their Advisors.

(4) An Adjudicator or Advisor who is participating in or advising with respect to a proceeding who receives, makes, or knowingly causes to be made a communication prohibited by paragraphs (1) - (3) above will place a copy of it, or its substance if it is an oral communication, in the record of the proceeding. Staff of the Listing Qualifications Department and the Company will be permitted to respond to the communication, and any such response will be placed in the record of the proceeding.

(c) Recusal or Disqualification

No person will serve as a member of a Hearings Panel, or participate as a member of the Listing Council, the Nasdaq Board, the staff of the Listing Qualifications Department or Advisor to an Adjudicator, in a matter as to which he or she has a conflict of interest or bias, or circumstances otherwise exist where his or her fairness might reasonably be questioned. In any such case, the person will recuse himself or herself, or will be disqualified.

(1) Exchange of Biographical Information
To facilitate the process for recusal and disqualification, at least five days before any proceeding under this Section, the Company will provide the Hearings Department or the Advisor to the Listing Council or the Nasdaq Board, as applicable, with names and biographical information of each person who will appear on behalf of the Company at the proceeding, and the Hearings Department or Advisor, as applicable, will provide the Company and the Staff with names and biographical information of the Adjudicators for the proceeding; provided, however, that with respect to proceedings before the Listing Council or the Nasdaq Board, the Advisor to the respective Adjudicatory Body may post names and biographical information of each Adjudicator on a publicly available website in lieu of providing them directly to the Company.

(2) Disqualification Procedures

A Company or the Staff of the Listing Qualifications Department may file a request to disqualify an Adjudicator. A request to disqualify will be based upon a reasonable, good faith belief that a conflict of interest or bias exists or circumstances otherwise exist where the Adjudicator’s fairness might reasonably be questioned, and will be accompanied by a statement setting forth in detail the facts alleged to constitute grounds for disqualification, and the dates on which the party learned of those facts. A request to disqualify must be filed (A) not later than two business days after the party was provided with the name and biographical information of the Adjudicator, or (B) if the name and biographical information of the Adjudicator was posted on a website, not later than two business days after the Company requested Listing Council review or received notice of discretionary review by the Listing Council or the Nasdaq Board. A request for disqualification of an Adjudicator will be decided by the party with authority to order disqualification of such Adjudicator, as detailed below, who will promptly investigate whether disqualification is required and issue a written response to the request.

(A) Nasdaq Board

The Chair of the Nasdaq Board will have authority to order the disqualification of a Director, and a majority of the Nasdaq Board excluding the Chair of the Nasdaq Board will have authority to order the disqualification of the Chair.

(B) Listing Council

A Chair of the Listing Council will have authority to order the disqualification of a member of the Listing Council, and a majority of the Listing Council excluding any Chairs of the Listing Council will have authority to order the disqualification of a Chair of the Listing Council.

(C) Staff of Listing Qualifications Department; Panelist of Hearings Panel

The General Counsel of Nasdaq will have authority to order the disqualification of (i) a member of the staff of the Listing Qualifications Department reviewing the qualifications of a Company, (ii) a member of a Hearings Panel, or (iii) an Advisor to an Adjudicatory Body.


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Nasdaq Stock Market Rules, Regulation, 5840., Nasdaq, Adjudicatory Process: General Information

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(a) Record on Review

At each level of a proceeding under this Section, the written record may consist of the following items, as applicable: correspondence between Nasdaq and the Company; the Company's public filings; information released to the public by the Company; written submissions, exhibits, or requests submitted by either the Company or the Listing Qualifications Department and responses thereto; and any additional information considered by the Adjudicatory Body as part of the review process. The written record will be supplemented by the transcript of any hearings held during the review process and all Decisions issued.

At each level of review under this Section, the Company will be informed of the contents of the written record. The Company will be provided a copy of any documents in the record that were not provided by the Company or are not publicly available, at least three calendar days before the deadline for Company submissions, unless the Company waives this production.

If additional issues arising under the Rule 5000 Series are considered, as permitted by the 5800 Series, the notice of such consideration and any response to such notice shall be made a part of the record.

(b) Additional Information Requested or Considered

At each level of a proceeding under this Section, the Adjudicatory Body, as part of its review:

(1) may request additional information from the Company or the Listing Qualifications Department; and

(2) may consider additional information available from other sources it deems relevant. The Company and the Listing Qualifications Department will be afforded written notice and an opportunity to address the significance of any information requested or considered, and the notice, responses to the notice, and the information considered will be made part of the record.

(c) Contents of Decisions

Each Adjudicatory Body's written Decision will include:

(1) a statement describing the procedural history of the proceeding, including investigations or reviews undertaken by the Listing Qualifications Department;

(2) the quantitative or qualitative standard that the Company is alleged to have failed to satisfy;

(3) a statement setting forth the findings of fact with respect to the Company;

(4) the conclusions of the Adjudicatory Body as to whether the Company has failed to satisfy the quantitative or qualitative standards for initial or continued listing; and

(5) a statement of the Adjudicatory Body in support of its disposition of the matter, and, if applicable, the rationale for any exception to the initial or continued listing requirements granted.

(d) Correction of Clerical Errors

The Hearings Panel and the Listing Council may correct clerical or other non-substantive errors in their respective Decisions either on their own motion or at the request of a Company. A copy of any such corrected Decision will be provided to the Company.

(e) Computation and Adjustment of Time
(1) Except as described in paragraph (2) below, in counting any time under this Section, the day of the act, event, or default from which the period of time begins to run, is not to be included. The last day of the period is included, unless it is a Saturday, Sunday, federal holiday, or Nasdaq holiday in which case the period runs until the end of the next day that is not a Saturday, Sunday, federal holiday or Nasdaq holiday.

(2) When Staff determines whether a deficiency has occurred with respect to the Bid Price, Market Value of Listed Securities, or Market Value of Publicly Held Shares requirements, the first trading day that the Bid Price or Market Value is below required standards is included in computing the total number of consecutive trading days of default. Similarly, when Staff determines whether a Company has regained compliance with the Bid Price, Market Value of Listed Securities, or Market Value of Publicly Held Shares requirements, the first trading day that the Bid Price or Market Value is at or above required standards is included in computing the total number of consecutive trading days.

(3) If the Office of General Counsel determines that notice required to be provided under this Section was not properly given or that other extenuating circumstances exist, the Hearings Department may adjust the periods of time provided by the rules for the filing of written submissions, the scheduling of hearings, or the performance of other procedural actions by the Company or an Adjudicator, as applicable, to allow the Company or the Adjudicator the time contemplated by these rules.

(4) A Company may waive any notice period specified in this Section.

(f) Delivery of Documents
Delivery of any document under this Section may be made by electronic delivery, hand delivery, facsimile, regular mail or overnight courier. Delivery will be considered timely if the electronic delivery, hand delivery, fax, or overnight courier is received on or before the relevant deadline. If a Company has not specified a facsimile number, e-mail address, or street address, delivery will be made to the last known facsimile number, e-mail address, and street address. If a Company is represented by counsel or a representative, delivery may be made to the counsel or representative.

(g) Document Retention Procedures
Any document submitted to Nasdaq in connection with a proceeding under this Section will be retained in accordance with applicable record retention policies.

(h) Documentation of Decisions
The Listing Qualifications Department or the Advisor to an Adjudicatory Body, as applicable, shall document the date on which a Decision with respect to a Company is implemented.

(i) Re-Listing of a Company
A Company that has been the subject of a Decision by an Adjudicatory Body to delist such Company shall be required, prior to re-listing, to comply with the requirements for initial listing. A Company that has been suspended but that has not been the subject of such a Decision shall be required, prior to re-listing, to comply with requirements for continued listing.

(j) Voluntary Delisting

(1) A Company may voluntarily terminate its listing upon compliance with all requirements of Rule 12d2-2(c) under the Act. In part, Rule 12d2-2(c) requires that the Company may delist by filing an application on Form 25 with the Commission, provided that the Company: (i) complies with all applicable laws in effect in the state in which it is incorporated and with the applicable Nasdaq Rules; (ii) provides notice to Nasdaq no fewer than 10 days before the Company files the Form 25 with the Commission, including a statement of the material facts relating to the reasons for delisting; and (iii) contemporaneous with providing notice to Nasdaq, publishes notice of its intent to delist, along with its reasons therefore, via a press release and on its web site, if it has one. Any notice provided on the Company's web site pursuant to Rule 12d2-2(c) must
remain available until the delisting has become effective. The Company must also provide a copy of the Form 25 to Nasdaq simultaneously with its filing with the Commission. Nasdaq will provide notice on its web site of the Company's intent to delist as required by Rule 12d2-2(c)(3).

(2) A Company that seeks to voluntarily delist a class of securities pursuant to Rule 5840(j)(1) that has received notice from Nasdaq, pursuant to the Rule 5800 Series or otherwise, that it fails to comply with one or more requirements for continued listing, or that it is below such continued listing requirements notwithstanding that it has not received such notice from Nasdaq, must disclose this fact (including the specific continued listing requirement that it is below) in: (i) its statement of all material facts relating to the reasons for withdrawal from listing provided to Nasdaq along with written notice of its determination to withdraw from listing required by Rule 12d2-2(c)(2)(ii) under the Act; and (ii) its press release and web site notice required by Rule 12d2-2(c)(2)(iii) under the Act.

(k) Disclosure of Public Reprimand Letter

A Company that receives an Adjudicatory Body Decision that serves as a Public Reprimand Letter must make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing the receipt of the Decision, including the Rule(s) upon which the Decision was based. As described in Rule 5250(b)(1) and IM-5250-1, the Company must notify Nasdaq's MarketWatch Department about the announcement through the electronic disclosure submission system available at www.nasdaq.net, except in emergency situations when notification may instead be provided by telephone or facsimile. If the public announcement is made during Nasdaq market hours, the Company must notify MarketWatch at least ten minutes prior to the announcement. If the public announcement is made outside of Nasdaq market hours, the Company must notify MarketWatch of the announcement prior to 6:50 a.m. ET. The Company should make the public announcement as promptly as possible but not more than four business days following receipt of the Decision.

(l) Disclosure by Nasdaq

In order to maintain the quality of and public confidence in its market and to protect investors and the public interest, Nasdaq may, at any level of a proceeding under this Rule 5800 Series, make a public announcement, including by press release, describing a notification, Public Reprimand Letter, Staff Delisting Determination, Adjudicatory Body Decision, or other event involving a Company’s listing or trading on Nasdaq.


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Nasdaq Stock Market Rules, Regulation, 5901., Nasdaq, Preamble to Company Listing Fees

This section sets forth the required fees for Companies both seeking listing and currently listed on Nasdaq. Rule 5930 describes fees for Linked Securities, SEEDS, and Other Securities qualified for listing under Rule 5710, 5715 or 5730. Rule 5940 describes fees for other Exchange Listed Products. The fees for all other Companies are described in Rule 5910 (for the Global and Global Select Markets) and Rule 5920 (for the Capital Market). With certain exceptions, a Company that submits an application to list any class of its securities must pay a non-refundable application fee, and an entry fee as described in Rule 5910(a), which is based on the number of shares being listed. Listed Companies must also pay an All-Inclusive Annual Listing Fee.


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Nasdaq Stock Market Rules, Regulation, 5910., Nasdaq, The Nasdaq Global Market (including the Nasdaq Global Select Market)

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(a) Entry Fee

(1) A Company that submits an application to list any class of its securities (not otherwise identified in this Rule 5900 Series) on the Nasdaq Global Market, shall pay to Nasdaq a fee calculated on total shares outstanding, according to the following schedule. This fee will be assessed on the date of listing on the Nasdaq Global Market, except for the application fees described in paragraph (a)(11), below.

(A) For a Company that submits an application to list any class of its securities (not otherwise identified in this Rule 5900 Series) to Nasdaq before January 1, 2019, and lists before July 1, 2019:
   Up to 30 million shares $125,000
   30+ to 50 million shares $150,000
   50+ to 100 million shares $200,000
   Over 100 million shares $225,000

(B) For any other Company that submits an application to list any class of its securities (not otherwise identified in this Rule 5900 Series):
   Up to 30 million shares $150,000
   30+ to 40 million shares $170,000
   40+ to 50 million shares $210,000
   50+ to 60 million shares $250,000
   60+ to 70 million shares $290,000
   Over 70 million shares $295,000

(2) Total shares outstanding means the aggregate of all classes of equity securities to be listed on the Nasdaq Global Market as shown in the Company’s most recent periodic report or in more recent information held by Nasdaq or, in the case of new issues, as shown in the offering circular, required to be filed with the Company’s appropriate regulatory authority. In the case of foreign companies, total shares outstanding shall include only those shares issued and outstanding in the United States.

(3) A closed-end management investment company regulated under the Investment Company Act of 1940, as amended (a "Closed-End Fund"), that submits an application for listing on the Nasdaq Global Market shall pay to Nasdaq an entry fee of $5,000 (of which $1,000 represents a non-refundable application fee).

(4) A Company that submits an application to list any class of rights on the Nasdaq Global Market, shall pay, at the time of its application, a non-refundable application fee of $1,000 to Nasdaq.

(5) The Nasdaq Board of Directors or its designee may, in its discretion, defer or waive all or any part of the entry fee prescribed herein.

(6) If the application is withdrawn or is not approved, the entry fee (less the non-refundable application fee) shall be refunded.

(7) The fees described in this Rule 5910(a) shall not be applicable with respect to any securities that:
are listed on another national securities exchange but not listed on Nasdaq, if the issuer of such securities transfers their listing exclusively to the Nasdaq Global Market;

(ii) are listed on the New York Stock Exchange and Nasdaq, if the issuer of such securities ceases to maintain their listing on the New York Stock Exchange and the securities instead are designated as national market securities under Rule 5220;

(iii) are listed on another national securities exchange but not listed on Nasdaq, if the issuer of such securities is acquired by an unlisted company and, in connection with the acquisition, the unlisted company lists exclusively on the Nasdaq Global Market; or

(iv) are listed on Nasdaq by a newly formed Company resulting from a transaction between two or more Nasdaq-listed Companies (or involving assets from such Companies), where at least one of the Nasdaq-listed Companies ceases to be separately listed.

(8) The fees described in this Rule 5910(a) shall not be applicable to a Company

(i) whose securities are listed on the New York Stock Exchange and designated as national market securities pursuant to the plan governing New York Stock Exchange securities at the time such securities are approved for listing on Nasdaq; and

(ii) that maintains such listing and designation after it lists such securities on Nasdaq.

(9) A Company that transfers its listing from the Nasdaq Capital Market to the Nasdaq Global Market shall not be required to pay the entry fee described in this Rule 5910(a), provided that:

(i) the Company listed on the Nasdaq Capital Market prior to January 1, 2007; or

(ii) the Company listed on the Nasdaq Capital Market on or after January 1, 2007 and did not qualify for the Nasdaq Global Market at the time of its initial listing on the Nasdaq Capital Market. Any other Company that transfers its listing from the Nasdaq Capital Market to the Nasdaq Global Market shall not be required to pay the application fee, but shall pay the entry fee described in this Rule 5910(a) less the entry fee that was previously paid by the Company to Nasdaq in connection with listing on The Nasdaq Capital Market.

(10) A Company that submits an application for listing on The Nasdaq Capital Market, but prior to listing revises its application to seek listing on The Nasdaq Global Market, is not required to pay the application fee described in this Rule 5910(a) in connection with the revised application.

(11) A Company subject to the Entry Fee described in paragraph (a)(1) of this Rule must submit a non-refundable $25,000 initial application fee with its application. If the Company does not list within 12 months of submitting its application (or by October 15, 2014, if later), it will be assessed an additional non-refundable $5,000 application fee each 12 months thereafter to keep its application open. If a Company does not timely pay such additional application fee, its application will be closed and it will be required to submit a new application and initial application fee if it subsequently reapplies. Nasdaq will credit all application fees paid by the Company in connection with an application that has not been closed towards the Entry Fee payable upon listing.

(b) All-Inclusive Annual Listing Fee

(1) A Company shall pay an All-Inclusive Annual Listing Fee. The All-Inclusive Annual Listing Fee eliminates standard annual fees, additional shares fees, record-keeping fees, substitution listing event fees, request for written interpretation fees and compliance plan review fees. Companies must still pay the fees described in
Rules 5815(a)(3) and 5820(a) (for review by a Hearings Panel or the Nasdaq Listing and Hearing Review Council, respectively, of a Staff Delisting Determination or Public Reprimand Letter). Companies must also pay fees described in Rule 5910(a) relating to the listing of an additional class of securities of the Company.

(2) The All-Inclusive Annual Listing Fee will be calculated on total shares outstanding according to the following schedules:

(A) All domestic and foreign Companies listing equity securities, except as described below:
   - Up to 10 million shares $45,000
   - 10+ to 50 million shares $55,000
   - 50+ to 75 million shares $75,000
   - 75+ to 100 million shares $100,000
   - 100+ to 125 million shares $125,000
   - 125+ to 150 million shares $135,000
   - Over 150 million shares $155,000

Real Estate Investment Trusts (REITs) are subject to the same fee schedule as other equity securities. For the purpose of determining the total shares outstanding, shares outstanding of all members in a REIT Family listed on the Nasdaq Global Market may be aggregated. The maximum annual fee applicable to such a REIT Family shall not exceed $155,000. For purposes of this rule, a "REIT Family" means three or more REITs that are provided management services by the same entity or by entities under common control.

(B) Companies listing American Depositary Receipts (ADRs):
   - Up to 10 million ADRs and other listed equity securities $45,000
   - 10+ to 50 million ADRs and other listed equity securities $50,000 ($45,000 until December 31, 2018)
   - 50+ to 75 million ADRs and other listed equity securities $60,000 ($52,500 until December 31, 2018)
   - Over 75 million ADRs and other listed equity securities $80,000 ($75,000 until December 31, 2018)

(C) Closed-end Funds:
   - Up to 50 million shares $30,000
   - 50+ to 100 million shares $50,000
   - 100+ to 250 million shares $75,000
   - Over 250 million shares $100,000

For the purpose of determining the total shares outstanding, fund sponsors may aggregate shares outstanding of all Closed-End Funds in the same fund family listed on the Nasdaq Global Market or the Nasdaq Capital Market, as shown in the Company's most recent periodic reports required to be filed with the appropriate regulatory authority or in more recent information held by Nasdaq. A fund family is subject to the same fee schedule as a single Closed-End Fund and the maximum All-Inclusive Annual Listing Fee applicable to a fund family shall not exceed $100,000. For purposes of this rule, a "fund family" is defined as two or more Closed-End Funds that have a common investment adviser or have investment advisers who are "affiliated persons" as defined in Section 2(a)(3) of the Investment Company Act of 1940, as amended.

(D) Limited Partnerships:
   - Up to 75 million shares $37,500
75+ to 100 million shares $50,000
100+ to 125 million shares $62,500
125+ to 150 million shares $67,500
Over 150 million shares $77,500

(E) Investment Management Entities and Eligible Portfolio Companies:

Nasdaq will apply a 50% fee discount to the All-Inclusive Annual Listing Fee otherwise owed under paragraph (b)(2)(A) of this rule for Eligible Portfolio Companies and Investment Management Entities that have one or more Eligible Portfolio Companies. For purposes of this rule, an “Investment Management Entity” is a company listed on Nasdaq or another national securities exchange that manages private investment vehicles not registered under the Investment Company Act. An “Eligible Portfolio Company” of an Investment Management Entity is a Nasdaq-listed Company in which an Investment Management Entity has owned at least 20% of the common stock on a continuous basis since prior to that company’s initial listing.

In order to qualify for this discount in any calendar year, a Company, other than a new listing, must submit satisfactory proof to Nasdaq no later than December 31st of the prior year that it satisfies the requirements specified above. A new listing that satisfies these requirements is eligible for the discount upon listing.

Notwithstanding the foregoing, if an Investment Management Entity or Eligible Portfolio Company would otherwise be subject to an All-Inclusive Annual Listing Fee that is lower than the fee provided for in this paragraph (E), then the alternative fee schedule shall apply.

(3) Assessment of All-Inclusive Annual Listing Fee

(A) In the first calendar year of listing, a Company’s All-Inclusive Annual Listing Fee will be based on the total shares outstanding as of the date of listing and will be prorated based on the month of listing. For example, a Company that lists on any day in March will owe 10/12 of the applicable annual fee; if it lists on any day in April, it will owe 9/12 of the applicable annual fee.

(B) After the first calendar year of listing, a Company’s All-Inclusive Annual Listing Fee will be assessed on January 1st for the upcoming calendar year based on the total shares outstanding as of December 31st of the prior year. If a Company is listed on January 1st, the Company will owe the All-Inclusive Annual Listing Fee for the entire year, even if the Company delists or is removed before the Company is billed or pays the fee for that year.

(C) For a Company with any equity securities listed on the Nasdaq Global or Global Select Markets, total shares outstanding shall mean, and the All-Inclusive Annual Listing Fee for the year shall be based on, the aggregate number of all securities outstanding for each class of equity securities (not otherwise identified in this Rule 5900 Series) listed on the Nasdaq Global Select, Global and Capital Markets as of January 1 of that year, as shown in the Company’s periodic reports required to be filed with the Company’s appropriate regulatory authority or in more recent information held by Nasdaq. In the case of a foreign private issuer, the All-Inclusive Annual Listing Fee will be based on only those equity securities issued and outstanding in the United States, provided the Company notifies Nasdaq of that number by completing the appropriate form in the Nasdaq Listing Center.

(D) Transfers from Capital Market. If a Company transfers its listing from the Capital Market to the Global or Global Select Market, its All-Inclusive Annual Listing Fee will be prorated based on the month of the transfer. Such a Company will owe the All-Inclusive Annual Listing Fee for the new market tier starting in the month of transfer and the All-Inclusive Annual Listing Fee for the Capital Market for all earlier months in the calendar year.

For example, a Company with 80 million total shares outstanding is listed on the Capital Market and transfers to the Global Market on October 20th. Its new All-Inclusive Annual Listing Fee for the
Global Market is $100,000, which is prorated from October to December, resulting in an All-Inclusive Annual Listing Fee due of $25,000 for its first calendar year of listing on the Global Market. Since this Company already paid an All-Inclusive Annual Listing Fee of $75,000 on the Capital Market, it will be credited $18,750, which represents the portion of the All-Inclusive Annual Listing Fee already paid for listing on the Capital Market for the remainder of the year. The Company, therefore, has a balance due to Nasdaq of $6,250.

(E) No portion of the All-Inclusive Annual Listing Fee paid is refundable if a class of securities is delisted or otherwise removed from The Nasdaq Stock Market. No portion of the All-Inclusive Annual Listing Fee that is due and payable when a class of securities is delisted or otherwise removed from The Nasdaq Stock Market will be waived upon delisting or removal.

(F) Relisting. A Company that was suspended, delisted, or removed from Nasdaq for any reason, whether regulatory or voluntary, is not required to pay a second All-Inclusive Annual Listing Fee if it relists in the same calendar year.

(G) The Nasdaq Board of Directors or its designee may, in its discretion, defer or waive all or any part of the All-Inclusive Annual Listing Fee prescribed herein.


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(a) Entry Fee

(1) A Company that submits an application to list any class of its securities (not otherwise identified in this Rule 5900 Series) on the Nasdaq Capital Market, shall pay to Nasdaq a fee calculated on total shares outstanding, according to the following schedule. This fee will be assessed on the date of entry on the Nasdaq Capital Market, except for the application fees described in paragraph (a)(10) below.

Up to 15 million shares $50,000
Over 15 million shares $75,000

(2) A Company that submits an application to list any class of convertible debentures on the Nasdaq Capital Market, shall pay to Nasdaq a non-refundable application fee of $5,000 and a fee of $1,000 or $50 per million dollars face amount of debentures outstanding, whichever is higher.

(3) A closed-end management investment company regulated under the Investment Company Act of 1940, as amended (a “Closed-End Fund”), that submits an application for listing on the Nasdaq Capital Market shall pay to Nasdaq an entry fee of $5,000 (of which $1,000 represents a non-refundable application fee).

(4) The Nasdaq Board of Directors or its designee may, in its discretion, defer or waive all or any part of the entry fee prescribed herein.

(5) Total shares outstanding means the aggregate of all classes of equity securities to be listed on the Nasdaq Capital Market as shown in the Company’s most recent periodic report or in more recent information held by Nasdaq or, in the case of new issues, as shown in the offering circular, required to be filed with the Company’s appropriate regulatory authority.

(6) A Company that submits an application to list any class of rights on the Nasdaq Capital Market, shall pay, at the time of its application, a non-refundable application fee to Nasdaq of $1,000.

(7) A Company that lists a class of Subscription Receipts on the Nasdaq Capital Market shall pay a $25,000 fee, which includes a $5,000 application fee. Note that there is no separate annual fee applicable to classes of Subscription Receipts.

(8) The fees described in this Rule 5920(a) shall not be applicable with respect to any securities that:

(i) are listed on another national securities exchange, if the issuer of such securities transfers their listing exclusively to the Nasdaq Capital Market;

(ii) are listed on the New York Stock Exchange and Nasdaq, if the issuer of such securities ceases to maintain their listing on the New York Stock Exchange and the securities instead are designated under the plan applicable to Nasdaq Capital Market securities;

(iii) are listed on another national securities exchange, if the issuer of such securities is acquired by an unlisted company and, in connection with the acquisition, the unlisted company lists exclusively on the Nasdaq Capital Market; or

(iv) are listed on Nasdaq by a newly formed Company resulting from a transaction between two or more Nasdaq-listed Companies (or involving assets from such Companies), where at least one of the Nasdaq-listed Companies ceases to be separately listed.
(9) The fees described in this Rule 5920(a) shall not be applicable to a Company

(i) whose securities are listed on the New York Stock Exchange and designated as national market securities pursuant to the plan governing New York Stock Exchange securities at the time such securities are approved for listing on Nasdaq; and

(ii) that maintains such listing and designation after it lists such securities on Nasdaq.

(10) A Company that submits an application for listing on The Nasdaq Global Market, but prior to listing revises its application to seek listing on The Nasdaq Capital Market, is not required to pay the application fee described in Rule 5920(a) in connection with the revised application

(11) A Company subject to the Entry Fee described in paragraph (a)(1) of this Rule must submit a non-refundable $5,000 initial application fee with its application. If the Company does not list within 12 months of submitting its application (or by October 15, 2014, if later), it will be assessed an additional non-refundable $5,000 application fee each 12 months thereafter to keep its application open. If a Company does not timely pay such additional application fee, its application will be closed and it will be required to submit a new application and initial application fee if it subsequently reapplies. Nasdaq will credit all application fees paid by the Company in connection with an application that has not been closed towards the Entry Fee payable upon listing.

(12) The fees described in this Rule 5920(a) shall not be applicable, to a Company that transfers securities from the Nasdaq Global Market to the Nasdaq Capital Market. However, such a Company must submit a $5,000 initial application fee with its application if the application is filed after October 15, 2013.

(b) All-Inclusive Annual Listing Fee

(1) A Company shall pay an All-Inclusive Annual Listing Fee. The All-Inclusive Annual Listing Fee eliminates standard annual fees, additional shares fees, record-keeping fees, substitution listing event fees, request for written interpretation fees and compliance plan review fees. Companies must still pay the fees described in Rules 5815(a)(3) and 5820(a) (for review by a Hearings Panel or the Nasdaq Listing and Hearing Review Council, respectively, of a Staff Delisting Determination or Public Reprimand Letter). Companies must also pay fees described in Rule 5920(a) relating to the listing of an additional class of securities of the Company.

(2) The All-Inclusive Annual Listing Fee will be calculated on total shares outstanding according to the following schedules:

(A) All domestic and foreign Companies listing equity securities, except as described below:

- Up to 10 million shares $42,000
- 10+ to 50 million shares $55,000
- Over 50 million shares $75,000

Real Estate Investment Trusts (REITs) are subject to the same fee schedule as other equity securities. For the purpose of determining the total shares outstanding, shares outstanding of all members in a REIT Family listed on the Nasdaq Capital Market may be aggregated. The maximum annual fee applicable to such a REIT Family shall not exceed $75,000. For purposes of this rule, a "REIT Family" means three or more REITs that are provided management services by the same entity or by entities under common control.

(B) Companies listing American Depositary Receipts (ADRs):

- Up to 10 million ADRs and other listed equity securities 42,000 ($37,000 until December 31, 2018)
- Over 10 million ADRs and other listed equity securities $50,000 ($45,000 until December 31, 2018)
(C) **Closed-end Funds:**

Up to 50 million shares $30,000  
50+ to 100 million shares $50,000  
100+ to 250 million shares $75,000  
Over 250 million shares $100,000  

For the purpose of determining the total shares outstanding, fund sponsors may aggregate shares outstanding of all Closed-End Funds in the same fund family listed on the Nasdaq Global Market or the Nasdaq Capital Market, as shown in the Company’s most recent periodic reports required to be filed with the appropriate regulatory authority or in more recent information held by Nasdaq. A fund family is subject to the same fee schedule as a single Closed-End Fund and the maximum All-Inclusive Annual Listing Fee applicable to a fund family shall not exceed $100,000. For purposes of this rule, a “fund family” is defined as two or more Closed-End Funds that have a common investment adviser or have investment advisers who are "affiliated persons" as defined in Section 2(a)(3) of the Investment Company Act of 1940, as amended.

(D) **Limited Partnerships:**

Up to 75 million shares $30,000  
Over 75 million shares $37,500  

(E) **Investment Management Entities and Eligible Portfolio Companies:**

Nasdaq will apply a 50% fee discount to the All-Inclusive Annual Listing Fee otherwise owed under paragraph (b)(2)(A) of this rule for Eligible Portfolio Companies and Investment Management Entities that have one or more Eligible Portfolio Companies. For purposes of this rule, an “Investment Management Entity” is a company listed on Nasdaq or another national securities exchange that manages private investment vehicles not registered under the Investment Company Act. An “Eligible Portfolio Company” of an Investment Management Entity is a Nasdaq-listed Company in which an Investment Management Entity has owned at least 20% of the common stock on a continuous basis since prior to that company’s initial listing.

In order to qualify for this discount in any calendar year, a Company, other than a new listing, must submit satisfactory proof to Nasdaq no later than December 31st of the prior year that it satisfies the requirements specified above. A new listing that satisfies these requirements is eligible for the discount upon listing.

Notwithstanding the foregoing, if an Investment Management Entity or Eligible Portfolio Company would otherwise be subject to an All-Inclusive Annual Listing Fee that is lower than the fee provided for in this paragraph (E), then the alternative fee schedule shall apply.

(F) **Convertible Debentures:**

Notwithstanding paragraph (A), the issuer of each class of convertible debentures listed on the Nasdaq Capital Market shall pay to Nasdaq an annual fee of $500 or $25 per million dollars face amount of debentures outstanding, whichever is higher.

(3) **Assessment of All-Inclusive Annual Listing Fee**

(A) In the first calendar year of listing, a Company’s All-Inclusive Annual Listing Fee will be based on the total shares outstanding as of the date of listing and will be prorated based on the month of listing. For example, a Company that lists on any day in March will owe 10/12 of the applicable annual fee; if it lists on any day in April, it will owe 9/12 of the applicable annual fee.

(B) After the first calendar year of listing, a Company’s All-Inclusive Annual Listing Fee will be assessed on January 1st for the upcoming calendar year based on the total shares outstanding as of
December 31st of the prior year. If a Company is listed on January 1st, the Company will owe the All-Inclusive Annual Listing Fee for the entire year, even if the Company delists or is removed before the Company is billed or pays the fee for that year.

(C) For a Company with equity securities listed only on the Nasdaq Capital Market, total shares outstanding shall mean, and the All-Inclusive Annual Listing Fee for the year shall be based on, the aggregate number of all securities outstanding for each class of equity securities (not otherwise identified in this Rule 5900 Series) listed on the Nasdaq Capital Market as of January 1 of that year, as shown in the Company's periodic reports required to be filed with the Company's appropriate regulatory authority or in more recent information held by Nasdaq. If a Company has any equity securities listed on the Nasdaq Global or Global Select Markets, the securities listed on the Nasdaq Capital Market will be aggregated with those on the Global and Global Select Market, and the Company shall not be subject to the fee described in this IM-5920-1, but instead shall be subject to the fee contained in IM-5910-1. In the case of a foreign private issuer, the All-Inclusive Annual Listing Fee will be based on only those equity securities issued and outstanding in the United States, provided the Company notifies Nasdaq of that number by completing the appropriate form in the Nasdaq Listing Center.

(D) Transfers from Global and Global Select Market. If a Company transfers its listing from the Global or Global Select Market to the Capital Market, it will not owe any additional All-Inclusive Annual Listing Fee for the Capital Market, nor shall it receive any credit or offset of the portion of the All-Inclusive Annual Listing Fee paid or assessed for the prior market.

For example, a Company with 110 million total shares outstanding is listed on the Global Market and transfers to the Capital Market on October 20th. Its new All-Inclusive Annual Listing Fee for the Capital Market is $75,000. Since this Company already paid an All-Inclusive Annual Listing Fee of $125,000 on the Global Market, it will not owe any additional All-Inclusive Annual Listing Fee for that calendar year. However, the Company would not receive any further credit of the amount previously paid for listing on the Global Market and would owe the full $75,000 Capital Market All-Inclusive Annual Listing Fee in the following year.

(E) No portion of the All-Inclusive Annual Listing Fee paid is refundable if a class of securities is delisted or otherwise removed from The Nasdaq Stock Market. No portion of the All-Inclusive Annual Listing Fee that is due and payable when a class of securities is delisted or otherwise removed from The Nasdaq Stock Market will be waived upon delisting or removal.

(F) Relisting. A Company that was suspended, delisted, or removed from Nasdaq for any reason, whether regulatory or voluntary, is not required to pay a second All-Inclusive Annual Listing Fee if it relists in the same calendar year.

(G) The Nasdaq Board of Directors or its designee may, in its discretion, defer or waive all or any part of the All-Inclusive Annual Listing Fee prescribed herein.


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Manual at its discretion.
Nasdaq Stock Market Rules, Regulation, 5930., Nasdaq, Linked Securities, SEEDS, and Other Securities

(a) Application Fee and Entry Fee

(1) When a Company submits an application to list any Linked Securities, SEEDS or Other Securities on the Nasdaq Global Market qualified for listing under Rule 5710, 5715 or 5730, it shall pay a non-refundable application fee of $1,000.

(2) When a Company submits an application to list any Linked Securities, SEEDS or Other Securities on the Nasdaq Global Market qualified for listing under Rule 5710, 5715 or 5730, it shall pay an entry fee calculated based on total shares outstanding according to the following schedule:

- Up to 1 million shares $5,000
- 1+ to 2 million shares $10,000
- 2+ to 3 million shares $15,000
- 3+ to 4 million shares $17,500
- 4+ to 5 million shares $20,000
- 5+ to 6 million shares $22,500
- 6+ to 7 million shares $25,000
- 7+ to 8 million shares $27,500
- 8+ to 9 million shares $30,000
- 9+ to 10 million shares $32,500
- 10+ to 15 million shares $37,500
- Over 15 million shares $45,000

The applicable entry fee shall be reduced by any entry fees paid previously in connection with the initial listing during the current calendar year of any of the Company's Linked Securities, SEEDS and Other Securities on the Nasdaq Global Market.

(3) For the sole purpose of determining the entry fee, total shares outstanding means the aggregate of all classes of Linked Securities, SEEDS and Other Securities of the Company to be listed on the Nasdaq Global Market in the current calendar year as shown in the Company's most recent periodic report or in more recent information held by Nasdaq or, in the case of new issues, as shown in the offering circular, required to be filed with the Company's appropriate regulatory authority.

(4) The Nasdaq Board of Directors or its designee may, in its discretion, defer or waive all or any part of the entry fee prescribed herein.

(5) If the application is withdrawn or is not approved, the entry fee shall be refunded.

(6) The fees described in this Rule 5930(a) shall not be applicable with respect to any securities that:

(i) are listed on another national securities exchange but not listed on Nasdaq, if the issuer of such securities transfers their listing exclusively to the Nasdaq Global Market;

(ii) are listed on the New York Stock Exchange and Nasdaq, if the issuer of such securities ceases to maintain their listing on the New York Stock Exchange and the securities instead are designated as national market securities under Rule 5220; or
(iii) are listed on another national securities exchange but not listed on Nasdaq, if the issuer of such securities is acquired by an unlisted company and, in connection with the acquisition, the unlisted company lists exclusively on the Nasdaq Global Market.

(b) All-Inclusive Annual Listing Fee

(1) The issuer of Linked Securities, SEEDS or Other Securities qualified under Rule 5710, 5715 or 5730 for listing on the Nasdaq Global Market shall pay to Nasdaq an All-Inclusive Annual Listing Fee applicable to the issuer of Linked Securities, SEEDS or Other Securities qualified under Rule 5710, 5715 or 5730 for listing on the Nasdaq Global Market calculated based on total shares outstanding according to the following schedule:

- Up to 5 million shares $15,000
- 5+ to 10 million shares $17,500
- 10+ to 25 million shares $20,000
- 25+ to 50 million shares $22,500
- Over 50 million shares $30,000

(2) The Nasdaq Board of Directors or its designee may, in its discretion, defer or waive all or any part of the All-Inclusive Annual Listing Fee prescribed herein.

(3) For the sole purpose of determining the annual fee, total shares outstanding means the aggregate of all classes of Linked Securities, SEEDS and Other Securities of the Company listed on the Nasdaq Global Market, as shown in the Company's most recent periodic report required to be filed with the Company's appropriate regulatory authority or in more recent information held by Nasdaq.

(4) The All-Inclusive Annual Listing Fee described in this section will be assessed as described in Rule 5910(b)(3).


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Nasdaq Stock Market Rules, Regulation, 5935., Nasdaq, Non-Convertible Bonds

(a) Application Fee
A Company that submits an application to list a class of non-convertible bonds pursuant to Rule 5702 shall pay to Nasdaq a non-refundable application fee of $5,000, except that the application fee shall be waived if, in connection with the application, the Company will be switching the listing market for its non-convertible bonds from the New York Stock Exchange or NYSE American to Nasdaq.

(b) Annual Fee
The issuer of each class of non-convertible bonds listed pursuant to Rule 5702 shall pay to Nasdaq an annual fee of $5,000, except that a Company that switches its listing market for its non-convertible bonds from the New York Stock Exchange or NYSE American to Nasdaq shall not be liable for an annual fee until January 1 of the calendar year following the effective date of the non-convertible bonds listing on Nasdaq.


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Nasdaq Stock Market Rules, Regulation, 5940., Nasdaq, Exchange Traded Products

The fees in this Rule 5940 shall apply to securities listed under the Rule 5700 Series where no other fee schedule is specifically applicable. These securities include, but are not limited to, Portfolio Depository Receipts, Index Fund Shares, Managed Fund Shares, and NextShares.

(a) Entry Fee

(1) When a Company submits an application for listing a series of Portfolio Depository Receipts, Index Fund Shares, Managed Fund Shares or other security listed under the Rule 5700 Series where no other fee schedule is specifically applicable on the Nasdaq Global Market, it shall pay to Nasdaq a listing fee of $5,000 (which shall include a $1,000 non-refundable application fee).

(2) When a Company submits an application for listing a series of NextShares under Rule 5745, it shall pay to Nasdaq an initial listing fee of $20,000 for the first series of NextShares (which shall include a $1,000 non-refundable application fee) and an additional listing fee of $7,500 for each subsequent series of NextShares of the Company (which shall include a $1,000 nonrefundable application fee).

(3) The Nasdaq Board of Directors or its designee may, in its discretion, defer or waive all or any part of the entry fee prescribed herein.

(4) If the application is withdrawn or is not approved, the entry fee (less the non-refundable application fee) shall be refunded.

(5) The fees described in this Rule 5940(a) shall not be applicable with respect to any securities that:

   (i) are listed on another national securities exchange but not listed on Nasdaq, if the issuer of such securities transfers their listing exclusively to the Nasdaq Global Market;

   (ii) are listed on the New York Stock Exchange and Nasdaq, if the issuer of such securities ceases to maintain their listing on the New York Stock Exchange and the securities instead are designated as national market securities under Rule 5220; or

   (iii) are listed on another national securities exchange but not listed on Nasdaq, if the issuer of such securities is acquired by an unlisted company and, in connection with the acquisition, the unlisted company lists exclusively on the Nasdaq Global Market.

(b) All-Inclusive Annual Listing Fee

(1) The issuer of a series of Portfolio Depository Receipts, Index Fund Shares, Managed Fund Shares or other security listed under the Rule 5700 Series where no other fee schedule is specifically applicable listed on The Nasdaq Global Market shall pay to Nasdaq an All-Inclusive Annual Listing Fee applicable to the issuer of a series of Portfolio Depository Receipts, Index Fund Shares, Managed Fund Shares or other security listed under the Rule 5700 Series where no other fee schedule is specifically applicable, calculated on total shares outstanding according to the following schedule:

   Up to 1 million shares $6,500
   1+ to 2 million shares $7,000
   2+ to 3 million shares $7,500
   3+ to 4 million shares $8,000
   4+ to 5 million shares $8,500
5+ to 6 million shares $9,000
6+ to 7 million shares $9,500
7+ to 8 million shares $10,000
8+ to 9 million shares $10,500
9+ to 10 million shares $11,000
10+ to 11 million shares $11,500
11+ to 12 million shares $12,000
12+ to 13 million shares $12,500
13+ to 14 million shares $13,000
14+ to 15 million shares $13,500
15+ to 16 million shares $14,000
Over 16 million shares $14,500

(2) The issuer of a series of NextShares shall pay to Nasdaq for each series of NextShares an All-Inclusive Annual Listing Fee applicable to an issuer of a series of NextShares calculated on total shares outstanding of that series of NextShares according to the following schedule:

Up to 25 million shares $6,500
Over 25 million to 100 million shares $15,000
Over 100 million shares $25,000

(3) Total shares outstanding means the aggregate number of shares in all series of Portfolio Depository Receipts or Index Fund Shares issued by the Company to be listed on The Nasdaq Global Market as shown in the Company’s most recent periodic report required to be filed with the Company’s appropriate regulatory authority or in more recent information held by Nasdaq.

(4) The Nasdaq Board of Directors or its designee may, in its discretion, defer or waive all or any part of the All-Inclusive Annual Listing Fee prescribed herein.

(5) The All-Inclusive Annual Listing Fee described in this section will be assessed as described in Rule 5910(b)(3).
Nasdaq Stock Market Rules, Regulation, 5950., Nasdaq, Reserved

Reserved.


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Nasdaq Stock Market Rules, Regulation, IM-5900-1., Nasdaq, Waiver or Credit of Fees upon Application in Certain Merger Situations

Rules 5910(b)(3)(G), 5920(b)(3)(G), 5930(b)(2) and 5940(b)(4) provide limited discretion to waive all or part of the All-Inclusive Annual Listing Fee prescribed in this Rule 5900 Series. Pursuant to that authority, Nasdaq has determined to waive or credit fees in the following situations involving mergers.

(a) A Nasdaq Company that completes a merger with another Nasdaq Company during the first 90 days of a calendar year will receive a credit or waiver for 75% of the All-Inclusive Annual Listing Fee assessed to the acquired Nasdaq Company.

(b) Companies will receive a credit or waiver when a non-Nasdaq Company completes a merger with a Nasdaq Company and the non-Nasdaq Company is the surviving entity and lists on Nasdaq. If the Nasdaq Company previously paid its All-inclusive Annual Listing Fee, the surviving non-Nasdaq entity will, upon listing on Nasdaq, receive a credit for the All-Inclusive Annual Listing Fee previously paid by the Nasdaq Company, prorated for the months remaining in the year after the merger. If the Nasdaq Company has not paid its All-inclusive Annual Listing Fee for the year, the Nasdaq Company will receive a waiver of the All-Inclusive Annual Listing Fee applicable to the months remaining in the year after the merger and must pay the remaining balance of its All-Inclusive Annual Listing Fee, representing the fee for the period it was listed.


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Nasdaq Stock Market Rules, Regulation, IM-5900-4., Nasdaq, Waiver of Certain Annual Fees Upon Transfer of a Non-Nasdaq Exchange Listed Security

Rules 5910(b)(3)(G), 5920(b)(3)(G), 5930(b)(2) and 5940(b)(4) provide limited discretion to waive all or part of the All-Inclusive Annual Listing Fee prescribed in this Rule 5900 Series. Pursuant to that authority, Nasdaq has determined to waive for the year of transfer the All-Inclusive Annual Listing Fee applicable to the year such transfer is made in the case of securities that (i) are listed on a national securities exchange but not listed on Nasdaq, if the issuer of such securities transfers their listing exclusively to Nasdaq; or (ii) are listed on the New York Stock Exchange and Nasdaq, if the issuer of such securities ceases to maintain their listing on the New York Stock Exchange and the securities instead are designated under the plan governing Nasdaq securities.


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Nasdaq Stock Market Rules, Regulation, IM-5900-5., Nasdaq, Waiver of Fees upon Relisting for Companies Removed for Late Filings

(a) Entry Fees. Pursuant to Nasdaq’s authority to waive certain fees, Nasdaq has determined to waive the entry fee (including the application fee) in the following circumstances:

(1) the Company was suspended and/or delisted from The Nasdaq Stock Market solely for its failure to file a required periodic report with the Commission or other appropriate regulatory authority, pursuant to Rule 5250(c)(1); and

(2) the Company has regained compliance with this requirement and applies to relist on Nasdaq within one year of the date it is delisted from Nasdaq.

(b) Annual Fees. A Company that meets the above requirements and relists during the same year that it has previously paid an All-Inclusive Annual Listing Fee will not be subject to a second All-Inclusive Annual Listing Fee in that same year.


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Nasdaq Stock Market Rules, Regulation, IM-5900-6., Nasdaq, Waiver of Fees for Companies Emerging from Bankruptcy

Entry Fees. Any Company that lists on Nasdaq upon emerging from bankruptcy is not required to pay the entry fee (including the application fee) set forth in Rules 5910(a) and 5920(a).

Annual Fees.

(1) The All-Inclusive Annual Listing Fee for any Company that lists on the Nasdaq Global Market (including the Nasdaq Global Select Market) upon emerging from bankruptcy will be the minimum annual listing fee specified in Rule 5910 for the first (prorated) year that such a Company is listed and for each of the subsequent two full years.

(2) Any Company listing on Nasdaq upon emerging from bankruptcy that relists during the same year that it had previously paid an All-Inclusive Annual Listing Fee will not be subject to a second All-Inclusive Annual Listing Fee in that year.


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INTRODUCTORY NOTE: Nasdaq offers certain newly listing companies complimentary services to help them satisfy their obligations as public companies related to governance and communications, and to provide intelligence about their securities. These services are offered to companies listing on the Global or Global Select Market in connection with their initial public offering (other than a company listed under IM-5101-2), upon emerging from bankruptcy, in connection with a spin-off or carve-out from another company, or in conjunction with a business combination that satisfies the conditions in IM-5101-2(b) (“Eligible New Listings”). They are also offered to companies (other than a company listed under IM-5101-2) switching their listing from the New York Stock Exchange to the Global or Global Select Markets (“Eligible Switches”).


Nasdaq also modified the service package effective for new listings after September 9, 2016 (the “2016 Service Package”). Any Company receiving services under the Original Service Package or the 2014 Service Package on September 9, 2016, the approval date of the 2016 Service Package, was allowed to continue to receive services under the terms of the Original Service Package or the 2014 Service Package, as applicable, or elect to receive services under the 2016 Service Package (even if those services were not available at the time the company listed on Nasdaq). If a Company elected to receive the 2016 Service Package, the services that the Company is eligible to receive will be determined based on its status and market capitalization at the time of its original listing. The length of time that services are available to the Company under the 2016 Service Package will be calculated from the Company’s original listing date. For example, if an Eligible Switch listed on July 22, 2015, when its market capitalization was $4 billion, that Company would receive services for four years from date of its listing (or until July 22, 2019), as provided in paragraph (c)(2) of the 2016 Service Package, instead of for three years, as provided in paragraph (c) of the 2014 Service Package. The 2016 Service Package is described in the rule text available at http://nasdaq.cchwallstreet.com/NASDAQ/pdf/nasdaq-filings/2016/SRNASDAQ-2016-098.pdf.

Nasdaq again modified the service package for new listings on or after April 23, 2018 and the current service package is described in paragraphs (a) - (e) below. The only change in this modification was to the Disclosure Services offered in the package, which was previously an annual stipend of either $15,000 or $20,000 for use by the Company on Disclosure Services.

(a) The services offered to certain newly listing Companies, which are offered through Nasdaq Corporate Solutions, LLC, an affiliate of Nasdaq, or a third-party provider selected by Nasdaq, are the following, as more specifically set forth in paragraphs (b) and (c) below:

Whistleblower Hotline: Companies will receive a financial reporting hotline that provides employees and others with a fully-automated, safe and secure means of reporting incidents and concerns. This service has an approximate retail value of $4,000 per year.

Investor Relations Website: Companies will receive a website with all the necessary content and features to communicate with investors, offering easy access to up-to-date information. Included on this website will be a corporate governance library containing documents such as the Board committees’ charters and the Company’s code of ethics. These services have a retail value of approximately $17,000
Disclosure Services: Companies will be provided disclosure services for earnings or other press releases, and the filing of related regulatory reports, with an approximate annual retail value in the amount listed below.

Audio Webcasting: Companies will receive a package of four audio webcasts. These services have a retail value of approximately $7,000 per year.

Market Analytic Tools: Companies will receive a market analytic tool, which integrates corporate shareholder communications, capital market information, investor contact management, and board-level reporting into a unified, easy-to-use, workflow environment including mobile device access. This tool also provides information about research and earnings estimates on the company and helps companies identify potential purchasers of their stock using quantitative targeting and qualitative insights. This service has an approximate retail value of $32,000 per year for two users, $45,000 for three users, and $58,000 for four users.

Market Advisory Tools: Certain Companies will receive a choice from the following services.

(i) Stock Surveillance: a stock surveillance package, under which a dedicated analyst will, on a daily basis, utilize a mosaic of public, subscription and issuer-based data sources to monitor the daily movement and settlement activity of the Company’s stock, provide alerts on significant increases in trading volume and block trading activity, offer color to any unusual change in stock price, and identify institutional buying and selling of the Company’s shares. To fully utilize this service, Companies will have to subscribe to, and separately pay for, certain third party information, which is not included. This service has an approximate retail value of $56,000 per year.

(ii) Global Targeting: Investor targeting specialists will help focus the Company’s investor relations efforts on appropriate investors, tailor messaging to their interests and measure the Company’s impact on their holdings. The analyst team will help develop a detailed plan aligning the targeting efforts with the Company’s long-term ownership strategy. Analysis includes addressable risks and opportunities by region and investor type, and recommendations for where to focus time. This service has a retail value of approximately $44,000 per year.

(iii) Monthly Ownership Analytics and Event Driven Targeting: Companies will receive a monthly shareholder analysis and tracking report highlighting the monthly movement and settlement of the Company’s stock and providing insight around institutional shareholder activity. Companies will also receive a monthly call with an Advisory Analyst to interpret the results. To assist in focusing their efforts effectively, Companies will receive shareholder targeting around one event each year, such as a roadshow or investor conference. To fully utilize this service, Companies will have to subscribe to, and separately pay for, certain third party information, which is not included. This service has a retail value of approximately $48,000 per year.

(iv) Annual Perception Study: Companies will receive an annual perception study designed to identify how the Company is perceived by key stakeholders. Detailed interviews with the institutional investment community will be conducted, featuring quantitative and qualitative questions targeted to the Company’s needs. The responses will be analyzed and the Company will be provided with actionable recommendations for enhancing perception in the market and guidance to implement these changes. This service has a retail value of approximately $38,000 per year.

(b) Eligible New Listings

(1) An Eligible New Listing that has a market capitalization less than $750 million will receive the following complimentary services for two years: Whistleblower Hotline, Investor Relations Website, $15,000 per year of Disclosure Services, Audio Webcasting and Market Analytic Tools for two users. The total retail value of these services is approximately $75,000 per year. In addition, one-time development fees of approximately $5,000 to establish the services in the first year will be waived.

(2) An Eligible New Listing that has a market capitalization of $750 million or more but less than $5 billion...
will receive the following complimentary services for two years: Whistleblower Hotline, Investor Relations Website, $20,000 per year of Disclosure Services, Audio Webcasting, Market Analytic Tools for two users and the choice of one Market Advisory Tool. The total retail value of these services is up to approximately $136,000 per year. In addition, one-time development fees of approximately $5,000 to establish the services in the first year will be waived.

(3) An Eligible New Listing that has a market capitalization of $5 billion or more will receive the following complimentary services for two years: Whistleblower Hotline, Investor Relations Website, $20,000 per year of Disclosure Services, Audio Webcasting, Market Analytic Tools for two users and the choice of two Market Advisory Tools. The total retail value of these services is up to approximately $180,000 per year. In addition, one-time development fees of approximately $5,000 to establish the services in the first year will be waived.

(c) Eligible Switches

(1) An Eligible Switch that has a market capitalization less than $750 million will receive the following complimentary services for two years: Whistleblower Hotline, Investor Relations Website, $15,000 per year of Disclosure Services, Audio Webcasting and Market Analytic Tools for two users. The total retail value of these services is approximately $75,000 per year. In addition, one-time development fees of approximately $5,000 to establish the services in the first year will be waived.

(2) An Eligible Switch that has a market capitalization of $750 million or more but less than $5 billion will receive the following complimentary services for four years: Whistleblower Hotline, Investor Relations Website, $20,000 per year of Disclosure Services, Audio Webcasting, Market Analytic Tools for three users and the choice of one Market Advisory Tool. The total retail value of these services is up to approximately $149,000 per year. In addition, one-time development fees of approximately $5,000 to establish the services in the first year will be waived.

(3) An Eligible Switch that has a market capitalization of $5 billion or more will receive the following complimentary services for four years: Whistleblower Hotline, Investor Relations Website, $20,000 per year of Disclosure Services, Audio Webcasting, Market Analytic Tools for four users and the choice of two Market Advisory Tools. The total retail value of these services is up to approximately $206,000 per year. In addition, one-time development fees of approximately $5,000 to establish the services in the first year will be waived.

(d) If an Eligible New Listing or Eligible Switch begins to use a particular service provided under this IM-5900-7 within 30 days after the date of listing, the complimentary period for that service will begin on the date of first use. In all other cases, the period for each complimentary service shall commence on the listing date. Where a Company can elect from a choice of services, once the Company elects a service it cannot subsequently change to a different alternative, including in a subsequent year. If a company does not use a service in the applicable time period there shall be no refund or other credit for the unused service.

(e) A Company will be considered to be listing on the Global or Global Select Market in conjunction with a business combination that satisfies the conditions in IM-5101-2(b) if:

(i) the Company was listed on the Global Market at the time it completes the business combination that satisfies the conditions in IM-5101-2(b) and remains listed on the Global Market or transfers to the Global Select Market. In this case, the complimentary period shall commence on the date of such business combination; provided, however, that if the Company begins to use a particular service provided under this IM-5900-7 within 30 days after the date of such business combination, the complimentary period for that service will begin on the date of first use; or

(ii) the Company was listed on the Capital Market at the time it completes the business combination that satisfies the conditions in IM-5101-2(b) and it both filed an application to list on the Global or Global Select Market before completing the business combination and it demonstrates compliance with all applicable criteria for the Global or Global Select Market within 60 days of completing the business combination. In this case, the complimentary period shall commence on the date of listing on the Global or Global Select Market; provided, however, that if the Company lists on the Global or Global
Select Market and begins to use a particular service provided under this IM-5900-7 within 30 days after the date of the business combination, the complimentary period for that service will begin on the date of first use.

Nasdaq Stock Market Rules, Regulation, 5230A., Nasdaq, Payments Involving Publications that Influence the Market Price of a Security

(a) Except as provided in paragraph (b), no member shall, directly or indirectly, give, permit to be given, or offer to give, anything of value to any person for the purpose of influencing or rewarding the action of such person in connection with the publication or circulation in any electronic or other public media, including any investment service or similar publication, Web site, newspaper, magazine or other periodical, radio, or television program of any matter that has, or is intended to have, an effect upon the market price of any security.

(b) The prohibitions in paragraph (a) shall not apply to compensation paid to a person in connection with the publication or circulation of:

(1) a communication that is clearly distinguishable as paid advertising;

(2) a communication that discloses the receipt of compensation and the amount thereof in accordance with Section 17(b) of the Securities Act; or

(3) a research report, as that term is defined in NASD Rule 2711.

FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 2711 are transferred into the FINRA rulebook, then Rule 2711 shall be construed to require Exchange members to comply with the FINRA rule corresponding to NASD Rule 2711 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.


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Nasdaq Stock Market Rules, Regulation, 5310A., Nasdaq, Best Execution and Interpositioning

(a) Nasdaq Members shall comply with FINRA Rule 5310 as if such Rule were part of Nasdaq's Rules.

(b) For purposes of this Rule:

1. References to NASD Rule 2440 and IM-2440 shall be disregarded;
2. References to FINRA members shall be construed as references to Nasdaq members; and
3. References to FINRA shall be construed as references to Nasdaq.


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Nasdaq Stock Market Rules, Regulation, 5320A., Nasdaq, Prohibition Against Trading Ahead of Customer Orders

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(a) Nasdaq members and persons associated with a member shall comply with FINRA Rule 5320 as if such Rule were part of Nasdaq's rules.

(b) For purposes of this Rule:

1. references to Rules 4512, 5310, 5320, and 7440 shall be construed as references to Nasdaq Rules 4512A, 5310A, 5320A, and 7440A, respectively;

2. Rule 5320.02(b) and the reference to Rule 6420 therein shall be disregarded,

3. references to "FINRA" shall be construed as references to "Nasdaq".

4. Nasdaq members and persons associated with a member relying upon the exemption set forth in FINRA Rule 5320.03 shall comply with the reporting requirements stated therein. Nasdaq and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. Therefore, Nasdaq members are complying with Nasdaq Rule 5320A.03 by complying with FINRA Rule 5320.03 as written, including, for example, reporting requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Nasdaq Rule 5320A.03 are being performed by FINRA on behalf of Nasdaq.

Nasdaq Stock Market Rules, Regulation, 6110., Nasdaq, Definitions

(a) The term "Clearing Broker" shall mean a firm that acts as principal for clearing and settling a trade, whether for its own account or for a correspondent firm.

(b) The term "Correspondent Executing Broker" shall mean a firm that has a correspondent relationship with a clearing firm whereby it executes trades and the clearing function is the responsibility of the clearing firm.

(c) The terms "Gross Dollar Thresholds" or "Super Caps" shall mean the daily dollar amounts for purchases and sales that a clearing broker establishes in the Nasdaq Risk Management system for each correspondent executing broker that may be raised or lowered on an inter-day or intra-day basis.

(d) The term "Pre-alert" shall mean the alert notifying the correspondent executing broker and the clearing broker that the correspondent executing broker has equaled or exceeded 70% of any purchase or sale gross dollar amount.

(e) The term "Single Trade Limit" shall mean the pre-established dollar amount established by Nasdaq for a single trade, above which the Nasdaq Risk Management system enables a clearing firm to review the trade before it is obligated to clear the trade.

(f) "Trade Reporting Facility" shall mean a facility of another self-regulatory organization that provides a mechanism for reporting transactions and that has agreed to accept instructions provided by the Nasdaq Risk Management system on behalf of clearing brokers.

(g) The terms "correspondent executing broker" and "clearing broker" shall also include, where appropriate, the Non-Member Clearing Organizations and UTP Exchanges listed in NASD Rules 6120 and their qualifying members.


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Nasdaq Stock Market Rules, Regulation, 6120., Nasdaq, System Functions

(a) Nasdaq Risk Management is an automated system that allows clearing brokers to monitor credit exposure to corresponding firms for which they clear trades. Nasdaq Risk Management monitors exposure with respect to trades executed through the facilities of Nasdaq, trades reported to Trade Reporting Facilities, and other trades for which Nasdaq Risk Management receives a "drop copy" of the trade report. Clearing brokers may utilize the Nasdaq Risk Management functions upon execution of the Nasdaq Risk Management Agreement.

(b) The Nasdaq system will provide the following risk management capabilities to clearing brokers that have executed an agreement authorizing the use of the Nasdaq Risk Management service:

1. Trade File Scan
   Clearing brokers may scan the trading activities of their correspondent executing brokers.

2. Gross Dollar Thresholds ("Super Caps") and Sizeable Limits
   Clearing brokers may establish, on an inter-day or intra-day basis, gross dollar thresholds (also known as "Super Caps") for purchases and sales for their correspondent executing brokers. When any of a correspondent's gross dollar thresholds are exceeded, notice will be furnished to the clearing broker and to Trade Reporting Facilities. In such event, Nasdaq Risk Management will automatically instruct Trade Reporting Facilities that any trade in excess of an applicable "sizeable limit" that is negotiated by the correspondent will be subject to review by the clearing broker until such time as the correspondent's trading activity no longer exceeds a gross dollar threshold. Specifically, the clearing broker will have 15 minutes from execution to review any single trade negotiated by the correspondent that equals or exceeds the applicable sizeable limit in order to decide to act as principal for the trade or to decline to act as principal. If the clearing broker does not affirmatively accept or decline the "sizeable trade," at the end of 15 minutes the system will instruct Trade Reporting Facilities to act in accordance with pre-established processing criteria, as described below.

   A. ACT Workstation Users
      (i) Clearing brokers that use the ACT Workstation may establish gross dollar thresholds and sizeable limits for each of their correspondent executing brokers. They may establish different gross dollar thresholds and sizeable limits for each type of security (i.e., Nasdaq Global Market, Nasdaq Capital Market, Consolidated Quotations Service, or OTC Bulletin Board), as well as an aggregate gross dollar threshold and sizeable limit for all types of securities.

      (ii) Notice will be provided to all Nasdaq Risk Management participants when a correspondent's aggregate gross dollar threshold is exceeded, but will be provided solely to the clearing broker if the gross dollar threshold for a type of security is exceeded.

      (iii) Clearing brokers that use the ACT Workstation may also establish the default processing criteria that will apply to sizeable trades when a correspondent's gross dollar threshold has been exceeded; the clearing broker may specify that after 15 minutes, if the clearing broker does not affirmatively accept or decline the trade, the Risk Management Service will instruct Trade Reporting Facilities that such trades should be either automatically declined or automatically subjected to normal processing in which the clearing broker will act as principal to clear the trades.

   B. Other Nasdaq Risk Management Users
      (i) Clearing brokers that do not use the ACT Workstation may establish aggregate gross dollar
thresholds for each of their correspondent executing brokers, but may not establish gross dollar
thresholds for each type of security (i.e., Nasdaq Global Market, Nasdaq Capital Market,
Consolidated Quotations Service, or OTC Bulletin Board).

(ii) Notice will be provided to all Nasdaq Risk Management participants when a correspondent's
aggregate gross dollar threshold is exceeded.

(iii) The sizeable limit is $200,000 for all clearing brokers that do not use the ACT Workstation.
When a correspondent's aggregate gross dollar threshold is exceeded, Nasdaq Risk Management
will instruct Trade Reporting Facilities that no trade in excess of the sizeable limit should be
accepted for processing unless the clearing broker accepts the trade within 15 minutes of
execution.

(3) Gross Dollar Threshold Pre-Alert
The Nasdaq Risk Management system will also alert the clearing broker and its correspondent when the
correspondent's trading activity equals or exceeds 70% of any gross dollar threshold established by the
clearing broker for that correspondent.

(4) End of Day Recap
Clearing brokers that use the computer-to-computer interface protocol will be able to receive an end of
day recap of all trade detail information of their correspondents.

(5) On-line Review
Clearing brokers that use the computer-to-computer interface will be able to receive intra-day activity of
their correspondents as it is reported.

(6) Single Trade Limit
Clearing brokers may request that the Nasdaq Risk Management service instruct Trade Reporting
Facilities to provide 15 minutes from trade report input to review any single trade executed by their
correspondent executing brokers that equals or exceeds a pre-established limit in order to decide to act as
principal for the trade or to decline to act as principal. If, however, the clearing firm does not affirmatively
accept or decline the trade, at the end of 15 minutes the system will instruct Trade Reporting Facilities to
act in accordance with pre-established processing criteria, as described below.

(A) ACT Workstation Users. Clearing brokers that use the ACT Workstation may establish single
trade limits for each of their correspondent executing brokers, and may establish different limits for
each type of security (i.e., Nasdaq Global Market, Nasdaq Capital Market, Consolidated Quotations
Service, or OTC Bulletin Board). Such clearing brokers may also establish the default processing
criteria that will apply to trades that exceed the single trade limit after 15 minutes if the clearing broker
does not affirmatively accept or decline the trade; the clearing broker may specify that the system will
instruct Trade Reporting Facilities that such trades should be either automatically declined or
automatically subjected to normal processing in which the clearing broker will act as principal to clear
the trades.

(B) Other Nasdaq Risk Management Users. For clearing brokers that do not use the ACT
Workstation, the single trade limit is $1,000,000. If such a clearing broker does not affirmatively accept
or decline a trade that exceeds the single trade limit, at the end of 15 minutes the system will instruct
Trade Reporting Facilities to subject the trade to normal processing and the clearing broker will be
obligated to act as principal to clear the trade.

Nasdaq Stock Market Rules, Regulation, 6130., Nasdaq, Nasdaq Kill Switch

(a) **Definition.** The Nasdaq Kill Switch is an optional tool offered at no charge that enables participants to establish a pre-determined level of Net Notional Risk Exposure ("NNRE"), to receive notifications as the value of executed orders approaches the NNRE level, and to have order entry ports disabled and open orders administratively cancelled when the value of executed orders exceeds the NNRE level.

(b) **Net Notional Risk Exposure.** Participants may set a NNRE for each MPID individually. Each participant is responsible for establishing and maintaining its NNRE. Participants may adjust NNRE values intra-day.

(c) **Notification.** Participants will receive notifications when the total value of executed orders associated with an MPID exceeds 50, 75, 85, 90, and 95 percent of the NNRE value. When the NNRE is exceeded, the notification will include the total number of orders cancelled and remaining open in the System.

(d) **Operation.** Unless cancellation is prohibited by Rule 4752, 4753, or 4754, a Kill Switch when triggered shall result in the immediate cancellation of all open orders of any type or duration entered by the participant via the affected MPID, and in the immediate prevention of order entry of any type via the affected MPID. The participant must request reactivation of the MPID before trading will be reauthorized.

The Exchange offers certain risk settings applicable to a Participant’s activities on the Exchange. The risk settings currently offered by the Exchange are:

(a) Share Size Control – When enabled by a Participant, this optional control will allow a Participant to limit the number of shares that the Participant may associate with an order placed on the Exchange;

(b) ISO Control – When enabled by a Participant, this optional control will prevent a Participant from entering an ISO order onto the Exchange;

(c) Cancel-on-Disconnect Control – When enabled by a Participant, this optional control will allow a Participant, when it experiences a disruption in its connection to the Exchange, to immediately cancel all pending Exchange orders except for those designated for the Opening or Closing Crosses and Good-Till-Canceled orders (RASH & FIX only);

(d) The Nasdaq Kill Switch – This control is described in Rule 6130;

(e) Limit Order Protection – This control is described in Rule 4757(c);

(f) Price Collar Check – This control will automatically restrict a routed order from executing at a price that differs from the NBBO (at the time of order entry) by more than five percent or $0.25, whichever difference is greater. The system will proceed to route an order unless and until it crosses the greater of these two price collars, and if it does so, then the system will block further routings of the order that fall outside of the collars. For example, if the NBBO is $99 x $100 at the time of entry of a buy order, then the system will route the order at prices at or below $105, but will stop doing so if the offer price rises above $105 (five percent of the NBO).

(g) Maximum Order Volume Check – This control will automatically reject an order for routing away that exceeds a maximum volume of shares. As applied to equity orders, the default maximum order volume is set at 25,000 shares, but the Participant may request that the Exchange set a higher default based on historic volume.

(h) Cumulative Order Volume Check – This control will automatically block an attempt by a Participant using a particular MPID to route orders away to buy or sell equity securities that, cumulatively, exceed 9.5 million shares during a five second time period; and

(i) Duplication Control – This control will automatically reject an order that a Participant submits to the Exchange to the extent that it is duplicative of another order that the Participant submitted to the Exchange during the prior five seconds.


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Nasdaq Stock Market Rules, Regulation, 6300., Nasdaq, Nasdaq Equity Value Indicator Cross

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(a) Definitions. For the purposes of this rule the term:

1. "Imbalance" shall mean the amount of Eligible Interest that may not be matched with other orders at a particular price at any given time.

2. "Order Imbalance Indicator" shall mean a message disseminated by electronic means containing information about Eligible Interest and the price at which such interest would execute at the time of dissemination. The Order Imbalance Indicator shall disseminate the following information:
   (A) "Current Reference Price" shall mean the highest price at which the maximum amount of Eligible Interest can be paired.
   (B) the amount of Eligible Interest that is paired at the Current Reference Price;
   (C) the size of any Imbalance at the Current Reference Price; and
   (D) the buy/sell direction of any Imbalance.

3. "Nasdaq EVI Cross" shall mean the process for determining the price at which Eligible Interest shall be executed. All prices referred to in this rule shall be in minimum increments of one penny.

4. "Eligible Interest" shall mean any priced order that may be entered into the system for the EVI Cross.

5. "EVI" shall mean any Equity Value Indicator Tracking Security which is issued for the purpose of generating a market-based value of employee stock options for purposes of FASB Statement of Financial Accounting Standards No. 123(R), Share-Based Payment. The number of EVIs made available via the EVI Cross, the limit price, if any, of the EVIs, and the terms of the EVIs shall be determined by the EVI issuer which shall make that information available to the public at the earliest time practicable.

(b) Processing of Nasdaq EVI Cross.

1. No later than 4:00 p.m. EST on the day of the scheduled EVI Cross, a Nasdaq member authorized to act for the EVI Issuer shall direct in writing that Nasdaq enter into the System a single sell order with the quantity and limit price if any of EVI Eligible Interest. The sell order may not be modified after 4:00 p.m. and may be cancelled after 4:00 p.m. only in connection with a cancellation of the EVI Cross as set forth in subsection (c) below.

   (B) Beginning at 8:00 a.m. and continuing until 4:59:59 p.m. Nasdaq members may enter buy orders into the System. Except as provided below, once entered, buy orders may be cancelled but may not be modified.

   (C) The EVI Cross shall occur at 5:00 p.m. EST. in the manner set forth below unless the time of execution is extended. The time of execution of the EVI Cross shall be extended only if the Current Reference Price of the EVI security changes by 1 percent or more between 4:59 p.m. and 5:00 p.m., in which case the time of the EVI Cross will be extended by 2 minutes. The time of execution of the EVI Cross shall be extended for an additional 2 minutes if the Current Reference Price of the EVI Security changes by 1 percent or more in the final minute of a two-minute extension. The time of execution of the EVI Cross shall be extended no more than 30 times. If the time of execution of the EVI Cross has been extended 10 times, order cancellation will be prohibited.

   (2) At 4:00 p.m. and continuing through the execution of the EVI Cross, Nasdaq shall disseminate by electronic means an Order Imbalance Indicator every minute for the first 45 minutes and every 15 seconds thereafter.
(3) The Nasdaq EVI Cross shall occur at the highest price that maximizes the amount of Eligible Interest to be executed.

(4) If the Nasdaq EVI Cross price is selected and less than all Eligible Interest that is available would be executed, all Eligible Interest shall be executed at the Nasdaq EVI Cross price in price/time priority.

(5) All Eligible Interest executed in the Nasdaq EVI Cross shall be executed at the Nasdaq EVI Cross price, trade reported to the National Securities Clearing Corporation and disseminated via a data feed.

(c) The EVI Cross shall be cancelled if:
   (i) The issuer determines prior to 4:45 p.m. on the date scheduled for the EVI Cross to cancel its participation; or
   (ii) The common stock of the issuer is in a halted state at 4:45 p.m. on the date scheduled for the EVI Cross.

(d) The issuer of an EVI Security shall become eligible to participate in the Nasdaq EVI Cross by paying a fee as follows:
   (i) Two percent of the total value of the EVI offering up to a maximum of $10,000,000 of total value, plus
   (ii) One and one half percent of the total value of the EVI offering above $10,000,000 of total value, and
   (iii) The maximum fee shall be $1,500,000.

This fee shall be refunded if no EVI Cross is executed. This fee shall include all processing of the EVI Cross, including order entry, order execution, imbalance information dissemination, and transmission to the appropriate clearing agency. Nasdaq members not issuing securities shall pay no fees to participate in the Nasdaq EVI Cross.


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Adopted by SEC Release 34-53128 (Jan. 13, 2006); amended by SR-NASDAQ-2006-022 eff. July 28, 2006; amended by SR-
Nov. 21, 2012.

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For purposes of the Rule 7000A Series:

(6) Terms shall have the same meaning as those defined in the Nasdaq By-Laws and rules, unless otherwise specified.

(7) "Bunched Order" shall mean two or more orders that are aggregated prior to execution.

(8) "Customer" shall mean a person other than a broker or dealer.

(9) "Nasdaq Market Center" shall have the same meaning as the term "Nasdaq Market Center" in Rule 4701(a).

(10) "Electronic Communication Network" shall mean any electronic system that widely disseminates to third parties orders entered therein by an exchange market maker or over-the-counter market maker, and permits such orders to be executed in whole or in part, and as further defined in Rule 600 of SEC Regulation NMS.

(11) "Electronic Order" shall mean an order captured by a member in an electronic order-routing or execution system.

(12) "Index Arbitrage Trade" shall have the same meaning as the term "Index Arbitrage" in New York Stock Exchange Rule 7410.

(13) "Intermarket sweep order" shall have the same meaning as contained in Rule 600 of SEC Regulation NMS.

(14) "Manual Order" shall mean an order that is captured by a member other than in an electronic order-routing or execution system.

(15) "Order" shall mean any oral, written, or electronic instruction to effect a transaction in an equity security listed on The Nasdaq Stock Market that is received by a member from another person for handling or execution, or that is originated by a department of a member for execution by the same or another member, other than any such instruction to effect (1) a proprietary transaction originated by a trading desk in the ordinary course of a member's market making activities in a Nasdaq-listed equity security or (2) effect a bona fide hedge transaction involving a Nasdaq-listed equity security originated by a trading desk in the ordinary course of the member's options market making activities.

(16) "Order Audit Trail System" shall mean the automated system owned and operated by FINRA that is designed to capture order information in equity securities listed on The Nasdaq Stock Market reported by members for integration with trade and quotation information to provide FINRA with an accurate time sequenced record of orders and transactions.

(17) "Program Trade" shall have the same meaning as the term "Program Trading" in New York Stock Exchange Rule 7410.

(18) "Reporting Agent" shall mean a third party that enters into any agreement with a member pursuant to which the Reporting Agent agrees to fulfill such member's obligations under Rule 7450A.

(19) "Reporting Member" shall mean a member that receives or originates an order and has an obligation to record and report information under Rules 7440A and 7450A. A member shall not be considered a Reporting Member in connection with an order, if the following conditions are met:

(L) the member engages in a non-discretionary order routing process, pursuant to which it immediately routes, by electronic or other means, all of its orders to:

(9) a single receiving Reporting Member; or
(10) two receiving Reporting Members, provided:

(X) orders are routed by the member to each receiving Reporting Member on a predetermined schedule approved by FINRA; and

(Y) orders are routed to two receiving Reporting Members pursuant to the schedule for a time period not to exceed one year; and

(M) the member does not direct and does not maintain control over subsequent routing or execution by the receiving Reporting Member;

(N) the receiving Reporting Member records and reports all information required under Rules 7440A and 7450A with respect to the order; and

(O) the member has a written agreement with the receiving Reporting Member specifying the respective functions and responsibilities of each party to effect full compliance with the requirements of Rules 7440A and 7450A.

(20) "Proprietary Trading Firm" shall mean a Nasdaq member that trades its own capital and that does not have "customers," as that term is defined in paragraph (c) of this Rule, and that is not a FINRA member. The funds used by a Proprietary Trading firm must be exclusively firm funds and all trading must be in the firm's accounts. Traders must be owners of, employees of, or contractors to the firm.

Nasdaq Stock Market Rules, Regulation, 7420A., Nasdaq, Applicability

(a) Unless otherwise indicated, the requirements of the Rule 7400A Series are in addition to the requirements contained elsewhere in the Nasdaq Rules.

(b) Unless otherwise indicated, the requirements of the Rule 7400A Series shall apply to all Nasdaq Members and to their associated persons.

(c) Unless otherwise indicated, the requirements of the Rule 7400A Series shall apply to all executed or unexecuted orders for equity securities listed on Nasdaq.


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Nasdaq Stock Market Rules, Regulation, 7430A., Nasdaq, Synchronization of Member Business Clocks

(a) Nasdaq members shall comply with FINRA Rule 4590 as if such Rule were part of Nasdaq's rules.

(b) For purposes of this Rule, references to "the FINRA By-Laws or other FINRA rules" shall be construed as references to "the Nasdaq Rules".


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Nasdaq Stock Market Rules, Regulation, 7440A., Nasdaq, Recording of Order Information

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(a) Nasdaq members and persons associated with a member shall comply with FINRA Rule 7440 as if such Rule were part of Nasdaq's rules. Nasdaq and FINRA are parties to the FINRA Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Nasdaq Rule 7440A are being performed by FINRA on behalf of Nasdaq.

(b) For purposes of this Rule:

(5) references to FINRA Rules 7420 through 7460 shall be construed as references to Nasdaq Rules 7420A through 7460A;

(6) references to FINRA Rules 5320, 7440, and 7450 shall be construed as references to Nasdaq Rules 5320A, 7440A, and 7450A, respectively.

(c) Nasdaq members shall assign and enter a unique order identifier, in the form prescribed by Nasdaq, to all orders that are electronically transmitted to the Nasdaq Market Center. An order identifier shall not be required for orders that are manually transmitted.


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Nasdaq Stock Market Rules, Regulation, 7450A., Nasdaq, Order Data Transmission Requirements

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(a) Except as provided in paragraph (b), Nasdaq members and persons associated with a member shall comply with FINRA Rule 7450 as if such Rule were part of Nasdaq's rules. Nasdaq and FINRA are parties to the FINRA Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. Therefore, Nasdaq members are complying with Nasdaq Rule 7450A by complying with FINRA Rule 7450 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Nasdaq Rule 7450A are being performed by FINRA on behalf of Nasdaq.

(b) Proprietary Trading Firms and their associated persons shall be required to comply with FINRA Rule 7450 as if such Rule were part of Nasdaq's rules, only when they receive a request from Nasdaq Regulation to submit order information with respect to specific time periods identified in such request. Nothing in this Rule shall be construed to limit the obligations of Proprietary Trading Firms and their associated persons under any other Rule of the 7400A Series, including but not limited to, Rule 7440A.

(c) For purposes of this Rule, references to FINRA Rule 7440 shall be construed as references to Nasdaq Rule 7440A.


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Nasdaq Stock Market Rules, Regulation, 7460A., Nasdaq, Violation of Order Audit Trail System Rules

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Failure of a member or person associated with a member to comply with any of the requirements of Rule 7410A through Rule 7460A may be considered conduct that is inconsistent with high standards of commercial honor and just and equitable principles of trade, in violation of Rule 2110.


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Nasdaq Stock Market Rules, Regulation, 7470A., Nasdaq, Reserved

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Nasdaq Stock Market Rules, Regulation, 8001., Nasdaq, Regulation of Nasdaq and its Members

Nasdaq and FINRA are parties to the FINRA Regulatory Contract pursuant to which FINRA has agreed to perform certain functions described in these rules on behalf of Nasdaq. Nasdaq rules that refer to Nasdaq Regulation Department, Nasdaq Regulation staff, Nasdaq staff, and Nasdaq departments should be understood as also referring to FINRA staff and FINRA departments acting on behalf of Nasdaq pursuant to the FINRA Regulatory Contract.

Notwithstanding the fact that Nasdaq has entered into the Regulatory Contract with FINRA to perform some of Nasdaq’s functions, Nasdaq shall retain ultimate legal responsibility for, and control of, such functions.


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Nasdaq Stock Market Rules, Regulation, 8110., Nasdaq, Availability of Manual to Customers

Members shall keep and maintain current paper or electronic copies of the FINRA and Nasdaq Manuals in a readily accessible place and shall make them available for examination by customers upon request.


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Nasdaq Stock Market Rules, Regulation, 8120., Nasdaq, Definitions

(a) Unless otherwise provided, terms used in the Rule 8000 Series shall have the meaning as defined in Rule 0120.

(b) The term "Adjudicator" shall have the meaning as defined in Rule 9120.


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Nasdaq Stock Market Rules, Regulation, 8210., Nasdaq, Provision of Information and Testimony and Inspection and Copying of Books

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(a) Authority of the Nasdaq Regulation Department, Including FINRA Staff

For the purpose of an investigation, complaint, examination, or proceeding authorized by the Nasdaq By-Laws or Rules, Nasdaq Regulation Department, including FINRA staff shall have the right to:

(1) require a member, person associated with a member, or person subject to Nasdaq’s jurisdiction to provide information orally, in writing, or electronically (if the requested information is, or is required to be, maintained in electronic form) and to testify at a location specified by Nasdaq Regulation Department, including FINRA staff, under oath or affirmation administered by a court reporter or a notary public if requested, with respect to any matter involved in the investigation, complaint, examination, or proceeding; and

(2) inspect and copy the books, records, and accounts of such member or person with respect to any matter involved in the investigation, complaint, examination, or proceeding.

(b) Other SROs and Regulators

Nasdaq Regulation Department, including FINRA staff, also may exercise the authority set forth in paragraph (a) for the purpose of an investigation, complaint, examination, or proceeding conducted by another domestic or foreign self-regulatory organization, association, securities or contract market, or regulator of such markets with which Nasdaq has entered into an agreement providing for the exchange of information and other forms of material assistance solely for market surveillance, investigative, enforcement, or other regulatory purposes.

(c) Requirement to Comply

No member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule.

(d) Notice

A notice under this Rule shall be deemed received by the member or person to whom it is directed by mailing or otherwise transmitting the notice to the last known business address of the member or the last known residential address of the person as reflected in the Central Registration Depository. If Nasdaq Regulation Department staff, including FINRA staff, responsible for mailing or otherwise transmitting the notice to the member or person has actual knowledge that the address in the Central Registration Depository is out of date or inaccurate, then a copy of the notice shall be mailed or otherwise transmitted to:

(1) the last known business address of the member or the last known residential address of the person as reflected in the Central Registration Depository, and

(2) any other more current address of the member or the person known to the Adjudicator or Nasdaq Regulation Department, including FINRA staff who is responsible for mailing or otherwise transmitting the notice.

(e) Electronic Interface

In carrying out its responsibilities under this Rule, Nasdaq may, as appropriate, establish programs for the submission of information to FINRA on a regular basis through a direct or indirect electronic interface between FINRA and Nasdaq members.

(f) Inspection and Copying
A witness, upon proper identification, may inspect the official transcript of the witness’ own testimony. Upon written request, a person who has submitted documentary evidence or testimony in an investigation may procure a copy of the person’s documentary evidence or the transcript of the person’s testimony upon payment of the appropriate fees, except that prior to the issuance of a complaint arising from the investigation, Nasdaq Regulation Department, including FINRA staff, may for good cause deny such request.

Nasdaq Stock Market Rules, Regulation, 8211., Nasdaq, Automated Submission of Trading Data

(a) A member shall submit the trade data specified below in automated format as may be prescribed by the Nasdaq Regulation Department, including FINRA staff, from time to time. This information shall be supplied with respect to any transaction or transactions that are the subject of a request for information made by Nasdaq Regulation Department, including FINRA staff.

(b) If the transaction was a proprietary transaction effected or caused to be effected by the member for any account in which such member, or person associated with a member, is directly or indirectly interested, such member shall submit or cause to be submitted the following information:

(1) Clearing house number, or alpha symbol as used by the member submitting the data;
(2) Clearing house number(s), or alpha symbol(s) as may be used from time to time, of the members(s) on the opposite side of the transaction;
(3) Identifying symbol assigned to the security;
(4) Date transaction was executed;
(5) Number of shares, or quantity of bonds or options contracts for each specific transaction and whether each transaction was a purchase, sale, short sale, or, if an options contract, whether open long or short or close long or short;
(6) Transaction price;
(7) Account number; and
(8) Market center where transaction was executed.

(c) If the transaction was effected or caused to be effected by the member for any customer account, such member shall submit or cause to be submitted the following information:

(1) The data described in subparagraphs (b)(1) through (8) above;
(2) The customer name, address(es), branch office number, registered representative number, whether order was solicited or unsolicited, date account opened, employer name, and the tax identification number(s); and
(3) If the transaction was effected for another member, whether the other member was acting as principal or agent.

(d) In addition to the above trade data, a member shall submit such other information in such automated format as may from time to time be required by Nasdaq Regulation Department.

(e) Pursuant to the Rule 9600 Series, Nasdaq may exempt a member from the requirement that the data prescribed in paragraphs (b) through (d) above be submitted to Nasdaq Regulation Department, including FINRA staff, in an automated format for good cause shown.

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Nasdaq Stock Market Rules, Regulation, 8212., Nasdaq, Reserved

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Nasdaq Stock Market Rules, Regulation, 8213., Nasdaq, Reserved

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Nasdaq Stock Market Rules, Regulation, 8220., Nasdaq, Reserved

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Nasdaq Stock Market Rules, Regulation, 8310., Nasdaq, Sanctions for Violation of the Rules

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(a) Imposition of Sanction

After compliance with the Rule 9000 Series, Nasdaq may impose one or more of the following sanctions on a member or person associated with a member for each violation of the federal securities laws, rules or regulations thereunder, or Rules of Nasdaq, or may impose one or more of the following sanctions on a member or person associated with a member for any neglect or refusal to comply with an order, direction, or decision issued under the Rules of Nasdaq:

(1) censure a member or person associated with a member;

(2) impose a fine upon a member or person associated with a member;

(3) suspend the membership of a member or suspend the registration of a person associated with a member for a definite period or a period contingent on the performance of a particular act;

(4) expel a member, cancel the membership of a member, or revoke or cancel the registration of a person associated with a member;

(5) suspend or bar a member or person associated with a member from association with all members;

(6) impose a temporary or permanent cease and desist order against a member or a person associated with a member; or

(7) impose any other fitting sanction.

(b) Assent to Sanction

Each party to a proceeding resulting in a sanction shall be deemed to have assented to the imposition of the sanction unless such party files a written application for appeal, review, or relief pursuant to the Rule 9000 Series.


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Nasdaq Stock Market Rules, Regulation, IM-8310-1., Nasdaq, Effect of a Suspension, Revocation, Cancellation, or Bar

If Nasdaq or the Commission issues an order that imposes a suspension, revocation, or cancellation of the registration of a person associated with a member or bars a person from further association with any member, a member shall not allow such person to remain associated with it in any capacity, including a clerical or ministerial capacity. If Nasdaq or the Commission suspends a person associated with a member, the member also shall not pay or credit any salary, or any commission, profit, or other remuneration that results directly or indirectly from any securities transaction, that the person associated with a member might have earned during the period of suspension.


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Nasdaq Stock Market Rules, Regulation, IM-8310-2., Nasdaq,  Reserved


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Nasdaq Stock Market Rules, Regulation, IM-8310-3., Nasdaq, Release of Disciplinary Complaints, Decisions and Other Information

(a) Nasdaq Regulation Department shall, in response to a request, release to the requesting party a copy of any identified disciplinary complaint or disciplinary decision issued by Nasdaq or any committee thereof; provided, however, that each copy of:

(1) a disciplinary complaint shall be accompanied by the following statement: "The issuance of a disciplinary complaint represents the initiation of a formal proceeding by Nasdaq in which findings as to the allegations in the complaint have not been made and does not represent a decision as to any of the allegations contained in the complaint. Because this complaint is unadjudicated, you may wish to contact the respondent before drawing any conclusions regarding the allegations in the complaint."

(2) a disciplinary decision that is released prior to the expiration of the time period provided under the Rule 9000 Series for appeal or call for review within Nasdaq or while such an appeal or call for review is pending, shall be accompanied by a statement that the findings and sanctions imposed in the decision may be increased, decreased, modified, or reversed by Nasdaq;

(3) a final decision of Nasdaq that is released prior to the time period provided under the Act for appeal to the Commission or while such an appeal is pending, shall be accompanied by a statement that the findings and sanctions of Nasdaq are subject to review and modification by the Commission; and

(4) a final decision of Nasdaq that is released after the decision is appealed to the Commission shall be accompanied by a statement as to whether the effectiveness of the sanctions has been stayed pending the outcome of proceedings before the Commission.

(b) (1) Nasdaq Regulation Department shall release to the public information with respect to any disciplinary complaint initiated by the Department of Enforcement, as defined in Rule 9120(f), containing an allegation of a violation of a designated statute, rule or regulation of the Commission or Nasdaq, as determined by the Chief Regulatory Officer of Nasdaq (a “Designated Rule”); and may also release such information with respect to any disciplinary complaint or group of disciplinary complaints that involve a significant policy or enforcement determination where the release of information is deemed by the Chief Regulatory Officer to be in the public interest.

(2) Information released to the public pursuant to paragraph (b)(1) shall be accompanied by the statement required under paragraph (a)(1).

(c) (1) Nasdaq Regulation Department shall release to the public information with respect to any disciplinary decision issued pursuant to the Rule 9000 Series imposing a suspension, cancellation or expulsion of a member; or suspension or revocation of the registration of a person associated with a member; or suspension or barring of a member or person associated with a member from association with all members; or imposition of monetary sanctions of $10,000 or more upon a member or person associated with a member; or containing an allegation of a violation of a Designated Rule; and may also release such information with respect to any disciplinary decision or group of disciplinary decisions that involve a significant policy or enforcement determination where the release of information is deemed by the Chief Regulatory Officer to be in the public interest. Nasdaq Regulation Department also may release to the public information with respect to any decision issued pursuant to the Rule 9550 Series imposing a suspension or cancellation of the member or a suspension or bar of the association of a person with a member, unless Nasdaq Regulation Department determines otherwise. Nasdaq Regulation Department may, in its discretion, determine to waive the requirement to release information with respect to a disciplinary or other decision under those extraordinary circumstances.
circumstances where the release of such information would violate fundamental notions of fairness or work an injustice. Nasdaq Regulation Department also shall release to the public information with respect to any temporary cease and desist order issued pursuant to the Rule 9800 Series. Nasdaq Regulation Department may release to the public information on any disciplinary or other decision issued pursuant to the Rule 9000 Series, not specifically enumerated in this paragraph, regardless of sanctions imposed, so long as the names of the parties and other identifying information is redacted.

(A) Nasdaq Regulation Department shall release to the public, in unredacted form, information with respect to any disciplinary decision issued pursuant to the Rule 9300 Series that does not meet one or more of the criteria in IM-8310-3(c)(1) for the release of information to the public, provided that the underlying decision issued pursuant to the Rule 9200 Series meets one or more of the criteria in IM-8310-3(c)(1) for the release of information to the public, and information regarding such decision has been released to the public in unredacted form.

(B) In the event there is more than one respondent in a disciplinary decision issued pursuant to the Rule 9000 Series, and sanctions imposed on one or more, but not all, of the respondents meet one or more of the criteria in IM-8310-3(c)(1) for the release of information to the public, Nasdaq Regulation Department shall release to the public, in unredacted form, information with respect to the respondent(s) who meet such criteria, and may release to the public, in redacted form, information with respect to the respondent(s) who do not meet such criteria. Notwithstanding the foregoing, Nasdaq Regulation Department shall release to the public, in unredacted form, information with respect to any respondent in a disciplinary decision issued pursuant to the Rule 9300 Series if the sanctions imposed on such respondent in the underlying decision issued pursuant to the Rule 9200 Series meet one or more of the criteria for release of information to the public, and information with respect to that respondent has been released to the public in unredacted form.

(2) Information released to the public pursuant to paragraph (c)(1) shall be accompanied by a statement to the extent required for that type of information under paragraphs (a)(2)–(4).

(d) If a decision issued pursuant to the Rule 9000 Series other than by the Nasdaq Review Council is not appealed to or called for review by the Nasdaq Review Council, the decision shall become effective on a date set by Nasdaq Regulation Department but not before the expiration of 45 days after the date of decision.

(e) Notwithstanding paragraph (d), expulsions and bars imposed pursuant to the provisions of Rules 9216 and 9270 shall become effective upon approval or acceptance by the Nasdaq Review Council, and information regarding any sanctions imposed pursuant to those Rules may be released to the public pursuant to paragraph (c) immediately upon such approval or acceptance.

(f) If a decision issued pursuant to the Rule 9000 Series is called for review by the Nasdaq Board, the decision shall be stayed pending a final determination and decision by the Board.

(g) If a decision of Nasdaq imposing monetary sanctions of $10,000 or more or a penalty of expulsion, revocation, or suspension of a member and/or barring of a person from being associated with all members is appealed to the Commission, notice thereof shall be given to the membership and to the press as soon as possible after receipt by Nasdaq of notice from the Commission of such appeal and Nasdaq's notice shall state whether the effectiveness of the Board's decision has been stayed pending the outcome of proceedings before the Commission.

(h) In the event an appeal to the courts is filed from a decision by the Commission in a case previously appealed to it from a decision of Nasdaq, involving the imposition of monetary sanctions of $10,000 or more or a penalty of expulsion, revocation, or suspension of a member and/or barring of a person from being associated with all members, notice thereof shall be given to the membership as soon as possible after receipt by Nasdaq of a formal notice of appeal. Such notice shall include a statement whether the order of the Commission has been stayed.
(i) Any order issued by the Commission of revocation or suspension of a member’s broker/dealer registration with the Commission; or the suspension or expulsion of a member from Nasdaq; or the barring of a person associated with a member from association with all broker/dealers or membership; or the imposition of monetary sanctions of $10,000 or more shall be released to the public through a notice containing the effective date thereof sent as soon as possible after receipt by Nasdaq of the order of the Commission.

(j) Cancellations of membership or registration pursuant to the Nasdaq Rules shall be released to the public as soon after the effective date of the cancellation as possible.

(k) Releases to the public referred to in paragraphs (b) and (c) above shall identify the Nasdaq Rules or SEC Rules violated, and shall describe the conduct constituting such violation. Releases may also identify the member with which an individual was associated at the time the violations occurred if such identification is determined by Nasdaq Regulation Department to be in the public interest.

(l) Nasdaq Regulation Department shall release to the public, in the form issued by the Nasdaq Review Council, information with respect to any decision issued by the Nasdaq Review Council pursuant to Rule 1015. In its discretion, the Nasdaq Review Council may have redacted certain information from such decisions prior to their issuance.


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Nasdaq Stock Market Rules, Regulation, 8320., Nasdaq, Payment of Fines, Other Monetary Sanctions, or Costs; Summary Action for Failure to Pay

(a) Payment to Treasurer

All fines and other monetary sanctions shall be paid to the Treasurer of Nasdaq.

(7) Certain fines may be collected from Nasdaq Options Market members as specified in Options 7, Section 1 of the Options Rules.

(8) Subject to the following conditions and procedures, a member may pay a regulatory fine via an installment plan:

(G) The member must check the installment plan option on the election of payment form included with the letter of acceptance, waiver, and consent (“AWC”).

(H) The fine under the AWC must be fifty thousand dollars ($50,000) or more. A fine of less than fifty thousand dollars ($50,000) is not eligible for the installment plan.

(I) A down payment of twenty-five percent (25%) or more of the total fine must be submitted with the signed AWC.

(J) An installment package, including a promissory note and payment schedule, will be mailed to the member upon receipt of the down payment, as required in subparagraph (C) above.

(K) An executed (signed and notarized) promissory note for the unpaid balance of the fine must be returned with the first installment payment.

(L) The term of the installment plan shall not exceed four (4) years after the execution of the AWC. The member may elect monthly or quarterly payments.

(b) Summary Suspension or Expulsion

After seven days notice in writing, Nasdaq may summarily suspend or expel from membership a member that fails to:

(1) pay promptly a fine or other monetary sanction imposed pursuant to Rule 8310 or cost imposed pursuant to Rule 8330 when such fine, monetary sanction, or cost becomes finally due and payable; or

(2) terminate immediately the association of a person who fails to pay promptly a fine or other monetary sanction imposed pursuant to Rule 8310 or a cost imposed pursuant to Rule 8330 when such fine, monetary sanction, or cost becomes finally due and payable.

(c) Summary Revocation of Registration

After seven days notice in writing, Nasdaq may summarily revoke the registration of a person associated with a member if such person fails to pay promptly a fine or other monetary sanction imposed pursuant to Rule 8310 or a cost imposed pursuant to Rule 8330 when such fine, monetary sanction, or cost becomes finally due and payable.


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A member or person associated with a member disciplined pursuant to Rule 8310 shall bear such costs of the proceeding, as the Adjudicator deems fair and appropriate under the circumstances.


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Nasdaq Stock Market Rules, Regulation, 9001., Nasdaq, Nasdaq Regulatory Contract with FINRA

Nasdaq and FINRA are parties to the FINRA Regulatory Contract, pursuant to which FINRA has agreed to perform certain functions described in the Rule 9000 Series on behalf of Nasdaq. Nasdaq Rules that refer to the Nasdaq Regulation Department, Nasdaq Regulation Department staff, Nasdaq staff, and Nasdaq departments should be understood as also referring to FINRA, FINRA staff and FINRA departments acting on behalf of Nasdaq pursuant to the FINRA Regulatory Contract.

Notwithstanding the fact that Nasdaq has entered into the FINRA Regulatory Contract with FINRA to perform some of Nasdaq’s functions, Nasdaq shall retain ultimate legal responsibility for, and control of, such functions.


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Nasdaq Stock Market Rules, Regulation, 9110., Nasdaq, Application

(a) Proceedings
The Rule 9000 Series is the Code of Procedure and includes proceedings for disciplining a member or person associated with a member; proceedings for regulating the activities of a member experiencing financial or operational difficulties; proceedings for summary or non-summary suspensions, cancellations, bars, prohibitions, or limitations; and proceedings for obtaining relief from the eligibility requirements of the Nasdaq By-Laws and the Rules of Nasdaq. The Rule 9100 Series is of general applicability to all proceedings set forth in the Rule 9000 Series, unless a Rule specifically provides otherwise.

(b) Rights, Duties, and Obligations of Members and Associated Persons
Unless otherwise specified, a person associated with a member shall have the same rights as a member and shall be subject to the same duties and obligations under the Code of Procedure.

Except as otherwise permitted under the By-Laws or the Act and as set forth in more detail in the Rule 9000 Series, in any disciplinary proceeding under the Rules, any Nasdaq member or person associated with a Nasdaq member shall be given the opportunity to have a hearing at which such Nasdaq member or person associated with a Nasdaq member shall be entitled to be heard in person or by counsel or by a representative as provided in the Rules. Such persons may present any relevant material in accordance with the Rules. In any such proceeding against a Nasdaq member or against a person associated with a Nasdaq member to determine whether the Nasdaq member or the person associated with a Nasdaq member shall be disciplined:

1. specific charges shall be brought;
2. such Nasdaq member or person associated with a Nasdaq member shall be notified of and be given an opportunity to defend against such charges;
3. a record shall be kept; and
4. any determination shall include a statement setting forth:
   i. any act or practice, in which such Nasdaq member or person associated with a Nasdaq member may be found to have engaged, or which such Nasdaq member or person associated with a Nasdaq member may be found to have omitted;
   ii. the rule, regulation, or statutory provision of which any such act or practice, or omission to act, is deemed to be in violation;
   iii. the basis upon which any findings are made; and
   iv. the sanction imposed.

(c) Incorporation of Defined Terms and Cross References
Unless otherwise provided, terms used in the Rule 9000 Series shall have the meaning as defined in Rule 0120 and Rule 9120.

(d) Jurisdiction
Any member or associated person (the Respondent) who is alleged to have violated or aided and abetted a violation of the Securities Exchange Act of 1934 (Exchange Act), the rules and regulations thereunder, the By-Laws and Rules of Nasdaq or any interpretation thereof, and the Rules, Regulations, resolutions and
stated policies of the Board of Directors or any Committee of Nasdaq, shall be subject to the disciplinary jurisdiction of Nasdaq, and after notice and opportunity for a hearing may be appropriately disciplined by expulsion, suspension, fine, censure, limitation or termination as to activities, functions, operations, or association with a member, or any other fitting sanction in accordance with the provisions of these disciplinary Rules.

An associated person may be charged with any violation within the disciplinary jurisdiction of Nasdaq committed by employees under his supervision or by the member with which he is associated, as though such violations were his own. A member may be charged with any violation within the disciplinary jurisdiction of Nasdaq committed by its officers, directors, or employees or by a person who is associated with such member, as though such violation were its own.

Any member or associated person shall continue to be subject to the disciplinary jurisdiction of Nasdaq following the termination of such member’s membership from Nasdaq, or the termination of the employment by or the association with a member of such person; provided, that Nasdaq serves written notice to such former member or former associated person within one year of receipt by Nasdaq of notice of such termination that Nasdaq is making inquiry into a matter or matters which occurred prior to the termination of such person’s employment by or association with a member, or prior to the termination of such member’s membership.

Nasdaq Stock Market Rules, Regulation, 9120., Nasdaq, Definitions

(a) "Adjudicator"
The term "Adjudicator" means:

(1) a body, board, committee, group, or natural person that presides over a proceeding and renders a decision;

(2) a body, board, committee, group, or natural person that presides over a proceeding and renders a recommended or proposed decision which is acted upon by an Adjudicator described in (1); or

(3) a natural person who serves on a body, board, committee, or group described in (1) or (2).
The term includes a Review Subcommittee as defined in paragraph (cc), a Subcommittee as defined in paragraph (ee), an Extended Proceeding Committee as defined in paragraph (n), and a Statutory Disqualification Committee as defined in paragraph (dd).

(b) "Chief Hearing Officer"
The term "Chief Hearing Officer" means the Hearing Officer that manages the Office of Hearing Officers, or his or her delegatee. The Chief Hearing Officer may be FINRA's Chief Hearing Officer pursuant to the Regulatory Contract, if approved by the Nasdaq Board of Directors at least annually.

(c) "Chief Regulatory Officer"
The term "Chief Regulatory Officer" means the Chief Regulatory Officer of Nasdaq, or his or her delegatee, who shall be a person who reports to the Chief Regulatory Officer of Nasdaq.

(d) "Code"
The term "Code" refers to the Code of Procedure.

(e) "Counsel to the Nasdaq Review Council"
The term "Counsel to the Nasdaq Review Council" means an attorney that reports to the Chief Regulatory Officer of Nasdaq who is responsible for advising the Nasdaq Review Council, the Review Subcommittee, a Subcommittee, or an Extended Proceeding Committee regarding a disciplinary proceeding on appeal or review before the Nasdaq Review Council.

(f) "Department of Enforcement"
The term “Department of Enforcement” means the Department of Enforcement of FINRA Regulation, acting on behalf of Nasdaq pursuant to the FINRA Regulatory Contract.

(g) "Department of Member Regulation"
The term "Department of Member Regulation" means the Department of Member Regulation of FINRA, acting on behalf of Nasdaq pursuant to the FINRA Regulatory Contract.

(h) "Director"
The term "Director" means a member of the Board of Directors of Nasdaq.

(i) "Document"
The term "Document" means writing, drawing, graph, chart, photograph, recording, or any other data compilation, including data stored by computer, from which information can be obtained.
(j) "Extended Hearing"
The term "Extended Hearing" means a disciplinary proceeding described in Rule 9231(c).

(k) "Extended Hearing Panel"
The term "Extended Hearing Panel" means an Adjudicator that is constituted under Rule 9231(c) to conduct a disciplinary proceeding that is classified as an "Extended Hearing" and is governed by the Rule 9200 Series.

(l) "Extended Proceeding"
The term "Extended Proceeding" means a disciplinary proceeding described in Rule 9331(a)(2).

(m) "Extended Proceeding Committee"
The term "Extended Proceeding Committee" means an appellate Adjudicator that is constituted under Rule 9331 to participate in the Nasdaq Review Council's consideration of a disciplinary proceeding that is classified as an "Extended Proceeding" and governed by the Rule 9300 Series.

(n) "Head of Enforcement"
The term "Head of Enforcement" means the individual that manages the Department of Enforcement of FINRA, or his or her delegatee in the Department of Enforcement.

(o) "Head of Member Regulation"
The term "Head of Member Regulation" means the individual that manages the Department of Member Regulation of FINRA, or his or her delegatee in the Department of Member Regulation.

(p) "Hearing Officer"
The term "Hearing Officer" means an attorney who is appointed by the Chief Hearing Officer to act in an adjudicative role and fulfill various adjudicative responsibilities and duties described in the Rule 9200 Series regarding disciplinary proceedings, the Rule 9550 Series regarding expedited proceedings, and the Rule 9800 Series regarding temporary cease and desist proceedings brought against members and associated persons. Hearing Officers may be drawn from FINRA's pool of Hearing Officers pursuant to the Regulatory Contract, if approved by the Nasdaq Board of Directors at least annually.

(q) "Hearing Panel"
The term "Hearing Panel" means an Adjudicator that is constituted under Rule 9231 to conduct a disciplinary proceeding governed by the Rule 9200 Series, that is constituted under the Rule 9520 Series or the Rule 9550 Series to conduct a proceeding, or that is constituted under the Rule 9800 Series to conduct a temporary cease and desist proceeding.

(r) "Interested Staff"
The term "Interested Staff" means, in the context of:

1. a disciplinary proceeding under the Rule 9200 Series and the Rule 9300 Series:
   a. the Head of the Nasdaq Regulation Department;
   b. an Exchange employee of the Nasdaq Regulation Department who reports, directly or indirectly, to the Head of the Nasdaq Regulation Department;
   c. an Exchange employee who directly participated in the authorization of the complaint;
   d. an Exchange employee who directly participated in an examination, investigation, prosecution, or litigation related to a specific disciplinary proceeding, and a department head to whom such employee reports;
(E) the Head of the Department of Enforcement;

(F) a FINRA employee of the Department of Enforcement who reports, directly or indirectly, to the Head of Enforcement;

(G) a FINRA employee who directly participated in the authorization of the complaint; or

(H) a FINRA employee who directly participated in an examination, investigation, prosecution, or litigation related to a specific disciplinary proceeding, and a district director or department head to whom such employee reports;

(2) a proceeding under the Rule 9520 Series or Rule 9550 Series:

(A) the head of the Nasdaq or FINRA department or office that issues the notice or petition or is designated as a Party;

(B) Nasdaq employee or FINRA employee who reports, directly or indirectly, to such person;

(C) a Nasdaq employee or FINRA employee who directly participated in the authorization or initiation of the proceeding;

(D) a Nasdaq employee who directly participated in an examination, investigation, prosecution, or litigation related to a specific proceeding, and a department head to whom such employee reports; or

(E) a FINRA employee who directly participated in an examination, investigation, prosecution, or litigation related to a specific proceeding, and a district director or department head to whom such employee reports;

(3) a proceeding under the Rule 9600 Series:

(A) the head of the Nasdaq or FINRA department or office that issues the decision granting or denying an exemption or is designated as a Party;

(B) a Nasdaq employee or FINRA employee who reports, directly or indirectly, to such person;

(C) a Nasdaq employee or FINRA employee who directly participated in the exemption proceeding;

(D) a Nasdaq employee who directly participated in an examination, investigation, prosecution, or litigation related to a specific exemption proceeding, and a department head to whom such employee reports; or

(E) a FINRA employee who directly participated in an examination, investigation, prosecution, or litigation related to a specific exemption proceeding, and a district director or department head to whom such employee reports;

(4) a proceeding under the Rule 9800 Series:

(A) the Head of the Nasdaq Regulation Department;

(B) an employee of the Nasdaq Regulation Department who reports, directly or indirectly, to the Head of the Nasdaq Regulation Department;

(C) the Head of Enforcement;

(D) a FINRA employee who reports, directly or indirectly, to the Head of Enforcement;
(E) a Nasdaq employee or FINRA employee who directly participated in the authorization of the notice that initiates a temporary cease and desist proceeding; or

(F) a Nasdaq employee or FINRA employee who directly participated in an examination, investigation, prosecution, or litigation related to a specific temporary cease and desist proceeding, and a district director or department head to whom such employee reports.

(s) "Nasdaq Board"
The term "Nasdaq Board" means the Board of Directors of the Nasdaq.

(t) "Nasdaq Regulation" or "Nasdaq Regulation Department"
The term “Nasdaq Regulation” or “Nasdaq Regulation Department” means the department of Nasdaq that administers the Code, and includes the Nasdaq Enforcement Department.

(u) "Office of Disciplinary Affairs"
The term "Office of Disciplinary Affairs" means the Office of Disciplinary Affairs for FINRA, acting on behalf of Nasdaq pursuant to the FINRA Regulatory Contract.

(v) "Office of Hearing Officers"
The term "Office of Hearing Officers" means the Office of Hearing Officers of FINRA, acting on behalf of Nasdaq pursuant to the RINRA Regulatory Contract.

(w) "Panelist"
The term "Panelist," as used in the Rule 9200 Series, the Rule 9550 Series, and the Rule 9800 Series, means a member of a Hearing Panel or Extended Hearing Panel who is not a Hearing Officer. As used in the Rule 9300 Series, the term means a current or former member of the Nasdaq Review Council or a former Director who is appointed to serve on a Subcommittee or an Extended Proceeding Committee.

(x) "Party"
With respect to a particular proceeding, the term "Party" means:

(1) in the Rule 9200 Series, the Rule 9300 Series, and the Rule 9800 Series, the Nasdaq Regulation Department or the Department of Enforcement or a Respondent;

(2) in the Rule 9400 Series, the Nasdaq Regulation Department or the Department of Enforcement, or a Member or associated person of a Member that is the subject of a notice or files an application under Rule 9400(a)(2);

(3) in the Rule 9520 Series, the Department of Enforcement or a member that is the subject of a notice or files an application under Rule 9522;

(4) in the Rule 9550 Series, the Nasdaq or FINRA department or office that issued the notice or, if another Nasdaq or FINRA department or office is named as the party handling the matter on behalf of the issuing department or office, the Nasdaq or FINRA department or office that is so designated or a member or person that is the subject of a notice under the Rule 9550 Series; or

(5) in the Rule 9600 Series, the department or office designated under Rule 9620 to issue the decision granting or denying an exemption or a member that seeks the exemption under Rule 9610.

(y) "Respondent"
The term "Respondent" means, in a disciplinary proceeding governed by the Rule 9200 Series and in an appeal or review governed by the Rule 9300 Series, a Nasdaq member or associated person against whom a complaint is issued. In a proceeding governed by the Rule 9800 Series, the term "Respondent" means a
Nasdaq member or associated person that has been served a notice initiating a cease and desist proceeding.

(z) "Review Subcommittee"
The term "Review Subcommittee" means a body appointed by the Nasdaq Review Council pursuant to the Nasdaq By-Laws.

(aa) "Statutory Disqualification Committee"
The term "Statutory Disqualification Committee" means a Subcommittee of the Nasdaq Review Council that makes a recommended decision to grant or deny an application for relief from the eligibility requirements of Nasdaq to the Nasdaq Review Council pursuant to the Rule 9520 Series.

(bb) "Subcommittee"
The term "Subcommittee" means an Adjudicator that is:

1. constituted under Rule 9331(a) to participate in the Nasdaq Review Council's consideration of an appeal or a review of a disciplinary proceeding pursuant to the Rule 9300 Series;

2. constituted under Rule 9559(q) or Rule 9630 to conduct a review proceeding.

Nasdaq Stock Market Rules, Regulation, 9130., Nasdaq, Service; Filing of Papers

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Nasdaq Stock Market Rules, Regulation, 9131., Nasdaq, Service of Complaint and Document Initiating a Proceeding

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(a) Service on Each Party
A complaint shall be served on each Party by the Department of Enforcement. A document initiating a proceeding shall be served on each Party by the Party or person initiating such proceeding or his or her counsel or representative.

(b) How Served
A complaint or document initiating a proceeding shall be served pursuant to Rule 9134.

(c) Filing Requirement
A complaint that is served upon a Respondent and each document initiating a proceeding that is served upon a Party, along with the certificate of service executed in connection with the service upon such Respondent or Party, shall be filed with the Nasdaq Regulation Department pursuant to Rule 9135.


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Nasdaq Stock Market Rules, Regulation, 9132., Nasdaq, Service of Orders, Notices, and Decisions by Adjudicator

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(a) Service on Each Party
An order, notice, or decision issued by a Hearing Officer, Hearing Panel or Extended Hearing Panel under the Rule 9200 Series shall be served on each Party, or each Party's counsel, or other person the Party designates to represent him or her in a proceeding by the Office of Hearing Officers. An order, notice, or decision issued by any other Adjudicator shall be served by that Adjudicator.

(b) How Served
An order, notice, or decision shall be served pursuant to Rule 9134.

(c) Service Upon Counsel or Other Person Acting In Representative Capacity
Whenever service is required to be made upon a person represented by counsel or a representative who has filed a notice of appearance pursuant to Rule 9141, service shall be made upon counsel or the representative. The Adjudicator, at its discretion, may also order that service be made upon the person.


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(a) Service on Each Party
Other than a complaint, order, notice, or decision, any paper, including an answer and a motion, shall be served on each Party by the Party on whose behalf such paper was prepared or by his or her counsel or representative.

(b) How Served
The paper shall be served pursuant to Rule 9134.

(c) Filing Requirement
The paper that is served upon a Party, along with the certificate of service executed in connection with the service upon such Party, shall be filed with the Nasdaq Regulation Department pursuant to Rule 9135.

(d) Service upon Counsel or Other Person Acting in Representative Capacity
Whenever service is required to be made upon a person represented by counsel or a representative who has filed a notice of appearance pursuant to Rule 9141, service shall be made upon counsel or the representative. The Adjudicator, at its discretion, may also order that service be made upon the person.

Nasdaq Stock Market Rules, Regulation, 9134., Nasdaq, Methods of, Procedures for Service

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(a) Methods

The following methods of service are permitted:

1. Personal Service

   Personal service may be accomplished by handing a copy of the papers to the person required to be served; leaving a copy at the person's office with an employee or other person in charge thereof; or leaving a copy at the person's dwelling or usual place of abode with a person of suitable age and discretion then residing therein;

2. Service by Mail by U.S. Postal Service

   Service by mail may be accomplished by mailing the papers through the U.S. Postal Service by using first class mail, first class certified mail, first class registered mail, or Express Mail, except that a complaint shall be served upon a Respondent by U.S. Postal Service first class certified mail or Express Mail; or

3. Service by Courier

   Service by courier may be accomplished by sending the papers through a courier service that generates a written confirmation of receipt or of attempts at delivery.

(b) Procedures

1. Service on Natural Persons

   Papers served on a natural person may be served at the natural person's residential address, as reflected in the Central Registration Depository, if applicable. When a Party or other person responsible for serving such person has actual knowledge that the natural person's Central Registration Depository address is out of date, duplicate copies shall be served on the natural person at the natural person's last known residential address and the business address in the Central Registration Depository of the entity with which the natural person is employed or affiliated. Papers may also be served at the business address of the entity with which the natural person is employed or affiliated, as reflected in the Central Registration Depository, or at a business address, such as a branch office, at which the natural person is employed, or at which the natural person is physically present during a normal business day. The Hearing Officer may waive the requirement of serving documents (other than complaints) at the addresses listed in the Central Registration Depository if there is evidence that these addresses are no longer valid, and there is a more current address available. If a natural person is represented by counsel or a representative, papers served on the natural person, excluding a complaint or a document initiating a proceeding, shall be served on the counsel or representative.

2. Service on Entities

   Papers served on an entity shall be made by service on an officer, partner of a partnership, managing or general agent, a contact employee as set forth on Form BD, or any other agent authorized by appointment or by law to accept service. Such papers shall be served at the entity's business address as reflected in the Central Registration Depository, if applicable; provided, however, that when the Party or other person responsible for serving such entity has actual knowledge that an entity's Central Registration Depository address is out of date, duplicate copies shall be served at the entity's last known address. If an entity is represented by counsel or a representative, papers served on such entity, excluding a complaint or document initiating a proceeding, shall be served on such counsel or representative.
(3) When Service Is Complete

Personal service and service by courier or express delivery are complete upon delivery. Service by mail is complete upon mailing.


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(a) When to File

Papers that are required to be filed with an Adjudicator within a time limit specified by the Adjudicator or within a time limit set forth in the Rules shall be deemed timely if received within the time limit, unless otherwise ordered by an Adjudicator, except complaints, which shall be deemed timely filed upon mailing or delivery to the Office of Hearing Officers. Other papers that are required to be filed shall be deemed timely if, on the same day such papers are served, they are also hand-delivered, mailed via U.S. Postal service first class mail, or sent by courier to the Office of Hearing Officers.

(b) Where to File

All papers required to be filed pursuant to the Rule 9200 Series and any notice of appeal or review required to be filed pursuant to the Rule 9300 Series shall be filed with the Office of Hearing Officers. All other papers required to be filed pursuant to the Rule 9000 Series shall be filed where specified in the Rule, or if not specified in the Rule, with the Adjudicator, unless the Adjudicator orders otherwise.

(c) Certificate of Service

Papers filed with an Adjudicator or the Office of Hearing Officers shall be accompanied by a certificate of service stating the name of the person or persons served, the date on which service is made, the method of service and, if service is not made in person, the address to which service is made. Such certificate shall be executed by the person who made the service. If the method of service on a Party is different from the method of service on any other Party, the certificate shall state why such different method was used.


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Nasdaq Stock Market Rules, Regulation, 9136., Nasdaq, Filing of Papers: Form

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(a) Specifications
Papers filed in connection with any proceeding under the Rule 9200 Series and the Rule 9300 Series shall:

1. be on unglazed white paper measuring 8 ½ × 11 inches, but to the extent that the reduction of a larger document would render it illegible, such document may be filed on larger paper;

2. be typewritten or printed in either 10 or 12 point typeface or otherwise reproduced by a process that produces a permanent and plainly legible copy;

3. include at the head of the paper, or on a title page, the title of the proceeding, the names of the Parties, the subject of the particular paper or pleading, and the number assigned to the proceeding;

4. be paginated at the bottom of the page and with all margins at least one inch wide;

5. be double-spaced, with double-spaced footnotes and single-spaced indented quotations; and

6. be stapled, clipped, or otherwise fastened in the upper left corner, but not bound.

(b) Signature Required
All papers shall be signed and dated pursuant to Rule 9137.

(c) Number of Copies
A signed original and three copies of all papers shall be filed with the Adjudicator.

(d) Form of Briefs
A brief containing more than ten pages shall include a table of contents, and an alphabetized table of cases, statutes, and other authorities cited, with references to the pages of the brief wherein they are cited.

(e) Scandalous or Impertinent Matter
Any scandalous or impertinent matter contained in any brief, pleading, or other filing, or in connection with any oral presentation in a proceeding may be stricken on order of an Adjudicator. Any matter stricken by an Adjudicator by this Rule shall be marked "Stricken" and preserved. Matters stricken in a proceeding governed by the Rule 9200 Series shall be preserved under Rule 9267(b).


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Nasdaq Stock Market Rules, Regulation, 9137., Nasdaq, Filing of Papers: Signature Requirement and Effect

(a) General Requirements
Following the issuance of a complaint in a disciplinary proceeding, or the initiation of another proceeding, every filing of a Party represented by counsel or a representative shall be signed by at least one counsel or representative of record in his or her name and shall state the business address and telephone number of such counsel or representative. A Party who appears on his or her own behalf shall sign his or her individual name and state his or her address and telephone number on every filing.

(b) Effect of Signature

(1) The signature of a counsel, representative, or Party shall constitute a certification that:

(A) the person signing the filing has read the filing;

(B) to the best of his or her knowledge, information, and belief, formed after reasonable inquiry, the filing is well grounded in fact and is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law; and

(C) the filing is not made for any improper purpose, such as to harass, cause unnecessary delay, or needlessly to increase the cost of adjudication.

(2) If a filing is not signed, an Adjudicator may strike the filing, unless it is signed promptly after the omission is called to the attention of the person making the filing.


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Nasdaq Stock Market Rules, Regulation, 9138., Nasdaq, Computation of Time

(a) Calendar Day
In the Rule 9000 Series, "day" means calendar day.

(b) Formula
In computing any period of time, the day of the act, event, or default from which the period of time designated in the Code begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday, or Federal holiday, in which event the period runs until the end of the next day that is not a Saturday, Sunday, or Federal holiday. Intermediate Saturdays, Sundays, and Federal holidays shall be excluded from the computation when the period prescribed is ten days or less, not including any additional time for service by mail allowed by paragraph (c).

(c) Additional Time For Service by Mail
If service is made by U.S. Postal Service first class, certified, or registered mail, three days shall be added to the prescribed period for response.


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Nasdaq Stock Market Rules, Regulation, 9140., Nasdaq, Proceedings

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Nasdaq Stock Market Rules, Regulation, 9141., Nasdaq, Appearance and Practice; Notice of Appearance

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(a) Representing Oneself

In any proceeding, a person may appear on his or her own behalf. When a person first makes any filing or otherwise appears on his or her own behalf before an Adjudicator in a proceeding, he or she shall file with the Adjudicator, or otherwise state on the record, and keep current, an address at which any notice or other written communication required to be served upon or furnished to him or her may be sent and a telephone number where he or she may be reached during business hours.

(b) Representing Others

A person shall not be represented before an Adjudicator, except as provided in this paragraph. Subject to the prohibitions of Rules 9150 and 9280, a person may be represented in any proceeding by an attorney at law admitted to practice before the highest court of any state of the United States, the District of Columbia, or any commonwealth, territory, or possession of the United States. A member of a partnership may represent the partnership; and a bona fide officer of a corporation, trust, or association may represent the corporation, trust, or association. When a person first makes any filing or otherwise appears in a representative capacity before an Adjudicator in a proceeding, that person shall file with the Adjudicator, and keep current a Notice of Appearance. The Notice of Appearance is a written notice stating the name of the proceeding; the representative's name, business address, and telephone number; and the name and address of the person or persons represented. Any individual appearing or practicing in a representative capacity before an Adjudicator may be required to file a power of attorney with the Adjudicator showing his or her authority to act in such capacity.


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Nasdaq Stock Market Rules, Regulation, 9142., Nasdaq, Withdrawal by Attorney or Representative

An attorney for a Party or other person authorized to represent others by Rule 9141 may withdraw by giving notice to the Adjudicator. The notice shall be in writing, set forth the good cause for withdrawal, and, unless circumstances do not permit, be given at least 30 days prior to withdrawal.


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Nasdaq Stock Market Rules, Regulation, 9143., Nasdaq, Ex Parte Communications

(a) Prohibited Communications

Unless on notice and opportunity for all Parties to participate, or to the extent required for the disposition of ex parte matters as authorized by the Rule 9000 Series:

(1) No Party, or counsel to or representative of a Party, or Interested Staff shall make or knowingly cause to be made an ex parte communication relevant to the merits of a proceeding to an Adjudicator who is participating in a decision with respect to that proceeding, or to Nasdaq Staff who is participating or advising in the decision of an Adjudicator with respect to that proceeding; and

(2) No Adjudicator who is participating in a decision with respect to a proceeding, or no Nasdaq Staff who is participating or advising in the decision of an Adjudicator with respect to a proceeding shall make or knowingly cause to be made to a Party, a counsel or representative to a Party, or Nasdaq Staff an ex parte communication relevant to the merits of that proceeding.

(b) Disclosure of Prohibited Communication

An Adjudicator who is participating in a decision with respect to a proceeding, or Nasdaq Staff who is participating or advising in the decision of an Adjudicator, who receives, makes, or knowingly causes to be made a communication prohibited by this Rule shall place in the record of the proceeding:

(1) all such written communications;

(2) memoranda stating the substance of all such oral communications; and

(3) all written responses and memoranda stating the substance of all oral responses to all such communications.

(c) Remedies

Upon receipt of a communication made or knowingly caused to be made by any Party, any counsel or representative to a Party, or any Interested Staff in violation of subparagraph (a)(1), the Nasdaq Regulation Department or an Adjudicator may, to the extent consistent with the interests of justice, the policies underlying the Act, and Nasdaq's Rules, order the Party responsible for the communication, or the Party who may benefit from the ex parte communication made, to show cause why the Party's claim or interest in the proceeding should not be dismissed, denied, disregarded, or otherwise adversely affected by reason of such ex parte communication. All participants to a proceeding may respond to any allegations or contentions contained in a prohibited ex parte communication placed in the record. Such responses shall be placed in the record.

(d) Timing

In a disciplinary proceeding governed by the Rule 9200 Series and the Rule 9300 Series, the prohibitions of this Rule shall apply beginning with the authorization of a complaint as provided in Rule 9211, unless the person responsible for the communication has knowledge that the complaint shall be authorized, in which case the prohibitions shall apply beginning at the time of his or her acquisition of such knowledge.

(e) Waiver of Ex Parte Prohibition

(1) Offer of Settlement

If a Respondent submits an offer of settlement under Rule 9270, the submission constitutes a waiver by
such Respondent of any claim that the prohibitions against ex parte communications were violated by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the offer of settlement and the order of acceptance, or other consideration of the offer of settlement and order of acceptance, including acceptance or rejection of such offer of settlement and order of acceptance.

(2) Letter of Acceptance, Waiver, and Consent

If a member or a person associated with a member submits an executed letter of acceptance, waiver, and consent under Rule 9216(a), the submission constitutes a waiver by such member or person associated with a member of any claim that the prohibitions against ex parte communications were violated by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the letter of acceptance, waiver, and consent, or other consideration of the letter of acceptance, waiver, and consent, including acceptance or rejection of such letter of acceptance, waiver, and consent.

(3) Minor Rule Violation Plan Letter

If a member or a person associated with a member submits an executed minor rule violation plan letter under Rule 9216(b), the submission constitutes a waiver by such member or person associated with a member of any claim that the prohibitions against ex parte communications by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the minor rule violation plan letter, or other consideration of the minor rule violation plan letter, including acceptance or rejection of such minor rule plan violation letter.

Nasdaq Stock Market Rules, Regulation, 9144., Nasdaq, Separation of Functions

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(a) Interested Staff

Except as counsel or a witness in a proceeding or as provided in the Rule 9550 Series, Interested Staff is prohibited from advising an Adjudicator regarding a decision or otherwise participating in a decision of an Adjudicator. An Adjudicator is prohibited from advising Interested Staff regarding a decision or otherwise participating in a decision of Interested Staff, including the decision to issue a complaint and a decision whether to appeal or cross-appeal a disciplinary proceeding to the Nasdaq Review Council.

(b) Separation of Adjudicators

A Hearing Officer, including the Chief Hearing Officer, or a Panelist of a Hearing Panel or an Extended Hearing Panel, is prohibited from participating in: a decision whether to issue a complaint pursuant to Rule 9211; a decision whether to appeal or cross-appeal a disciplinary proceeding to the Nasdaq Review Council pursuant to Rule 9311; and a discussion or decision relating to a call for review, a review, or an appeal pursuant to the Rule 9300 Series. A Director is prohibited from participating in a discussion or a decision relating to the above referenced acts with the Review Subcommittee or the Adjudicators referenced above.

(c) Waiver of Prohibitions of Separation of Functions

(1) Offer of Settlement

If a Respondent submits an offer of settlement under Rule 9270, the submission constitutes a waiver by such Respondent of any claim of violation of paragraph (a) or (b) by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the offer of settlement and the order of acceptance, or other consideration of the offer of settlement and order of acceptance, including acceptance or rejection of such offer of settlement and order of acceptance.

(2) Letter of Acceptance, Waiver, and Consent

If a member or a person associated with a member submits an executed letter of acceptance, waiver, and consent under Rule 9216(a), the submission constitutes a waiver by such member or person associated with a member of any claim of violation of paragraph (a) or (b) by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the letter of acceptance, waiver, and consent, or other consideration of the proposed letter of acceptance, waiver, and consent, including acceptance or rejection of such letter of acceptance, waiver, and consent.

(3) Minor Rule Violation Plan Letter

If a member or a person associated with a member submits an executed minor rule violation plan letter under Rule 9216(b), the submission constitutes a waiver by such member or person associated with a member of any claim of violation of paragraph (a) or (b) by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the minor rule violation plan letter or other consideration of the minor rule violation plan letter, including acceptance or rejection of such minor rule violation plan letter.


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Nasdaq Stock Market Rules, Regulation, 9145., Nasdaq, Rules of Evidence; Official Notice

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(a) Rules of Evidence
The formal rules of evidence shall not apply in a proceeding brought under the Rule 9000 Series.

(b) Official Notice
In a proceeding governed by the Rule 9000 Series, an Adjudicator may take official notice of such matters as might be judicially noticed by a court, or of other matters within the specialized knowledge of Nasdaq as an expert body. Before an Adjudicator proposes to take official notice of a matter, it shall permit a Party the opportunity to oppose or otherwise comment upon the proposal to take official notice.


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Nasdaq Stock Market Rules, Regulation, 9146., Nasdaq, Motions

(a) General Requirement for Motions
A Party may make a written or oral motion, subject to limitations set forth below. A Party or other person may make a motion under Rule 9146(k), subject to limitations set forth below.

(b) Adjudicator May Require a Written Motion
If a Party makes an oral motion, an Adjudicator may order that such motion be set forth in writing, after considering the facts and circumstances, including whether:

(1) the hearing or conference in which the Party makes such motion is being recorded; and

(2) the opposing Parties shall be fully informed and shall have adequate notice and opportunity to respond to such motion.

(c) Specificity
All motions shall state the specific relief requested and the basis therefor.

(d) Time For Filing Opposition or Other Response to Motion
Unless otherwise ordered by an Adjudicator, any Party may file an opposition or other response to a written motion and the opposition or response shall be filed within 14 days after service of the motion. If no response is filed within the response period, the Party failing to respond shall be deemed to have waived any objection to the granting of the motion. A Party shall be afforded an opportunity to respond to an oral motion at the time the oral motion is made, unless the Adjudicator orders that the Party shall be granted additional time to respond.

(e) Oral Argument
An Adjudicator may allow oral argument on motions. Oral argument may take place in person or by telephone.

(f) Frivolous Motions
An Adjudicator may deny dilatory, repetitive, or frivolous motions without awaiting a response.

(g) No Stay
Unless otherwise ordered by an Adjudicator, the filing of a motion does not stay a proceeding.

(h) Reply
The moving Party shall have no right to reply to the opposition or other response of the other Parties unless an Adjudicator permits a reply to be filed. Unless otherwise ordered by an Adjudicator, a movant's reply submission shall be filed within five days after the Adjudicator serves the order granting the motion to file a reply or a Party serves the opposition or other response to which the Adjudicator previously ordered that a reply could be filed.

(i) Page Limit, Format Requirements
Unless otherwise ordered by an Adjudicator, submissions in support of or in opposition to motions shall not exceed ten double-spaced pages, including double-spaced footnotes, exclusive of pages containing any table of contents, table of authorities, or addenda.

(j) Disposition of Procedural Motions; Disposition of Motions for Summary Disposition
In the Rule 9200 Series, a motion on a procedural matter may be decided by a Hearing Officer. A motion for summary disposition of a cause of action set forth in a complaint shall be decided by a majority vote of the Hearing Panel or, if applicable, the Extended Hearing Panel.

In the Rule 9300 Series, a motion on a procedural matter may be decided by Counsel to the Nasdaq Review Council, the Review Subcommittee, a Subcommittee or, if applicable, an Extended Proceeding Committee, or the Nasdaq Review Council. A motion for disposition of a cause of action shall be decided by the Nasdaq Review Council, except that a motion to dismiss a case for abandonment made under Rule 9344 may be decided by the Review Subcommittee.

In the Rule 9500 Series, a motion shall be decided by an Adjudicator.

(k) Motion For Protective Order

(1) A Party, a person who is the owner, subject, or creator of a Document subject to production under Rule 8210 or any other Rule which may be introduced as evidence in a disciplinary proceeding, or a witness who testifies at a hearing in a disciplinary proceeding may file a motion requesting a protective order to limit disclosure or prohibit from disclosure to other Parties, witnesses or other persons, except the Department of Enforcement and Nasdaq Regulation Department staff, Documents or testimony that contain confidential information. The motion shall include a general summary or extract of the Documents or testimony without revealing confidential details. If the movant seeks a protective order against disclosure to other Parties, copies of the Documents shall not be served on the other Parties. Unless the Documents are unavailable, the movant shall file for in camera inspection a sealed copy of the Documents for which the order is sought. If the movant is not a Party, the motion shall be served on each Party by the movant using a method in Rule 9134(a) and filed with the Adjudicator. A motion for a protective order shall be granted only upon a finding that disclosure of the Document or testimony would have a demonstrated adverse business effect on the movant or would involve an unreasonable breach of the movant’s personal privacy.

(2) If a protective order is granted, the order shall set forth the restrictions on use and disclosure of such Document or testimony. An Adjudicator does not have the authority to issue a protective order that would limit in any manner the use by the staff of Nasdaq Regulation Department of such Documents or testimony in the Nasdaq Regulation Department staff’s performance of their regulatory and self-regulatory responsibilities and functions, including the transmittal, without restriction to the recipient, of such Documents or testimony to state, federal, or foreign regulatory authorities or other self-regulatory organizations. An Adjudicator does not have the authority to issue a protective order that purports to protect from production such Documents or testimony in the event that Nasdaq is subject to a subpoena requiring that the Documents or testimony be produced.

(l) General

All motions, oppositions or responses, replies, and any other filings made in a proceeding shall comply with Rules 9133, 9134, 9135, 9136 and 9137.

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The Nasdaq Board, the Nasdaq Review Council, a Hearing Officer, or any other Adjudicator shall have full authority, except as otherwise provided by the Code, to rule on a procedural motion and any other procedural or administrative matter arising during the course of a proceeding conducted pursuant to the Code, subject to the rights of review or appeal provided by the Code.


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Nasdaq Stock Market Rules, Regulation, 9148., Nasdaq, Interlocutory Review

Except as provided in Rule 9280, there shall be no interlocutory review of a ruling or order issued by any Adjudicator in a proceeding governed by the Code. If an Adjudicator grants interlocutory review of a ruling or order, such review shall not stay a proceeding, except under Rule 9280 or as otherwise ordered by the Adjudicator.


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Nasdaq Stock Market Rules, Regulation, 9150., Nasdaq, Exclusion from Rule 9000 Series Proceeding

(a) Exclusion
An Adjudicator may exclude an attorney for a Party or other person authorized to represent others by Rule 9141 from acting as counsel, acting in any representative capacity, or otherwise appearing in a particular Rule 9000 Series proceeding for contemptuous conduct under Rule 9280 or unethical or improper professional conduct in that proceeding. If an attorney for a Party, or other person authorized to represent others by Rule 9141, is excluded from a disciplinary hearing or conference, or any portion thereof, such attorney or person may seek review by the Nasdaq Review Council of such exclusion under Rule 9280(c).

(b) Other Proceedings Not Precluded
Prohibiting an attorney or other person authorized to represent others by Rule 9141 from practicing or appearing in a Nasdaq proceeding shall not preclude Nasdaq from initiating other proceedings against such person.


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Nasdaq Stock Market Rules, Regulation, 9160., Nasdaq, Recusal or Disqualification

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No person shall participate as an Adjudicator in a matter governed by the Code as to which he or she has a conflict of interest or bias, or circumstances otherwise exist where his or her fairness might reasonably be questioned. In any such case the person shall recuse himself or herself, or shall be disqualified as follows:

(a) Nasdaq Board
The Chair of the Nasdaq Board shall have authority to order the disqualification of a Director, and a majority of the Nasdaq Board excluding the Chair of the Nasdaq Board, shall have authority to order the disqualification of the Chair;

(b) Nasdaq Review Council, Review Subcommittee, or Certain Subcommittees
The Chair of the Nasdaq Review Council shall have authority to order the disqualification of a member of the Nasdaq Review Council or the Review Subcommittee, a member of a Subcommittee appointed pursuant to Rule 9559(q) or the Rule 9600 Series, a Hearing Panel appointed pursuant to the Rule 9520 Series, and the Statutory Disqualification Committee; and a majority of the Nasdaq Review Council excluding the Chair of the Nasdaq Review Council shall have authority to order the disqualification of the Chair of the Nasdaq Review Council;

(c) Rule 9331 Subcommittee or Extended Proceeding Committee
Disqualification of a Panelist of a Subcommittee or Extended Proceeding Committee appointed under the Rule 9300 Series shall be governed by Rule 9332;

(d) Reserved

(e) Panelist of Hearing Panel or Extended Hearing Panel
Disqualification of a Panelist of a Hearing Panel or Extended Hearing Panel appointed under the Rule 9200 Series shall be governed by Rule 9234; and

(f) Hearing Officer
Disqualification of a Hearing Officer of a Hearing Panel or an Extended Hearing Panel shall be governed by Rule 9233.


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Nasdaq Stock Market Rules, Regulation, 9211., Nasdaq, Authorization of Complaint

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(a) Complaint

(1) If the Nasdaq Regulation Department or the Department of Enforcement believes that any Nasdaq member or associated person is violating or has violated any rule, regulation, or statutory provision, including the federal securities laws and the regulations thereunder, which Nasdaq has jurisdiction to enforce, the Nasdaq Regulation Department or the Department of Enforcement may request authorization from the FINRA Office of Disciplinary Affairs to issue a complaint.

(2) The Nasdaq Board shall have the authority to direct the Nasdaq Regulation Department, including the FINRA Office of Disciplinary Affairs, to authorize and the Department of Enforcement to issue a complaint when, on the basis of information and belief, the Nasdaq Board is of the opinion that any Nasdaq member or associated person is violating or has violated any rule, regulation, or statutory provision, including the federal securities laws and the regulations thereunder, which Nasdaq has jurisdiction to enforce.

(b) Commencement of Disciplinary Proceeding

A disciplinary proceeding shall begin when the complaint is served and filed.


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Nasdaq Stock Market Rules, Regulation, 9212., Nasdaq, Complaint Issuance — Requirements, Service, Amendment, Withdrawal, and Docketing

(a) Form, Content, Notice, Docketing, and Service

(1) If a complaint is authorized, the Nasdaq Regulation Department or the Department of Enforcement shall issue the complaint. Each complaint shall be in writing and signed by the Nasdaq Regulation Department or the Department of Enforcement. The complaint shall specify in reasonable detail the conduct alleged to constitute the violative activity and the rule, regulation, or statutory provision the Respondent is alleged to be violating or to have violated. If the complaint consists of several causes of action, each cause shall be stated separately. Complaints shall be served by the Nasdaq Regulation Department or the Department of Enforcement on each Party pursuant to Rules 9131 and 9134, and filed at the time of service with the Office of Hearing Officers pursuant to Rules 9135, 9136, and 9137.

(2) At the time of issuance of a complaint, the Nasdaq Regulation Department or the Department of Enforcement may propose an appropriate location for the hearing.

(b) Amendments to Complaint

The Nasdaq Regulation Department or the Department of Enforcement may file and serve an amended complaint once as a matter of course at any time before the Respondent answers the complaint. Otherwise, upon motion by the Nasdaq Regulation Department or the Department of Enforcement, the Hearing Officer may permit the Nasdaq Regulation Department or the Department of Enforcement to amend the complaint, including amendments so as to make the complaint conform to the evidence presented, after considering whether the Nasdaq Regulation Department or the Department of Enforcement has shown good cause for the amendment and whether any Respondent will suffer any unfair prejudice if the amendment is allowed. Amendments to complaints will be freely granted when justice so requires.

(c) Withdrawal of Complaint

With prior leave of the Hearing Officer, the Nasdaq Regulation Department or the Department of Enforcement may withdraw a complaint. If the Nasdaq Regulation Department or the Department of Enforcement withdraws the complaint before the earlier of (1) the Hearing Panel’s or, if applicable, the Extended Hearing Panel’s, issuance of a ruling on a motion for summary disposition, or (2) the start of the hearing on the merits, the withdrawal of the complaint by the Nasdaq Regulation Department or the Department of Enforcement shall be without prejudice and the Nasdaq Regulation Department or the Department of Enforcement shall be permitted to refile a case based on allegations concerning the same facts and circumstances that are set forth in the withdrawn complaint. If the Nasdaq Regulation Department or the Department of Enforcement requests to withdraw such complaint after the occurrence of either of the two events set forth in (1) and (2) in this paragraph, the Hearing Panel or, if applicable, the Extended Hearing Panel, after considering the facts and circumstances of the request, shall determine whether the withdrawal shall be granted with prejudice.

(d) Disciplinary Proceeding Docket

The Office of Hearing Officers shall promptly record each complaint filed with it in Nasdaq's disciplinary proceeding docket, and record in the disciplinary proceeding docket each event, filing, and change in the status of a disciplinary proceeding.

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Nasdaq Stock Market Rules, Regulation, 9213., Nasdaq, Assignment of Hearing Officer and Appointment of Panelists to Hearing Panel or Extended Hearing Panel

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(a) Assignment of Hearing Officer
As soon as practicable after the Nasdaq Regulation Department or the Department of Enforcement has filed a complaint with the Office of Hearing Officers, the Chief Hearing Officer shall assign a Hearing Officer to preside over the disciplinary proceeding and shall serve the Parties with notice of the Hearing Officer’s assignment pursuant to Rule 9132.

(b) Appointment of Panelists
As soon as practicable after assigning a Hearing Officer to preside over a disciplinary proceeding, the Chief Hearing Officer shall appoint Panelists pursuant to Rules 9231 and 9232 to a Hearing Panel or, if the Chief Hearing Officer determines that an Extended Hearing Panel should be appointed, to an Extended Hearing Panel.


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Nasdaq Stock Market Rules, Regulation, 9214., Nasdaq, Consolidation or Severance of Disciplinary Proceedings

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(a) Consolidation Initiated by Chief Hearing Officer
The Chief Hearing Officer may order the consolidation of two or more disciplinary proceedings, upon his or her own motion, under circumstances where such consolidation would further the efficiency of the disciplinary process, and where the subject complaints involve common questions of law or fact, or one or more of the same Respondents. In determining whether to order the consolidation of such disciplinary proceedings, the Chief Hearing Officer shall consider:

1. whether the same or similar evidence reasonably would be expected to be offered at each of the hearings;
2. whether the proposed consolidation would conserve the time and resources of the Parties; and
3. whether any unfair prejudice would be suffered by one or more Parties as a result of the consolidation.

If the Chief Hearing Officer proposes to consolidate two or more disciplinary proceedings, the Chief Hearing Officer shall serve upon the Parties notice of the proposed consolidation of disciplinary proceedings, together with a copy of each relevant complaint and any answer that has been filed thereto, pursuant to Rule 9132. The Parties shall have 14 days after service to file a response, stating any arguments in favor of or opposition to consolidation.

(b) Consolidation Initiated by a Party
A Party may file a motion to consolidate two or more disciplinary proceedings if such consolidation would further the efficiency of the disciplinary process, if the subject complaints involve common questions of law or fact or one or more of the same Respondents, or if one or more of the factors favoring consolidation set forth in paragraph (a) appear to be present. If a Party moves to consolidate two or more disciplinary proceedings, the Party shall file such motion, together with a copy of each relevant complaint and any answer thereto that has been filed, with the Office of Hearing Officers, and, pursuant to Rule 9133, shall serve the same upon the Parties in each of the cases proposed to be consolidated. The Parties shall have 14 days after service to file a response, stating any arguments in favor of or opposition to consolidation, and shall serve the response upon the Parties in each of the cases proposed to be consolidated. The Chief Hearing Officer shall issue an order approving or denying the request for consolidation.

(c) Impact on Hearing Panel or Extended Hearing Panel
If the Chief Hearing Officer issues an order to consolidate two or more disciplinary proceedings for which Hearing Panels or, if applicable, Extended Hearing Panels, have been appointed, the Chief Hearing Officer's order shall specify which Hearing Panel or, if applicable, Extended Hearing Panel, shall preside over the consolidated disciplinary proceeding, or shall appoint a new Hearing Panel or, if applicable, Extended Hearing Panel, to preside, based on the criteria set forth in Rules 9231 and 9232.

(d) Severance Initiated by Chief Hearing Officer
The Chief Hearing Officer may order the severance of a disciplinary proceeding into two or more disciplinary proceedings, upon his or her own motion. In determining whether to order the severance of such disciplinary proceedings, the Chief Hearing Officer shall consider:

1. whether the same or similar evidence reasonably would be expected to be offered at each of the possible hearings;
whether the severance would conserve the time and resources of the Parties; and

whether any unfair prejudice would be suffered by one or more Parties if the severance is (not) ordered.

If the Chief Hearing Officer proposes to sever a disciplinary proceeding, the Chief Hearing Officer shall serve upon the Parties notice of the proposed severance of disciplinary proceedings pursuant to Rule 9132. The Parties shall have 14 days after service to file a response, stating any arguments in favor of or opposition to severance.

(e) Severance Initiated by a Party

A Party may file a motion to sever a disciplinary proceeding if one or more of the factors favoring severance set forth in paragraph (d) appear to be present. If a Party moves to sever a disciplinary proceeding, the Party shall file such motion with the Office of Hearing Officers, and, pursuant to Rule 9133, shall serve the same upon each of the parties to the action proposed to be severed. The Parties shall have 14 days after service to file a response, stating any arguments in favor of or opposition to severance, and shall serve the response upon the Parties in the case proposed to be severed. The Chief Hearing Officer shall issue an order approving or denying the request for severance.

(f) Impact on Hearing Panel or Extended Hearing Panel of Severance

If the Chief Hearing Officer issues an order to sever a disciplinary proceeding for which a Hearing Panel or, if applicable, Extended Hearing Panel, has been appointed, the Chief Hearing Officer's order shall specify whether the same Hearing Panel or, if applicable, Extended Hearing Panel, shall preside over the severed disciplinary proceedings, or shall appoint a new Hearing Panel(s) or, if applicable, Extended Hearing Panel(s), to preside over any or all of the severed proceedings, based on the criteria set forth in Rules 9231 and 9232.


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Nasdaq Stock Market Rules, Regulation, 9215., Nasdaq, Answer to Complaint

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(a) Form, Service, Notice

Pursuant to Rule 9133, each Respondent named in a complaint shall serve an answer to the complaint on all other Parties within 25 days after service of the complaint on such Respondent, and at the time of service shall file such answer with the Office of Hearing Officers pursuant to Rules 9135, 9136 and 9137. The Hearing Officer assigned to a disciplinary proceeding pursuant to Rule 9213 may extend such period for good cause. Upon the receipt of a Respondent's answer, the Office of Hearing Officers shall promptly send written notice of the receipt of such answer to all Parties.

(b) Content, Affirmative Defenses

Unless otherwise ordered by the Hearing Officer, an answer shall specifically admit, deny, or state that the Respondent does not have and is unable to obtain sufficient information to admit or deny, each allegation in the complaint. When a Respondent intends to deny only part of an allegation, the Respondent shall specify so much of it as is admitted and deny only the remainder. A statement of lack of information shall be deemed a denial. Any allegation not denied in whole or in part shall be deemed admitted. Any affirmative defense shall be asserted in the answer.

(c) Motion for More Definite Statement

A Respondent may file with an answer a motion for a more definite statement of specified matters of fact or law to be considered or determined. Such motion shall state why each such matter of fact or law should be required to be made more definite. If the motion is granted, the order granting such motion shall set the periods for filing such a statement and any answer thereto.

(d) Amendments to Answer

Upon motion by a Respondent, the Hearing Officer may, after considering good cause shown by the Respondent and any unfair prejudice which may result to any other Party, permit an answer to be amended.

(e) Extension of Time to Answer Amended Complaint

If a complaint is amended pursuant to Rule 9212(b), the time for filing an answer or amended answer shall be the greater of the original time period within which the Respondent is required to respond, or 14 days after service of the amended complaint. If any Respondent has already filed an answer, such Respondent shall have 14 days after service of the amended complaint, unless otherwise ordered by the Hearing Officer, within which to file an amended answer.

(f) Failure to Answer, Default

If a Respondent does not file an answer or make any other filing or request related to the complaint with the Office of Hearing Officers within the time required, the Nasdaq Regulation Department or the Department of Enforcement shall send a second notice to such Respondent requiring an answer within 14 days after service of the second notice. The second notice shall state that failure of the Respondent to reply within the period specified shall allow the Hearing Officer, in the exercise of his or her discretion, pursuant to Rule 9269 to: (1) treat as admitted by the Respondent the allegations in the complaint; and (2) issue a default decision against the Respondent. If the Respondent fails to file an answer with the Office of Hearing Officers within the time required, the Hearing Officer may issue a default decision against the Respondent pursuant to Rule 9269.


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Nasdaq Stock Market Rules, Regulation, 9216., Nasdaq, Acceptance, Waiver, and Consent; Plan Pursuant to SEC Rule 19d-1(c)(2)

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(a) Acceptance, Waiver, and Consent Procedures

(1) Notwithstanding Rule 9211, if the Nasdaq Regulation Department or the Department of Enforcement has reason to believe a violation has occurred and the member or associated person does not dispute the violation, the Nasdaq Regulation Department or the Department of Enforcement may prepare and request that the member or associated person execute a letter accepting a finding of violation, consenting to the imposition of sanctions, and agreeing to waive such member's or associated person's right to a hearing before a Hearing Panel or, if applicable, an Extended Hearing Panel, and any right of appeal to the Nasdaq Review Council, the Commission, and the courts, or to otherwise challenge the validity of the letter, if the letter is accepted. The letter shall describe the act or practice engaged in or omitted, the rule, regulation, or statutory provision violated, and the sanction or sanctions to be imposed. Unless the letter states otherwise, the effective date of any sanction(s) imposed will be a date to be determined by Nasdaq Regulation Department staff.

(2) (A) If a member or person associated with a member submits an executed letter of acceptance, waiver, and consent, by the submission such member or person associated with a member also waives:

(i) any right of such member or person associated with a member to claim bias or prejudgment of the Chief Regulatory Officer, the Nasdaq Review Council, or any member of the Nasdaq Review Council, in connection with such person's or body's participation in discussions regarding the terms and conditions of the letter of acceptance, waiver, and consent, or other consideration of the letter of acceptance, waiver, and consent, including acceptance or rejection of such letter of acceptance, waiver, and consent; and

(ii) any right of such member or person associated with a member to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of the letter of acceptance, waiver, and consent, or other consideration of the letter of acceptance, waiver, and consent, including acceptance or rejection of such letter of acceptance, waiver, and consent.

(B) If a letter of acceptance, waiver, and consent is rejected, the member or associated person shall be bound by the waivers made under subparagraphs (a)(1) and (a)(2)(A) for conduct by persons or bodies occurring during the period beginning on the date the letter of acceptance, waiver, and consent was executed and submitted and ending upon the rejection of the letter of acceptance, waiver, and consent.

(3) If the member or associated person executes the letter of acceptance, waiver, and consent, it shall be submitted to the Nasdaq Review Council. The Review Subcommittee or the Office of Disciplinary Affairs may accept such letter or refer it to the Nasdaq Review Council for acceptance or rejection by the Nasdaq Review Council. The Review Subcommittee may reject such letter or refer it to the Nasdaq Review Council for acceptance or rejection by the Nasdaq Review Council.

(4) If the letter is accepted by the Nasdaq Review Council, the Review Subcommittee, or the Office of
Disciplinary Affairs, it shall be deemed final and shall constitute the complaint, answer, and decision in the matter. If the letter is rejected by the Review Subcommittee or the Nasdaq Review Council, the Nasdaq Regulation Department may take any other appropriate disciplinary action with respect to the alleged violation or violations. If the letter is rejected, the member or associated person shall not be prejudiced by the execution of the letter of acceptance, waiver, and consent under subparagraph (a)(1) and the letter may not be introduced into evidence in connection with the determination of the issues set forth in any complaint or in any other proceeding.

(b) Procedure for Violation Under Plan Pursuant to SEC Rule 19d-1(c)(2)

(1) Notwithstanding Rule 9211, the Nasdaq Review Council may, subject to the requirements set forth in subparagraphs (b)(2) through (b)(4) and in SEC Rule 19d-1(c)(2), impose a fine (not to exceed $2,500) and/or a censure on any member or associated person with respect to any rule listed in IM-9216. If the Nasdaq Regulation Department or the Department of Enforcement has reason to believe a violation has occurred and if the member or associated person does not dispute the violation, the Nasdaq Regulation Department or the Department of Enforcement may prepare and request that the member or associated person execute a minor rule violation plan letter accepting a finding of violation, consenting to the imposition of sanctions, and agreeing to waive such member's or associated person's right to a hearing before a Hearing Panel or, if applicable, an Extended Hearing Panel, and any right of appeal to the Nasdaq Review Council, the Commission, and the courts, or to otherwise challenge the validity of the letter, if the letter is accepted. The letter shall describe the act or practice engaged in or omitted, the rule, regulation, or statutory provision violated, and the sanction or sanctions to be imposed. Unless the letter states otherwise, the effective date of any sanction(s) imposed will be a date to be determined by Nasdaq Regulation Department staff.

(2) (A) If a member or person associated with a member submits an executed minor rule violation plan letter, by the submission such member or person associated with a member also waives:

(i) any right of such member or person associated with a member to claim bias or prejudgment of the Chief Regulatory Officer, the Nasdaq Review Council, or any member of the Nasdaq Review Council, in connection with such person's or body's participation in discussions regarding the terms and conditions of the minor rule violation plan letter or other consideration of the minor rule violation plan letter, including acceptance or rejection of such minor rule violation plan letter; and

(ii) any right of such member or person associated with a member to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of the minor rule violation plan letter or other consideration of the minor rule violation plan letter, including acceptance or rejection of such minor rule violation plan letter.

(B) If a minor rule violation plan letter is rejected, the member or person associated with a member shall be bound by the waivers made under subparagraphs (b)(1) and (b)(2)(A) for conduct by persons or bodies occurring during the period beginning on the date the minor rule violation plan letter was executed and submitted and ending upon the rejection of the minor rule violation plan letter.

(3) If the member or associated person executes the minor rule violation plan letter, it shall be submitted to the Nasdaq Review Council. The Review Subcommittee or the Office of Disciplinary Affairs may accept such letter or refer it to the Nasdaq Review Council for acceptance or rejection by the Nasdaq Review Council. The Review Subcommittee may reject such letter or refer it to the Nasdaq Review Council for acceptance or rejection by the Nasdaq Review Council.
(4) If the letter is accepted by the Nasdaq Review Council, the Review Subcommittee, or the Office of Disciplinary Affairs, it shall be deemed final and Nasdaq shall report the violation to the Commission as required by the Commission pursuant to a plan approved under SEC Rule 19d-1(c)(2). If the letter is rejected by the Review Subcommittee or the Nasdaq Review Council, the Nasdaq Regulation Department may take any other appropriate disciplinary action with respect to the alleged violation or violations. If the letter is rejected, the member or associated person shall not be prejudiced by the execution of the minor rule violation plan letter under subparagraph (b)(1) and the letter may not be introduced into evidence in connection with the determination of the issues set forth in any complaint or in any other proceeding.

Nasdaq Stock Market Rules, Regulation, IM-9216., Nasdaq, Violations Appropriate for Disposition Under Plan Pursuant to SEC Rule 19d-1(c)(2)

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- **Rules 2210** and **2211** and **IM-2210-1**, - **2210-4** — Communications with the public.
- **Rule 3360** — Failure to timely file reports of short positions on Form NS-1.
- **Rule 3110** — Failure to keep and preserve books, accounts, records, memoranda, and correspondence in conformance with all applicable laws, rules, regulations and statements of policy promulgated thereunder, and with the Rules of Nasdaq.
- **Rule 8211** — Failure to submit trading data as requested.
- **Rule 1013** — Failure to timely submit amendments to Form BD.
- **General 4, Section 1.1210.12** — Failure to timely submit amendments to Form U4.
- **Rule 1013** — Failure to timely submit amendments to Form U5.
- **General 4, Section 1.1240** — Failure to comply with the Firm Element of the continuing education requirements.
- **Rule 3010(b)** — Failure to timely file reports pursuant to the Taping Rule.
- **Rule 3070** — Failure to timely file reports.
- **Rule 4619(e)** — Failure to timely file notifications pursuant to SEC Regulation M.
- **Rules 6954** and **6955** — Failure to submit data in accordance with the Order Audit Trail System ("OATS").
- **Rule 11870** — Failure to abide by Customer Account Transfer Contracts.
- **Failure to provide or update contact information as required by Nasdaq Rules.**
- **Nasdaq Options Market Rules, Chapter X, Section 7 – Penalty for Minor Rule Violations for Options Trading**
- **SEC Exchange Act Rule 604** — Failure to properly display limit orders.
- **SEC Exchange Act Rule 605(b)(5)** — Failure to properly update published quotations in certain Electronic Communication Networks ("ECNs").
- **SEC Exchange Act Rule 17a-5** — Failure to timely file FOCUS reports and annual audit reports.
- **SEC Exchange Act Rule 17a-10** — Failure to timely file Schedule I.


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(a) Respondent Request for Hearing

With the filing of any Respondent's answer, such Respondent may:

1. request a hearing; and
2. propose an appropriate location for the hearing.

If a Respondent requests a hearing, a hearing shall be granted. A Respondent who fails to request a hearing with the filing of his or her answer waives the right to a hearing unless a Hearing Officer, Hearing Panel, or, if applicable, an Extended Hearing Panel, grants, for good cause shown, a later filed motion by such Respondent requesting a hearing.

(b) Hearing Officer Order Requiring Hearing

In the absence of a request for a hearing from any Respondent, the Hearing Officer may order any complaint set down for hearing.

(c) Authority of Hearing Panel, Extended Hearing Panel to Order Hearing

If all Respondents waive a hearing, and the Hearing Officer does not order a hearing on his or her own motion, the Hearing Panel or, if applicable, the Extended Hearing Panel, may order a hearing or may consider the matter on the record, as defined in Rule 9267. If fewer than all Respondents waive a hearing, the Hearing Officer, the Hearing Panel, or, if applicable, the Extended Hearing Panel, may, in the exercise of its discretion, order that a hearing be held as to all Respondents. Alternatively, the Hearing Officer, the Hearing Panel, or, if applicable, the Extended Hearing Panel, may conduct a hearing as to only those Respondents who requested a hearing and consider the matter on the record as to those Respondents who waived a hearing.

(d) Notice of Hearing

The Hearing Officer shall issue a notice stating the date, time, and place of the hearing, and whether the hearing shall be held before a Hearing Panel or an Extended Hearing Panel, and shall serve such notice on the Parties at least 28 days before the hearing, unless:

1. in the discretion of the Hearing Officer, he or she determines that extraordinary circumstances require a shorter notice period; or
2. the Parties waive the notice period.

Nasdaq Stock Market Rules, Regulation, 9222., Nasdaq, Extensions of Time, Postponements, and Adjournments

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(a) Availability
At any time prior to the issuance of the decision of the Hearing Panel or, if applicable, the Extended Hearing Panel, the Hearing Officer may, for good cause shown, extend or shorten any time limits prescribed by the Code for the filing of any papers and may, consistent with paragraph (b), postpone or adjourn any hearing.

(b) Limitations on Postponements, Adjournments, and Extensions
A hearing shall begin at the time and place ordered, unless the Hearing Officer, for good cause shown, changes the place of the hearing, postpones the commencement of the hearing, or adjourns a convened hearing for a reasonable period of time, subject to the limitations in subparagraph (b)(2).

(1) Additional Considerations
In considering a motion for the postponement of the start of a hearing or, adjournment once a hearing has begun, the Hearing Officer shall consider:

(A) the length of the proceeding to date;
(B) the number of postponements, adjournments, or extensions already granted;
(C) the stage of the proceedings at the time of the request;
(D) potential harm to the investing public if an extension of time, adjournment, or postponement is granted; and
(E) such other matters as justice may require.

(2) Time Limit
Postponements, adjournments, or extensions of time for filing papers shall not exceed 28 days unless the Hearing Officer states on the record or provides by written order the reasons a longer period is necessary.


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Nasdaq Stock Market Rules, Regulation, 9230., Nasdaq, Appointment of Hearing Panel, Extended Hearing Panel

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Nasdaq Stock Market Rules, Regulation, 9231., Nasdaq, Appointment by the Chief Hearing Officer of Hearing Panel or Extended Hearing Panel or Replacement Hearing Officer

(a) Appointment
The Chief Hearing Officer shall appoint a Hearing Panel or an Extended Hearing Panel to conduct the disciplinary proceeding and issue a decision.

(b) Hearing Panel
The Hearing Panel shall be composed of a Hearing Officer and two Panelists, except as provided in paragraph (e) and in Rule 9234(a), (c), (d), or (e). The Hearing Officer shall serve as the chair of the Hearing Panel. Each Panelist shall be associated with a member of Nasdaq or retired therefrom.

(1) The Chief Hearing Officer shall select as a Panelist a person who:

(A) previously served on the Nasdaq Review Council;

(B) previously served on a disciplinary subcommittee of the Nasdaq Review Council, including a Subcommittee, an Extended Proceeding Committee, or their predecessor subcommittees;

(C) previously served as a Director, but does not serve currently in that position;

(D) is a FINRA Panelist approved by the Nasdaq Board at least annually, including a person who previously served on the Market Regulation Committee not earlier than four years before the date the complaint was served upon the Respondent who was the first served Respondent in the disciplinary proceeding for which the Hearing Panel or the Extended Hearing Panel is being appointed, or from other sources the Board deems appropriate given the responsibilities of Panelists.

(c) Extended Hearing Panel
Upon consideration of the complexity of the issues involved, the probable length of the hearing, or other factors that the Chief Hearing Officer deems material, the Chief Hearing Officer may determine that a matter shall be designated an Extended Hearing, and that such matter shall be considered by an Extended Hearing Panel. The Extended Hearing Panel shall be composed of a Hearing Officer and two Panelists, except as provided in Rule 9234(a), (c), (d), or (e). The Hearing Officer will serve as the chair of the Extended Hearing Panel. The Panelists shall be associated with a member of Nasdaq, or retired therefrom. The Chief Hearing Officer shall have discretion to compensate any or all Panelists of an Extended Hearing Panel at the rate then in effect for arbitrators appointed under FINRA Rule 12000 and 13000 Series. The Chief Hearing Officer shall select as a Panelist a person who meets the criteria set forth in paragraph (b)(1).

(d) Observer
A person who is qualified to serve as a Panelist may be designated by the Chief Hearing Officer to serve as an observer to a Hearing Panel or an Extended Hearing Panel. If the Chief Hearing Officer designates more than two people to serve as observers to a Hearing Panel or an Extended Hearing Panel, the Chief Hearing Officer shall obtain the consent of the Parties. An observer may attend any hearing of a disciplinary proceeding and observe the proceeding, but may not vote or participate in any other manner in the hearing or the deliberations of the Hearing Panel or the Extended Hearing Panel, or participate in the administration of the disciplinary proceeding.

(e) Appointment of Replacement Hearing Officer
In the event that a Hearing Officer withdraws, is incapacitated, or otherwise is unable to continue service after being appointed, the Chief Hearing Officer shall appoint a replacement Hearing Officer. To ensure fairness to the parties and expedite completion of the proceeding when a replacement Hearing Officer is appointed after the hearing has commenced, the replacement Hearing Officer has discretion to exercise the following powers:

(1) Allow the Hearing Panelists to resolve the issues in the proceeding and issue a decision without the participation of the replacement Hearing Officer in the decision. The replacement Hearing Officer may advise the Hearing Panelists regarding legal issues, and shall exercise the powers of the Hearing Officer under Rule 9235(a), including preparing and signing the decision on behalf of the Hearing Panel, in accordance with Rule 9268; or

(2) Certify familiarity with the record and participate in the resolution of the issues in the case and in the issuance of the decision. In exercising this power, the replacement Hearing Officer may recall any witness before the Hearing Panel.


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The Chief Hearing Officer shall select Panelists from the categories of persons eligible to serve as Panelists as set forth in Rule 9231(b)(1)(A) through (D) based upon the following criteria:

(K) expertise;
(L) the absence of any conflict of interest or bias, and any appearance thereof;
(M) availability; and,
(N) the frequency with which a person has served as a Panelist on a Hearing Panel or an Extended Hearing Panel during the past two years, favoring the selection of a person as a Panelist who has never served or served infrequently as a Panelist during the period.

Recusal, Withdrawal of Hearing Officer
If at any time a Hearing Officer determines that he or she has a conflict of interest or bias or circumstances otherwise exist where his or her fairness might reasonably be questioned, the Hearing Officer shall notify the Chief Hearing Officer and the Chief Hearing Officer shall issue and serve on the Parties a notice stating that the Hearing Officer has withdrawn from the matter. In the event that a Hearing Officer withdraws, is incapacitated, or otherwise is unable to continue service after being appointed, the Chief Hearing Officer shall appoint a replacement Hearing Officer. In such a case, the replacement Hearing Officer shall proceed according to Rule 9231(e).

Motion for Disqualification
A Party may move for the disqualification of a Hearing Officer. A motion shall be based upon a reasonable, good faith belief that a conflict of interest or bias exists or circumstances otherwise exist where the Hearing Officer's fairness might reasonably be questioned, and shall be accompanied by an affidavit setting forth in detail the facts alleged to constitute grounds for disqualification, and the dates on which the Party learned of those facts. Such motions shall be filed not later than 15 days after the later of:

1. when the Party learned of the facts believed to constitute the disqualification; or
2. when the Party was notified of the assignment of the Hearing Officer.

Disposition of Disqualification Motion
A motion for disqualification of a Hearing Officer shall be decided by the Chief Hearing Officer who shall promptly investigate whether disqualification is required and issue a written ruling on the motion. In the event of a disqualification of the Hearing Officer, the Chief Hearing Officer shall appoint a replacement Hearing Officer.


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Nasdaq Stock Market Rules, Regulation, 9234., Nasdaq, Hearing Panel or Extended Hearing Panel: Recusal and Disqualification of Panelists

(a) Recusal, Withdrawal of Panelist
If at any time a Panelist of a Hearing Panel or an Extended Hearing Panel determines that he or she has a conflict of interest or bias or circumstances otherwise exist where his or her fairness might reasonably be questioned, the Panelist shall notify the Hearing Officer and the Hearing Officer shall issue and serve on the Parties a notice stating that the Panelist has withdrawn from the matter. In the event that a Panelist withdraws, is incapacitated, or otherwise is unable to continue service after being appointed, the Chief Hearing Officer may, in the exercise of discretion, determine whether to appoint a replacement Panelist. In the event that both Panelists withdraw, are incapacitated, or otherwise are unable to continue service after being appointed, the Chief Hearing Officer shall appoint two replacement Panelists.

(b) Disqualification: Motion of Party; Order of Chief Hearing Officer

(1) A Party may file a motion to disqualify a Panelist of a Hearing Panel or an Extended Hearing Panel. A motion shall be based upon a reasonable, good faith belief that a conflict of interest or bias exists or circumstances otherwise exist where the Panelist’s fairness might reasonably be questioned, and shall be accompanied by an affidavit setting forth in detail the facts alleged to constitute grounds for disqualification, and the dates on which the Party learned of those facts.

(2) Such motions shall be filed not later than 15 days after the later of:

(A) when the Party learned of the facts believed to constitute the disqualification; or

(B) when the Party was notified of the appointment of the Panelist.

(3) The Chief Hearing Officer may order the disqualification of a Panelist of a Hearing Panel or an Extended Hearing Panel if the Chief Hearing Officer determines that a conflict of interest or bias exists or circumstances otherwise exist where the Panelist’s fairness might reasonably be questioned, and shall state the facts constituting the grounds for disqualification.

(c) Disposition of Disqualification Motion: Challenge to Single Member of Hearing Panel
If a Party files a motion to disqualify a Panelist of a Hearing Panel or an Extended Hearing Panel, the Hearing Officer shall promptly investigate whether disqualification is required and shall issue a written ruling on the motion. In the event a Panelist is disqualified, the Chief Hearing Officer may, in the exercise of discretion, appoint a replacement Panelist.

(d) Disposition of Disqualification Motion: Challenge to Both Panelists of Hearing Panel or Extended Hearing Panel
If a Party files a motion to disqualify both Panelists of a Hearing Panel or an Extended Hearing Panel, the Hearing Officer shall promptly investigate whether disqualification is required and shall issue a written ruling on the motion. In the event one Panelist is disqualified, the Chief Hearing Officer may, in the exercise of discretion, appoint a replacement Panelist. In the event both Panelists are disqualified, the Chief Hearing Officer shall promptly appoint two persons as replacement Panelists.

(e) Disposition of Disqualification Motion: Challenge to Both Panelists of Hearing Panel or Extended Hearing Panel and Hearing Officer
If a Party files a motion to disqualify both Panelists of a Hearing Panel or an Extended Hearing Panel, and the
Hearing Officer, the Chief Hearing Officer shall promptly investigate whether disqualification is required and shall issue a written ruling on the motion. In the event a Panelist is disqualified, the Chief Hearing Officer may, in the exercise of discretion, appoint a replacement Panelist. In the event both Panelists are disqualified, the Chief Hearing Officer shall promptly appoint two persons as replacement Panelists. In the event a Hearing Officer and a Panelist are disqualified, the Chief Hearing Officer shall promptly appoint a replacement Hearing Officer. In the event both Panelists and the Hearing Officer are disqualified, the Chief Hearing Officer shall promptly appoint a replacement Hearing Officer and two persons as replacement Panelists.

(f) Criteria for Replacement Panelist

If the Chief Hearing Officer appoints a replacement Panelist by operation of this Rule, the Chief Hearing Officer shall do so using the criteria set forth in Rule 9232.

Nasdaq Stock Market Rules, Regulation, 9235., Nasdaq, Hearing Officer Authority

(a) Hearing Officer Authority
The Hearing Officer shall be selected by the Chief Hearing Officer and shall have authority to do all things necessary and appropriate to discharge his or her duties. In addition to the powers exercised by all members of the Hearing Panel or, if applicable, the Extended Hearing Panel, the powers of the Hearing Officer include, but are not limited to:

1. holding pre-hearing and other conferences and requiring the attendance at any such conference of at least one representative of each Party who has authority to negotiate the resolution of issues in controversy;

2. regulating the course of the hearing;

3. ordering the Parties to present oral arguments at any stage of the disciplinary proceeding;

4. resolving any and all procedural and evidentiary matters, discovery requests, and other non-dispositive motions, subject to any limitations set forth elsewhere in the Code;

5. reopening any hearing, upon notice to all Parties, prior to the issuance of the decision of the Hearing Panel or, if applicable, the Extended Hearing Panel;

6. creating and maintaining the official record of the disciplinary proceeding; and

7. drafting a decision that represents the views of the majority of the Hearing Panel or, if applicable, the Extended Hearing Panel.

(b) Authority in the Absence of Hearing Officer
If the Hearing Officer appointed to a case is temporarily unavailable or unable for any reason to discharge his or her duties in a particular proceeding under conditions not requiring the appointment of a replacement Hearing Officer, the Chief Hearing Officer or the Deputy Chief Hearing Officer in his or her discretion may exercise the necessary authority in the same manner as if he or she had been appointed Hearing Officer in the particular proceeding.


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Nasdaq Stock Market Rules, Regulation, 9241., Nasdaq, Pre-Hearing Conference

(a) Purposes
The purposes of a pre-hearing conference include, but are not limited to:

1. expediting the disposition of the proceeding;
2. establishing procedures to manage the proceeding efficiently; and
3. improving the quality of the hearing through more thorough preparation.

(b) Procedure
On his or her own motion or at the request of a Party, the Hearing Officer may, in his or her discretion, order counsel or any Party to meet for a pre-hearing conference. Such conferences also may be held with one or more persons participating by telephone or other remote means.

(c) Subjects to be Discussed
At a pre-hearing conference, the Hearing Officer shall schedule an expedited proceeding as required by Rule 9290, and may consider and take action with respect to any or all of the following:

1. simplification and clarification of the issues;
2. exchange of witness and exhibit lists and copies of exhibits;
3. stipulations, admissions of fact, and stipulations concerning the contents, authenticity, or admissibility into evidence of documents;
4. matters of which official notice may be taken;
5. the schedule for exchanging pre-hearing motions or briefs, if any;
6. the method of service and filing of papers by the Parties;
7. determination of hearing dates;
8. amendments to the complaint or answers thereto;
9. production of documents as set forth in Rule 9251; and
10. such other matters as may aid in the orderly and expeditious disposition of the proceeding.

(d) Scheduling
An initial pre-hearing conference, unless determined by the Hearing Officer to be unnecessary or premature, shall be held within 21 days after filing of an answer, or after the expiration of the second period provided for filing an answer as set forth in Rule 9215(f). When a complaint names multiple Respondents, the 21-day period shall commence from the later of (i) the date on which the last timely answer was filed, or (ii) if one or more Respondents have failed to answer, from the expiration of the second period provided for filing an answer under Rule 9215(f).

(e) Pre-hearing Order
At or following the conclusion of any conference held pursuant to this Rule, the Hearing Officer shall enter a
written ruling or order that recites any agreements reached and any procedural determinations made by the Hearing Officer.

(f) Failure to Appear: Default

The Hearing Officer may issue a default decision, pursuant to Rule 9269, against a Party that fails to appear, in person or through counsel or a representative, at a pre-hearing conference of which the Party has been due notice.

Nasdaq Stock Market Rules, Regulation, 9242., Nasdaq, Pre-Hearing Submission

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(a) Requirement to Furnish Information

Prior to a hearing before a Hearing Panel or, if applicable, an Extended Hearing Panel, the Hearing Officer, in the exercise of his or her discretion, may order a Party to furnish to all other Parties and the Hearing Panel or, if applicable, the Extended Hearing Panel, such information as deemed appropriate, including any or all of the following:

1. an outline or narrative summary of a Party's case or defense;
2. the legal theories upon which a Party shall rely;
3. a list and copies of documents that a Party intends to introduce at the hearing;
4. a list of witnesses who shall testify on a Party's behalf, including the witnesses' names, occupations, addresses, and a brief summary of their expected testimony; and,
5. if a witness shall be called to testify as an expert, a statement of the expert's qualifications, a listing of other proceedings in which the expert has given expert testimony, a list of the expert's publications, and copies of those publications that are not readily available to the other Parties and the Hearing Panel or, if applicable, the Extended Hearing Panel.

Nasdaq Stock Market Rules, Regulation, 9250., Nasdaq, Discovery

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Nasdaq Stock Market Rules, Regulation, 9251., Nasdaq, Inspection and Copying of Documents in Possession of Staff

(a) Documents to be Available for Inspection and Copying

(1) Unless otherwise provided by this Rule, or by order of the Hearing Officer, the Nasdaq Regulation Department or the Department of Enforcement shall make available for inspection and copying by any Respondent, Documents prepared or obtained by Interested Staff in connection with the investigation that led to the institution of proceedings. Such Documents include but are not limited to:

(A) requests for information issued pursuant to Rule 8210;
(B) every other written request directed to persons not employed by Nasdaq to provide Documents or to be interviewed;
(C) the Documents provided in response to any such requests described in (A) and (B) above;
(D) all transcripts and transcript exhibits; and
(E) all other Documents obtained from persons not employed by Nasdaq.

(2) The Nasdaq Regulation Department or the Department of Enforcement shall promptly inform the Hearing Officer and each other Party if, after the issuance of a complaint, requests for information under Rule 8210 are issued under the same investigative file number under which the investigation leading to the institution of disciplinary proceedings was conducted. If Interested Staff receives Documents pursuant to a request for information under Rule 8210 after Documents have been made available to a Respondent for inspection and copying as set forth in paragraph (a), and if such Documents are material and relevant to the disciplinary proceeding in which such Respondent is a Party, the additional Documents shall be made available to the Respondent not later than 14 days after the Interested Staff receives such Documents. If a hearing on the merits is scheduled to begin, Interested Staff shall make the additional Documents available to the Respondent not less than ten days before the hearing. If Interested Staff receives such Documents ten or fewer days before a hearing on the merits is scheduled to begin or after such hearing begins, Interested Staff shall make the additional Documents available immediately to the Respondent.

(3) Nothing in subparagraph (a)(1) shall limit the discretion of the Nasdaq Regulation Department or the Department of Enforcement to make available any other Document or the authority of the Hearing Officer to order the production of any other Document.

(b) Documents That May Be Withheld

(1) The Nasdaq Regulation Department or the Department of Enforcement may withhold a Document if:

(A) the Document is privileged or constitutes attorney work product;
(B) the Document is an examination or inspection report, an internal memorandum, or other note or writing prepared by a Nasdaq employee that shall not be offered in evidence;
(C) the Document would disclose (i) an examination, investigatory or enforcement technique or guideline of Nasdaq, a federal, state, or foreign regulatory authority, or any self-regulatory organization; (ii) the identity of a source, including a federal, state, or foreign regulatory authority or a self-regulatory
organization that furnished information or was furnished information on a confidential basis regarding an investigation, an examination, an enforcement proceeding, or any other type of civil or criminal enforcement action; or (iii) an examination, an investigation, an enforcement proceeding, or any other type of civil or criminal enforcement action under consideration by, or initiated by Nasdaq, a federal, state, or foreign regulatory authority, or a self-regulatory organization; or

(D) the Hearing Officer grants leave to withhold a Document or category of Documents as not relevant to the subject matter of the proceeding, or for other good cause shown.

(2) Nothing in subparagraph (b)(1) authorizes the Nasdaq Regulation Department or the Department of Enforcement to withhold a Document, or a part thereof, that contains material exculpatory evidence.

(c) Withheld Document List
The Hearing Officer may require the Nasdaq Regulation Department or the Department of Enforcement to submit to the Hearing Officer a list of Documents withheld pursuant to subparagraphs (b)(1)(A) through (D) or to submit to the Hearing Officer any Document withheld. Upon review, the Hearing Officer may order the Nasdaq Regulation Department or the Department of Enforcement to make the list or any Document withheld available to the other Parties for inspection and copying. A motion to require the Nasdaq Regulation Department or the Department of Enforcement to produce a list of Documents withheld pursuant to paragraph (b) shall be based upon some reason to believe that a Document is being withheld in violation of the Code.

(d) Timing of Inspection and Copying
The Hearing Officer shall determine the schedule of production of documents pursuant to this Rule. Unless otherwise ordered by the Hearing Officer, the Nasdaq Regulation Department or the Department of Enforcement shall commence making Documents available to a Respondent for inspection and copying pursuant to this Rule not later than 21 days after service of the Respondent's answer or, if there are multiple Respondents, not later than 21 days after the last timely answer is filed. If a Respondent in a multi-Respondent case fails to answer, the Nasdaq Regulation Department or the Department of Enforcement shall make Documents available to all other Respondents not later than the later of:

(1) 21 days after the filing date of the last timely answer, or

(2) the expiration of the second period provided for filing an answer as set forth in Rule 9215(f).

(e) Place and Time of Inspection and Copying
Documents subject to inspection and copying pursuant to this Rule shall be made available to the Respondent for inspection and copying at the Nasdaq office where they are ordinarily maintained, or at such other location as the Hearing Officer, in his or her discretion, shall designate, or as the Parties otherwise agree. A Respondent shall be given access to the Documents during normal business hours. A Respondent shall not be given custody of or be permitted to remove the Documents.

(f) Copying Costs
A Respondent may obtain a photocopy of all Documents made available for inspection. A Respondent shall be responsible for the cost of photocopying. Unless otherwise ordered, charges for copies made at the request of a Respondent shall be at a rate to be established by the Nasdaq.

(g) Failure to Make Documents Available — Harmless Error
In the event that a Document required to be made available to a Respondent pursuant to this Rule is not made available by the Nasdaq Regulation Department or the Department of Enforcement, no rehearing or amended decision of a proceeding already heard or decided shall be required unless the Respondent
establishes that the failure to make the Document available was not harmless error. The Hearing Officer, or, upon appeal or review, a Subcommittee, an Extended Proceeding Committee, or the Nasdaq Review Council, shall determine whether the failure to make the document available was not harmless error.

Nasdaq Stock Market Rules, Regulation, 9252., Nasdaq, Requests for Information

(a) Content and Timing of Requests
A Respondent who requests that Nasdaq invoke Rule 8210 to compel the production of Documents or testimony at the hearing shall do so in writing and serve copies on all Parties. Such request shall: be submitted to the Hearing Officer no later than 21 days before the scheduled hearing date; describe with specificity the Documents, the category or type of Documents, or the testimony sought; state why the Documents, the category or type of Documents, or the testimony are material; describe the requesting Party's previous efforts to obtain the Documents, the category or type of Documents, or the testimony through other means; and state whether the custodian of each Document, or the custodian of the category or type of Documents, or each proposed witness is subject to Nasdaq's jurisdiction.

(b) Standards for Issuance
A request that the Nasdaq Regulation Department compel the production of Documents or testimony shall be granted only upon a showing that: the information sought is relevant, material, and non-cumulative; the requesting Party has previously attempted in good faith to obtain the desired Documents and testimony through other means but has been unsuccessful in such efforts; and each of the persons from whom the Documents and testimony are sought is subject to Nasdaq's jurisdiction. In addition, the Hearing Officer shall consider whether the request is unreasonable, oppressive, excessive in scope, or unduly burdensome, and whether the request should be denied, limited, or modified.

(c) Limitations on Requests
If, after consideration of all the circumstances, the Hearing Officer determines that a request submitted pursuant to this Rule is unreasonable, oppressive, excessive in scope, or unduly burdensome, he or she shall deny the request, or grant it only upon such conditions as fairness requires. In making the foregoing determination, the Hearing Officer may inquire of the other Parties whether they shall stipulate to the facts sought to be proved by the Documents or testimony sought. If the Hearing Officer grants the request, the Hearing Officer shall order that requested Documents be produced to all Parties not less than ten days before the hearing, and order that witnesses whose testimony was requested appear and testify at the hearing. If the Hearing Officer grants the request ten or fewer days before a hearing on the merits is scheduled to begin or after such hearing begins, the Documents or testimony shall be produced immediately to all Parties.


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Nasdaq Stock Market Rules, Regulation, 9253., Nasdaq, Production of Witness Statements

(a) Availability
Notwithstanding the provisions of Rule 9251(b),

(1) A Respondent in a disciplinary proceeding may file a motion requesting that the Nasdaq Regulation Department or the Department of Enforcement produce for inspection and copying any statement of any person called or to be called as a witness by the Nasdaq Regulation Department or the Department of Enforcement that pertains, or is expected to pertain, to his or her direct testimony and which is “a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantially verbatim recital of an oral statement made by said witness and recorded contemporaneously with the making of such oral statement,” as that phrase is used in 18 U.S.C. § 3500(e)(2).

(2) A Respondent in a disciplinary proceeding may also file a motion requesting that the Nasdaq Regulation Department or the Department of Enforcement produce for inspection and copying any contemporaneously written statement made by an Interested Staff member during a routine examination or inspection about the substance of oral statements made by a non-Nasdaq person when (a) either the Interested Staff member or non-Nasdaq person is called as a witness by the Nasdaq Regulation Department or the Department of Enforcement, and (b) that portion of the statement for which production is sought directly relates to the Interested Staff member’s testimony or the testimony of the non-Nasdaq witness.

(b) Failure to Produce — Harmless Error
In the event that a statement required to be made available for inspection and copying by a Respondent is not provided by the Nasdaq Regulation Department or the Department of Enforcement, there shall be no rehearing of a proceeding already heard, or issuance of an amended decision in a proceeding already decided, unless the Respondent establishes that the failure to provide the statement was not harmless error. The Hearing Officer, or upon appeal or review, a Subcommittee, an Extended Proceeding Committee, or the Nasdaq Review Council, shall determine whether the failure to provide any statement was not harmless error.

Nasdaq Stock Market Rules, Regulation, 9260., Nasdaq, Hearing and Decision

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Nasdaq Stock Market Rules, Regulation, 9261., Nasdaq, Evidence and Procedure in Hearing

(a) Submission of Documentary Evidence and List of Witnesses Before Hearing

No later than ten days before the hearing, or at such earlier date as may be specified by the Hearing Officer, each Party shall submit to all other Parties and to the Hearing Officer copies of documentary evidence and the names of the witnesses each Party intends to present at the hearing.

(b) Party's Right to Be Heard

If a hearing is held, a Party shall be entitled to be heard in person, by counsel, or by the Party's representative.

(c) Request to Submit Additional Evidence

Notwithstanding paragraph (a), a Party, for good cause shown, may seek to submit any additional evidence at the hearing as the Hearing Officer, in his or her discretion, determines may be relevant and necessary for a complete record.

A person who is subject to the jurisdiction of Nasdaq shall testify under oath or affirmation. The oath or affirmation shall be administered by a court reporter or a notary public.


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Nasdaq Stock Market Rules, Regulation, 9263., Nasdaq, Evidence: Admissibility

(a) Criteria for Receiving and Excluding Evidence
The Hearing Officer shall receive relevant evidence, and may exclude all evidence that is irrelevant, immaterial, unduly repetitious, or unduly prejudicial.

(b) Objections
Objections to the admission or exclusion of evidence shall be made on the record and shall succinctly state the grounds relied upon. Excluded material shall be deemed a supplemental document, which shall be attached to the record and retained under Rule 9267.


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Nasdaq Stock Market Rules, Regulation, 9264., Nasdaq, Motion for Summary Disposition

(a) Pre-hearing
After a Respondent’s answer has been filed and Documents have been made available to that Respondent for inspection and copying pursuant to Rule 9251, the Respondent or the Nasdaq Regulation Department or the Department of Enforcement, without leave of the Hearing Officer, may make a motion for summary disposition of any or all the causes of action in the complaint with respect to that Respondent, as well as any defense raised in a Respondent’s answer. All pre-hearing motions for summary disposition and supporting papers shall be filed at least 21 days before the time set for the hearing, or at such earlier time as ordered by the Hearing Officer. Notwithstanding the provisions of Rule 9146(d), any opposition or response to a pre-hearing motion for summary disposition shall be filed at least seven days before the time set for the hearing.

(b) After Commencement of Hearing on Merits
After a hearing on the merits has commenced, a Respondent or the Nasdaq Regulation Department or the Department of Enforcement may make a motion for summary disposition of any or all of the causes of action in the complaint with respect to that Respondent or defenses raised in that Respondent’s answer only with leave of the Hearing Officer.

(c) Case Not Fully Adjudicated on Motion
If on motion under this rule a decision is not rendered upon the whole case or for all the relief asked and a hearing is necessary, the Hearing Panel or, if applicable, the Extended Hearing Panel, at the hearing of the motion, by examining the pleadings and the evidence before it and by questioning counsel, shall, if practicable, ascertain what material facts exist without substantial controversy and what material facts are actually and in good faith controverted. It shall thereupon make an order specifying the facts that appear without substantial controversy, and directing such further proceedings in the action as are just. Upon the hearing of the action the facts so specified shall be deemed established, and the hearing shall be conducted accordingly.

(d) Form of Papers
A motion for summary disposition pursuant to paragraph (a) shall be accompanied by the following: a statement of undisputed facts; a supporting memorandum of points and authorities; and affidavits or declarations that set forth such facts as would be admissible at the hearing and show affirmatively that the affiant is competent to testify to the matters stated therein. A memorandum of points and authorities in support or opposition shall not exceed 35 pages.

(e) Rulings on Motion
The Hearing Officer may promptly deny or defer decisions on any motion for summary disposition, however, only the Hearing Panel or, if applicable, the Extended Hearing Panel, may grant a motion for summary disposition, except the Hearing Officer may grant motions for summary disposition with respect to questions of jurisdiction. The Hearing Panel or, if applicable, the Extended Hearing Panel, may grant the motion for summary disposition if there is no genuine issue with regard to any material fact and the Party that files the motion is entitled to summary disposition as a matter of law. If a Party files a motion under paragraph (a), the facts alleged in the pleadings of the Party against whom the motion is made shall be taken as true, except as modified by stipulations or admissions made by the non-moving Party, by uncontested affidavits or declarations, or by facts officially noticed pursuant to Rule 9145. If a Party opposing a motion for summary disposition made under paragraph (a) cannot present, by affidavit prior to the hearing, facts essential to justify the Party's opposition to the motion, the Hearing Panel or, if applicable, the Extended Hearing Panel, may deny the motion for summary disposition or defer the decision on the motion.
Nasdaq Stock Market Rules, Regulation, 9265., Nasdaq, Record of Hearing

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(a) Recordation
A hearing shall be recorded by a court reporter and a transcript shall be prepared. Unless otherwise ordered by a Hearing Officer, a pre-hearing conference shall be recorded by a court reporter and a transcript shall be prepared.

(b) Availability of a Transcript
A transcript of a pre-hearing conference and a transcript of a hearing shall be available to a Party for purchase from the court reporter at prescribed rates. A witness may purchase from the court reporter a transcript of his or her own testimony.

(c) Transcript Correction
Prior to the filing of post-hearing briefs or proposed findings and conclusions, or within such earlier time as ordered by the Hearing Officer, a Party or witness may seek to correct his or her transcript. A proposed correction of the transcript shall be submitted to the Hearing Officer by affidavit. Upon notice to all Parties to the disciplinary proceeding, the Hearing Officer may order the correction to the transcript as requested or sua sponte.


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(a) Discretion of Hearing Officer to Require Proposed Findings of Fact, Conclusions of Law, and Post-Hearing Briefs

At the discretion of the Hearing Officer, the Parties may be ordered to file proposed findings of facts and conclusions of law, or post-hearing briefs, or both. The Hearing Officer may order that such proposed findings and conclusions be filed together with, or as part of, post-hearing briefs.

(b) Reference to Record Required

Proposed findings of fact or other statements of fact in briefs shall be supported by specific references to the record.

(c) Period for Filing

In any case in which the Hearing Officer ordered the filing of proposed findings or conclusions of law, or post-hearing briefs, the Hearing Officer shall, after consultation with the Parties, prescribe the period within which proposed findings and conclusions of law and post-hearing briefs are to be filed. Such period shall be reasonable under all the circumstances but the total period allowed for the filing of post-hearing submissions shall not exceed 60 days after the conclusion of the hearing unless the Hearing Officer, for good cause shown, permits a different period and sets forth in an order the reasons why a longer period is necessary.

(d) Form, Length of Papers

Unless the Hearing Officer orders otherwise, each post-hearing submission shall not exceed 25 pages, exclusive of cover sheets, tables of contents, and tables of authorities.


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Nasdaq Stock Market Rules, Regulation, 9267., Nasdaq, Record; Supplemental Documents Attached to Record; Retention

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(a) Contents of the Record, Retention

The record shall consist of:

1. the complaint, answers, each notice of hearing, pre-hearing order, and any amendments thereto;
2. each application, motion, submission, and other paper, and any amendments, motions, objections, and exceptions to or regarding them;
3. each transcript of a pre-hearing conference and of a hearing, and each stipulation, transcript of testimony, Document, and other item admitted into evidence;
4. each written communication accepted at the discretion of the Hearing Officer;
5. with respect to a motion to disqualify a Hearing Officer under Rule 9233 or a Panelist under Rule 9234, each affidavit or transcript of testimony taken and the ruling made in connection with the request;
6. all proposed findings and conclusions;
7. each written ruling, order, and decision issued by the Chief Hearing Officer, Hearing Officer, Hearing Panel or, if applicable, Extended Hearing Panel; and,
8. any other Document or item accepted into the record by the Hearing Officer, the Hearing Panel or, if applicable, the Extended Hearing Panel.

(b) Supplemental Documents Attached To Record; Retention

(1) A supplemental Document attached to the record is any Document submitted to the Hearing Officer that did not become part of the record, including:

(A) a Document not admitted by the Hearing Officer, Hearing Panel or, if applicable, the Extended Hearing Panel;
(B) any matter stricken from any filing or stricken during an oral presentation, including any matter stricken from any filing or stricken during any oral presentation because the Adjudicator determined it was scandalous or impertinent as provided in Rule 9136(e); and
(C) a list of Documents, if any, that a Respondent unsuccessfully sought by motion to inspect and copy under Rule 9251(c).

(2) A supplemental Document attached to the record shall not constitute part of the record, but shall be retained until the date upon which Nasdaq's decision becomes final disciplinary action or, if applicable, upon the conclusion of any review by the Commission or the federal courts.

(c) Substitution of Copies

Parties may submit to the Hearing Officer for substitution a true copy of a Document in the record.


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Nasdaq Stock Market Rules, Regulation, 9268., Nasdaq, Decision of Hearing Panel or Extended Hearing Panel

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(a) Majority Decision
Within 60 days after the final date allowed for filing proposed findings of fact, conclusions of law, and post-hearing briefs, or by a date established at the discretion of the Chief Hearing Officer, the Hearing Officer shall prepare a written decision that reflects the views of the Hearing Panel or, if applicable, the Extended Hearing Panel, as determined by majority vote.

(b) Contents of Decision
The decision shall include:

(1) a statement describing the investigative or other origin of the disciplinary proceeding;

(2) the specific statutory or rule provisions that were alleged to have been violated;

(3) a statement setting forth the findings of fact with respect to any act or practice the Respondent was alleged to have committed or omitted;

(4) the conclusions of the Hearing Panel, or Extended Hearing Panel, as to whether the Respondent violated any provision alleged in the complaint;

(5) a statement of the Hearing Panel, or the Extended Hearing Panel, in support of the disposition of the principal issues raised in the proceeding;

(6) a statement describing any sanction imposed, the reasons therefor, and the date upon which such sanction shall become effective. Unless otherwise provided in the decision, the sanction(s) shall become effective on a date to be determined by Nasdaq Regulation staff; and

(7) a statement, when the sanctions include a permanent cease and desist order, that is consistent with the requirements of Rule 9291(a) concerning the content, scope, and form of a permanent cease and desist order.

c) Dissenting Opinion
Within 65 days after the final date allowed for filing proposed findings of fact and conclusions of law, and post-hearings briefs, or by a date established at the discretion of the Chief Hearing Officer, the Hearing Officer or any Panelist may prepare a written dissenting opinion.

d) Service, Notice, And Dissemination Requirements
The Office of Hearing Officers shall promptly serve the decision of the Hearing Panel, or the Extended Hearing Panel, and any dissenting opinion on the Parties; publish notice of the decision and any dissenting opinion in the Central Registration Depository; and provide a copy of the decision and any dissenting opinion to each member of Nasdaq with which a Respondent is associated.

e) Appeal or Review

(1) If not timely appealed pursuant to Rule 9311 or timely called for review pursuant to Rule 9312, the majority decision shall constitute final disciplinary action of Nasdaq for purposes of SEC Rule 19d-1(c)(1).

(2) The majority decision with respect to a Nasdaq member that is an affiliate of Nasdaq within the meaning of Rule 2160 shall constitute final disciplinary action of Nasdaq for purposes of SEC Rule 19d-
1(c)(1) and may not be appealed pursuant to Rule 9311 or called for review pursuant to Rule 9312.


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Nasdaq Stock Market Rules, Regulation, 9269., Nasdaq, Default Decisions

(a) Issuance of Default Decisions

(1) The Hearing Officer may issue a default decision against a Respondent that fails to answer the complaint within the time afforded under Rule 9215, or a Party that fails to appear at any hearing that a Party is required to attend under the Rule 9200 Series of which the Party has due notice.

(2) If the defaulting Party is the Respondent, the Hearing Officer may deem the allegations against that Respondent admitted. If the Defaulting Party is the Nasdaq Regulation Department or the Department of Enforcement, the Hearing Officer may issue a default decision ordering that the complaint be dismissed with prejudice.

(3) The Hearing Officer may order a Party that fails to appear at the pre-hearing conference or the hearing to pay the costs incurred by other Parties in connection with their appearance.

(4) The Office of Hearing Officers shall provide a copy of the default decision to each Nasdaq member with which a Respondent is associated.

(b) Contents of Decision

The contents of a default decision shall conform to the requirements of Rule 9268(b).

(c) Review of Default Decision

A Party may, for good cause shown, file a motion to set aside a default, dismissal, and the imposition of costs. Upon a showing of good cause, the Hearing Officer that entered the original order shall decide the motion. If the Hearing Officer that issued the original order is not available, the Chief Hearing Officer shall appoint another Hearing Officer to decide the motion.

(d) Final Disciplinary Action of Nasdaq; Effectiveness of Sanctions

(1) If a default decision is not appealed pursuant to Rule 9311 or called for review pursuant to Rule 9312 within 25 days after the date the Office of Hearing Officers serves it on the Parties, the default decision shall become the final disciplinary action of Nasdaq for purposes of SEC Rule 19d-1(c)(1). Unless otherwise provided in the default decision, the sanctions shall become effective on a date to be determined by Nasdaq Regulation Department staff, except that a bar or expulsion shall become effective immediately upon the default decision becoming the final disciplinary action of Nasdaq. The decision shall be served on a Respondent by courier, facsimile or other means reasonably likely to obtain prompt service when the sanction is a bar or an expulsion.

(2) A default decision with respect to a Nasdaq member that is an affiliate of Nasdaq within the meaning of Rule 2160 shall constitute final disciplinary action of Nasdaq for purposes of SEC Rule 19d-1(c)(1) and may not be appealed pursuant to Rule 9311 or called for review pursuant to Rule 9312.
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Nasdaq Stock Market Rules, Regulation, 9270., Nasdaq, Settlement Procedure

(a) When Offer Allowed; No Stay of Proceeding
A Respondent who is notified that a proceeding has been instituted against him or her may propose in writing an offer of settlement at any time. If a Respondent proposes an offer of settlement before the hearing on the merits has begun, the making of an offer of settlement shall not stay the proceeding, unless otherwise decided by the Hearing Officer. If a Respondent proposes an offer of settlement after the hearing on the merits has begun, the making of an offer of settlement shall not stay the proceeding, unless otherwise decided by the Hearing Panel or, if applicable, the Extended Hearing Panel.

(b) Settlement Offer Shall Conform to Rule
A Respondent who makes an offer of settlement shall do so in conformity with the provisions of this Rule and shall not make such an offer of settlement frivolously or propose a sanction inconsistent with the seriousness of the violations to be found.

(c) Content and Signature Requirements
An offer of settlement shall be in writing and signed by the person making the offer, and, if the person is represented by counsel or a representative, signed also by the counsel or representative. The offer of settlement shall contain in reasonable detail:

(1) a statement describing the investigative or other origin of the disciplinary action;

(2) the specific statutory or rule provisions that the member or associated person is alleged to have violated;

(3) a statement containing the acts or practices which the member or associated person is alleged to have engaged in or omitted;

(4) a statement consenting to findings of fact and violations consistent with the statements contained in the offer of settlement required by subparagraphs (c)(2) and (c)(3);

(5) a proposed sanction to be imposed that is consistent with the current sanction guidelines or, if inconsistent with the sanction guidelines, a detailed statement supporting the proposed sanction;

(6) if applicable, a proposed permanent cease and desist order to be imposed that is consistent with the requirements of Rule 9291(a) concerning the content, scope, and form of a permanent cease and desist order; and

(7) the effective date of any sanction(s) imposed, or a statement that the effective date of the sanction(s) will be a date to be determined by Nasdaq Regulation Department staff.

(d) Waiver

(1) If a Respondent submits an offer of settlement, by the submission such Respondent waives:

(A) any right of such Respondent to a hearing before a Hearing Panel or, if applicable, an Extended Hearing Panel, and any right of appeal to the Nasdaq Review Council, the Commission, and the courts, or any right otherwise to challenge or contest the validity of the order issued, if the offer of settlement and order of acceptance are accepted;
(B) any right of such Respondent to claim bias or prejudgment of the Chief Hearing Officer, Hearing Officer, a Hearing Panel or, if applicable, an Extended Hearing Panel, a Panelist on a Hearing Panel, or, if applicable, an Extended Hearing Panel, the Chief Regulatory Officer, the Nasdaq Review Council, or any member of the Nasdaq Review Council, in connection with such person's or body's participation in discussions regarding the terms and conditions of the offer of settlement and the order of acceptance, or other consideration of the offer of settlement and order of acceptance, including acceptance, or rejection of such offer of settlement and order of acceptance; and

(C) any right of such Respondent to claim that a person or body violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of the offer of settlement and the order of acceptance, or other consideration of the offer of settlement and order of settlement, including acceptance or rejection of such offer of settlement and order of acceptance.

(2) If an offer of settlement and an order of acceptance are rejected, the Respondent shall be bound by the waivers made in this paragraph (d) for conduct by persons or bodies occurring during the period beginning from the date the offer of settlement was submitted and ending upon the rejection of the offer of settlement and order of acceptance.

(e) Uncontested Offers of Settlement

If a Respondent makes an offer of settlement and the Nasdaq Regulation Department or the Department of Enforcement does not oppose it, the offer of settlement is uncontested. If an offer of settlement is determined to be uncontested by the Nasdaq Regulation Department or the Department of Enforcement before a hearing on the merits has begun, the Nasdaq Regulation Department or the Department of Enforcement shall transmit the uncontested offer of settlement and a proposed order of acceptance to the Nasdaq Review Council (or to the Office of Disciplinary Affairs, in the case of a Respondent that is an affiliate of Nasdaq within the meaning of Rule 2160) with its recommendation. If an offer of settlement is determined to be uncontested by the Nasdaq Regulation Department or the Department of Enforcement after a hearing on the merits has begun, the Nasdaq Regulation Department or the Department of Enforcement shall transmit the offer of settlement and a proposed order of acceptance to the Hearing Panel or, if applicable, the Extended Hearing Panel for acceptance or rejection. If accepted by the Hearing Panel or, if applicable, Extended Hearing Panel, the offer of settlement and the order of acceptance shall be forwarded to the Nasdaq Review Council (or to the Office of Disciplinary Affairs, in the case of a Respondent that is an affiliate of Nasdaq within the meaning of Rule 2160) to accept or reject.

(1) A proposed order of acceptance shall make findings of fact, including a statement of the rule, regulation, or statutory provision violated, and impose sanctions (including, if applicable, a permanent cease and desist order) consistent with the terms of the offer of settlement.

(2) Before an offer of settlement and an order of acceptance shall become effective, they shall be submitted to and accepted by the Nasdaq Review Council or the Office of Disciplinary Affairs. The Office of Disciplinary Affairs may accept such offer of settlement and order of acceptance or refer them to the Nasdaq Review Council. The Review Subcommittee may accept or reject such offer of settlement and order of acceptance or refer them to the Nasdaq Review Council for acceptance or rejection by the Nasdaq Review Council. In the case of a Respondent that is an affiliate of Nasdaq within the meaning of Rule 2160, the offer of settlement and order of acceptance shall be accepted or rejected by the Office of Disciplinary Affairs and shall not be referred to the Nasdaq Review Council.

(3) If the offer of settlement and order of acceptance are accepted by the Nasdaq Review Council, the Review Subcommittee, or the Office of Disciplinary Affairs, the offer of settlement and order of acceptance shall become final and the Director of the Office of Disciplinary Affairs shall issue the order and notify the Office of Hearing Officers. The Nasdaq Regulation Department or the Department of Enforcement shall provide a copy of an issued order of acceptance to each Nasdaq member with which a Respondent is associated.
(f) Contested Offers of Settlement

If a Respondent makes an offer of settlement and the Nasdaq Regulation Department or the Department of Enforcement opposes it, the offer of settlement is contested. When the Nasdaq Regulation Department or the Department of Enforcement opposes an offer of settlement, the Respondent’s written offer and the Nasdaq Regulation Department or the Department of Enforcement’s written opposition shall be submitted to a Hearing Panel or, if applicable, an Extended Hearing Panel. The Hearing Panel or, if applicable, the Extended Hearing Panel, may order the Nasdaq Regulation Department or the Department of Enforcement and the Respondent to attend a settlement conference.

(1) If a contested offer of settlement is approved by the Hearing Panel or, if applicable, Extended Hearing Panel, the Hearing Officer shall draft an order of acceptance of the offer of settlement. The order of acceptance shall make findings of fact, including a statement of the rule, regulation, or statutory provision violated, and impose sanctions (including, if applicable, a permanent cease and desist order) consistent with the terms of the offer of settlement. The offer of settlement, any written opposition thereto, and the order of acceptance shall be forwarded to the Nasdaq Review Council (or to the Office of Disciplinary Affairs, in the case of a Respondent that is an affiliate of Nasdaq within the meaning of Rule 2160) to accept or reject.

(2) Before an offer of settlement and order of acceptance shall become effective, they shall be submitted to, and accepted by, the Nasdaq Review Council or the Office of Disciplinary Affairs. The Review Subcommittee may accept or reject such offer of settlement and order of acceptance or refer them to the Nasdaq Review Council for acceptance or rejection by the Nasdaq Review Council. In the case of a Respondent that is an affiliate of Nasdaq within the meaning of Rule 2160, the offer of settlement and order of acceptance shall be accepted or rejected by the Office of Disciplinary Affairs and shall not be referred to the Nasdaq Review Council.

(3) If the offer of settlement and order of acceptance are accepted by the Office of Disciplinary Affairs, the Nasdaq Review Council or the Review Subcommittee, the Chief Regulatory Officer shall issue the order and notify the Office of Hearing Officers, and provide a copy of an issued order of acceptance to each Nasdaq member with which a Respondent is associated.

(g) Final Disciplinary Action

The proceeding shall conclude as of the date the order of acceptance is issued. The order of acceptance shall constitute final disciplinary action of Nasdaq. The sanction shall take effect as set forth in the order.

(h) Rejection of Offer of Settlement

If an uncontested offer of settlement or an order of acceptance is rejected by the Hearing Panel or, if applicable, the Extended Hearing Panel, the Review Subcommittee, the Office of Disciplinary Affairs, or the Nasdaq Review Council, the Respondent shall be notified in writing and the offer of settlement and proposed order of acceptance shall be deemed withdrawn. If a contested offer of settlement or an order of acceptance is rejected by the Hearing Panel or, if applicable, the Extended Hearing Panel, the Review Subcommittee, the Office of Disciplinary Affairs, or the Nasdaq Review Council, the Respondent shall be notified in writing and the offer of settlement and proposed order of acceptance shall be deemed withdrawn. The rejected offer and proposed order of acceptance shall not constitute a part of the record in any proceeding against the Respondent making the offer.

(i) Disciplinary Proceeding With Multiple Respondents

When a disciplinary proceeding names multiple Respondents, settlement offers may be accepted or rejected as to any one or all of the Respondents submitting offers. The proceedings shall thereafter be terminated as to those Respondents whose offers of settlement are accepted, but such Respondents may be required to participate in any hearing conducted as to those Respondents that did not submit offers of settlement or whose offers of settlement were rejected.
(j) **No Prejudice from Rejected Offer of Settlement**

If an offer of settlement is rejected by a Hearing Panel or, if applicable, an Extended Hearing Panel, the Review Subcommittee, the Office of Disciplinary Affairs, or the Nasdaq Review Council, the Respondent shall not be prejudiced by the offer, which may not be introduced into evidence in connection with the determination of the issues involved in the pending complaint or in any other proceeding.


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Nasdaq Stock Market Rules, Regulation, 9280., Nasdaq, Contemptuous Conduct

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(a) Persons Subject to Sanctions
If a Party, attorney for a Party, or other person authorized to represent others by Rule 9141, engages in conduct in violation of an order of a Hearing Officer, a Hearing Panel or, if applicable, an Extended Hearing Panel, or other contemptuous conduct during a proceeding, a Hearing Officer, Hearing Panel or, if applicable, an Extended Hearing Panel, may:

(1) subject the Party, attorney for a Party, or other person authorized to represent others by Rule 9141, to the sanctions set forth in paragraph (b); and

(2) exclude an attorney for a Party, or other person authorized to represent others by Rule 9141, under Rule 9150.

(b) Sanctions Other Than Exclusion
A Hearing Officer, Hearing Panel or, if applicable, an Extended Hearing Panel, may make such orders as are just in regard to a Party, an attorney for a Party, or other person authorized to represent others by Rule 9141.

(1) Such orders may include:

(A) an order providing that the matters on which the order is made or any other designated facts shall be taken to be established for the purposes of the disciplinary proceeding in accordance with the claim of the Party obtaining the order;

(B) an order providing that the disobedient Party may not support or oppose designated claims or defenses, or may not introduce designated matters in evidence;

(C) an order providing that pleadings or a specified part of the pleading shall be stricken, or an order providing that the proceeding shall be stayed until the Party subject to the order obeys it;

(D) in lieu of any of the foregoing orders or in addition thereto, an order providing that contemptuous conduct includes the failure to obey any order; and

(E) an order as provided in subparagraphs (A), (B), and (C) where a Party has failed to comply with an order to produce a person for examination, unless the Party failing to comply shows that such Party is unable to produce such person for examination.

(2) A Party that without substantial justification fails to disclose information required by the Rule 9240 Series and the Rule 9250 Series or otherwise required by order of the Hearing Officer, Hearing Panel or, if applicable, the Extended Hearing Panel, shall not, unless such failure is harmless, be permitted to use as evidence at a hearing, in a motion or in any other filing of papers, or in oral argument, any witness or information not so disclosed. In addition to, or in lieu of this sanction, the Hearing Officer, Hearing Panel or, if applicable, the Extended Hearing Panel, on motion and after affording an opportunity to be heard, may impose other appropriate sanctions. These sanctions may include any of the sanctions provided for in subparagraphs (b)(1)(A) through (C).

(c) Nasdaq Review Council Review of Exclusions
If an attorney for a Party, or other person authorized to represent others by Rule 9141, is excluded from a disciplinary hearing or conference, or any portion thereof, such attorney or other person may seek review of
the exclusion by filing a motion to vacate with the Nasdaq Review Council. Such motion to vacate shall be
drafted and served on all Parties within five days after service of the exclusion order. Any response shall be filed
with the Nasdaq Review Council and served on all Parties within five days after the service of the motion to
vacate. The Nasdaq Review Council or the Review Subcommittee shall consider such motion on an
expedited basis and promptly issue a written order. The filing of a motion to vacate shall stay all aspects of
the disciplinary proceeding until at least seven days after service of the order of the Nasdaq Review Council
or the Review Subcommittee. The review proceedings shall be conducted on the basis of the written record
without oral argument.

(d) Adjournment

The hearing, conferences, or other activities relating to the disciplinary proceeding shall be stayed pending
the review by the Nasdaq Review Council or the Review Subcommittee of an exclusion order in paragraph
(c). In the event that the Nasdaq Review Council or the Review Subcommittee upholds an exclusion of an
attorney or other person authorized to represent others by Rule 9141, the Hearing Officer may, upon motion
by a Party represented by an attorney or other person subject to an order of exclusion, grant an adjournment
to allow the retention of new counsel or selection of a new representative. In determining whether to grant an
adjournment or the length of an adjournment, the Hearing Officer shall consider whether there are other
counsel or representatives of record on behalf of the Party, the availability of other counsel or other members
of an excluded attorney's firm, or the availability of other representatives for the Party, and any other relevant
factors.


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Manual at its discretion.
For any disciplinary proceeding, the subject matter of which also is subject to a temporary cease and desist proceeding initiated pursuant to Rule 9810 or a temporary cease and desist order, hearings shall be held and decisions shall be rendered at the earliest possible time. An expedited hearing schedule shall be determined at a pre-hearing conference held in accordance with Rule 9241.

Nasdaq Stock Market Rules, Regulation, 9291., Nasdaq, Permanent Cease and Desist Orders

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(a) Content, Scope and Form Requirements
When a decision issued under Rule 9268 or Rule 9269 or an order of acceptance issued under Rule 9270 imposes a permanent cease and desist order, it shall:

(9) order a Respondent (and any successor of a Respondent, where the Respondent is a member firm) to cease and desist permanently from violating a specific rule or statutory provision;

(10) set forth the violation; and

(11) describe in reasonable detail the act or acts the Respondent (and any successor of a Respondent, where the Respondent is a member firm) shall take or refrain from taking.

(b) Delivery Requirement
Where a Respondent is a member firm, Respondent shall deliver a copy of a permanent cease and desist order, within one business day of receiving it, to its associated persons.


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Nasdaq Stock Market Rules, Regulation, 9310., Nasdaq, Appeal to or Review by Nasdaq Review Council

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Nasdaq Stock Market Rules, Regulation, 9311., Nasdaq, Appeal by Any Party; Cross-Appeal

(a) Time to File Notice of Appeal
A Respondent or the Nasdaq Regulation Department or the Department of Enforcement may file a written notice of appeal within 25 days after service of a decision issued pursuant to Rule 9268 or Rule 9269; provided, however, that a decision with respect to a Respondent that is an affiliate of Nasdaq within the meaning of Rule 2160 may not be appealed to the Nasdaq Review Council.

(b) Effect
An appeal to the Nasdaq Review Council from a decision issued pursuant to Rule 9268 or Rule 9269 shall operate as a stay of that decision until the Nasdaq Review Council issues a decision pursuant to Rule 9349 or, in cases called for discretionary review by the Nasdaq Board, until a decision is issued pursuant to Rule 9351. Any such appeal, however, will not stay a decision, or that part of a decision, that imposes a permanent cease and desist order.

(c) Notice of Appeal Content and Signature Requirements
A Party appealing pursuant to this Rule shall file a written notice of appeal with the Office of Hearing Officers and serve the notice on the Parties. The notice of appeal shall be signed by the appealing Party, or his or her counsel or representative, and shall contain:

1. the name of the disciplinary proceeding;
2. the disciplinary proceeding docket number;
3. the name of the Party on whose behalf the appeal is made;
4. a statement on whether oral argument before the Nasdaq Review Council is requested; and
5. a brief statement of the findings, conclusions, or sanctions as to which exceptions are taken.

(d) Notice of Cross-Appeal
A Party who is served with a notice of appeal may file a written notice of cross-appeal and serve the notice of cross-appeal on the Parties. The notice of cross-appeal shall be filed within five days after service of the notice of appeal. The notice of cross-appeal shall be signed by the Party cross-appealing, or his or her counsel, and shall contain the information set forth in subparagraphs (c)(1), (c)(2), (c)(4), and (c)(5), and the name of the Party on whose behalf the cross-appeal is made.

(e) Waiver of Issues Not Raised
The Nasdaq Review Council may, in its discretion, deem waived any issue not raised in the notice of appeal or cross-appeal. The Nasdaq Review Council, the Review Subcommittee, a Subcommittee, the Chief Regulatory Officer or, if applicable, an Extended Proceeding Committee, shall provide the Parties with notice of, and an opportunity to submit briefs on, any issue that shall be considered by the Nasdaq Review Council if such issue was not previously set forth in the notice of appeal. Parties may submit motions to either the Review Subcommittee or the Nasdaq Review Council challenging requests for briefing made by the Chief Regulatory Officer under this Rule of issues that were not previously set forth in the notice of appeal.

(f) Withdrawal of Notice of Appeal or Cross-Appeal
A Party may withdraw a notice of appeal or a notice of cross-appeal filed by him or her at any time by filing a written notice of withdrawal of appeal or cross-appeal with the Office of Hearing Officers and serving notice
thereof on the Parties. The notice of withdrawal of appeal or cross-appeal shall contain: the name of the disciplinary proceeding; the disciplinary proceeding docket number; and the name of the Party on whose behalf the notice of appeal or cross-appeal was filed previously. The notice of withdrawal of appeal or cross-appeal shall be signed by the Party, or his or her counsel or representative. Upon the withdrawal of a notice of appeal, any outstanding cross-appeal shall be treated as an appeal unless it is withdrawn.


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Nasdaq Stock Market Rules, Regulation, 9312., Nasdaq, Review Proceeding Initiated By the Nasdaq Review Council

(a) Call for Review

(1) **Rule 9268 Decision**

A decision issued pursuant to Rule 9268 may be subject to a call for review by any member of the Nasdaq Review Council or, pursuant to authority delegated from the Nasdaq Review Council, by any member of the Review Subcommittee. A decision issued pursuant to Rule 9268 shall be subject to a call for review within 45 days after the date of service of the decision. If called for review, such decision shall be reviewed by the Nasdaq Review Council.

(2) **Rule 9269 Decision**

A default decision issued pursuant to Rule 9269 shall be subject to a call for review by the Chief Regulatory Officer, on his or her own motion within 25 days after the date of service of the decision. If called for review, such decision shall be reviewed by the Nasdaq Review Council.

(3) **Decision Regarding Affiliate of Nasdaq**

Notwithstanding anything herein to the contrary, a decision with respect to a member that is an affiliate of Nasdaq within the meaning of Rule 2160 may not be called for review by the Nasdaq Review Council.

(b) Effect

Institution of review by a member of the Nasdaq Review Council on his or her own motion, a member of the Review Subcommittee on his or her own motion, or the Chief Regulatory Officer, on his or her own motion, shall operate as a stay of a final decision issued pursuant to Rule 9268 or Rule 9269 as to all Parties subject to the notice of review, until the Nasdaq Review Council issues a decision pursuant to Rule 9349, or, in cases called for discretionary review by the Nasdaq Board, until a decision is issued pursuant to Rule 9351. Institution of any such review, however, will not stay a decision, or that part of a decision, that imposes a permanent cease and desist order.

(c) Requirements

(1) If a member of the Nasdaq Review Council, a member of the Review Subcommittee, or, for a disciplinary proceeding decided under Rule 9269, the Chief Regulatory Officer determines to call a case for review, a written notice of review shall be served promptly on each Party to the proceeding and filed with the Office of Hearing Officers. Such notice of review shall contain:

   (A) the name of the disciplinary proceeding;

   (B) the disciplinary proceeding docket number; and

   (C) a brief statement of the findings, conclusions, or sanctions with respect to which the Nasdaq Review Council, the Review Subcommittee, or the Chief Regulatory Officer determined that a call for review was necessary.

(2) The statement contained in the notice of review shall not limit the scope of the Nasdaq Review Council's authority under Rule 9346 to review any issues raised in the record. The Nasdaq Review Council, the Review Subcommittee, a Subcommittee, the Chief Regulatory Officer or, if applicable, an Extended Proceeding Committee, shall provide the Parties with notice of, and an opportunity to submit
briefs on, any issue that shall be considered by the Nasdaq Review Council if such issue was not previously set forth in the notice of review. Parties may submit motions to either the Review Subcommittee or the Nasdaq Review Council challenging requests for briefing made by the Chief Regulatory Officer under this Rule of issues that were not previously set forth in the notice of appeal.

(d) Effect of Withdrawal of Notice of Appeal, Cross-Appeal

If the review of a disciplinary proceeding by the Nasdaq Review Council is terminated before the Nasdaq Review Council issues a decision on the merits because all appealing Parties file a notice of withdrawal of appeal and no Party previously filed a notice of cross-appeal, or all Parties who previously filed a notice of cross-appeal file a notice of withdrawal of cross-appeal:

(1) a member of the Nasdaq Review Council or the Review Subcommittee shall have the right to call for review a decision issued pursuant to Rule 9268 in accordance with Rule 9312(a)(1), except that the 45 day period during which a call for review may be made shall begin on the day Nasdaq receives the last filed notice of withdrawal of appeal or, if applicable, the last filed notice of withdrawal of cross-appeal; and,

(2) the Chief Regulatory Officer shall have the right to call for review a decision issued pursuant to Rule 9269 in accordance with Rule 9312(a)(2), except that the 25 day period during which a call for review may be made shall begin on the day Nasdaq receives the last filed notice of withdrawal of appeal or, if applicable, the last filed notice of withdrawal of cross-appeal.


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Nasdaq Stock Market Rules, Regulation, 9313., Nasdaq, Counsel to Nasdaq Review Council

(a) Authority
A Counsel to the Nasdaq Review Council shall have authority to take ministerial and administrative actions to further the efficient administration of a proceeding, including the authority to:

(1) direct the Office of Hearing Officers to complete and transmit a record of a disciplinary proceeding to the Nasdaq Review Council in accordance with Rule 9267;

(2) establish or amend a briefing schedule under Rule 9347(b) but not shorten a briefing schedule except with the consent of the Parties;

(3) permit a brief or any other document required to be filed to vary from the requirements of the Rule 9130 Series as provided in Rule 9347(a);

(4) establish the date, time, and location of an oral argument and provide for notice of the hearing under Rule 9341;

(5) for other than a Party and counsel or a person acting in a representative capacity, determine who may attend a hearing;

(6) rule on a motion by a Party to request to lengthen or shorten a period of time prescribed by the Code for the filing of any papers, or request that a hearing be postponed or adjourned under Rule 9322, except that a period may not be shortened and a hearing may not be postponed or adjourned without the consent of the Parties; and

(7) create and maintain the official record of the disciplinary proceeding on appeal or review.

(b) Review
A Party seeking the review of a decision of a Counsel to the Nasdaq Review Council may make a motion to the Nasdaq Review Council, the Review Subcommittee, a Subcommittee or, if applicable, an Extended Proceeding Committee.


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Nasdaq Stock Market Rules, Regulation, 9320., Nasdaq, Transmission of Record; Extensions of Time, Postponements, Adjournments

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Within 21 days after the filing of a notice of appeal or notice of review, or at such later time as the Nasdaq Review Council may designate, the Office of Hearing Officers shall assemble and prepare an index to the record, transmit the record and the index to the Nasdaq Review Council, and serve copies of the index upon all Parties. The Hearing Officer who participated in the disciplinary proceeding, or the Chief Hearing Officer, shall certify that the record transmitted to the Nasdaq Review Council is complete.


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(a) Availability
At any time prior to the issuance of a decision pursuant to Rule 9349, the Nasdaq Review Council, the Review Subcommittee, a Subcommittee or, if applicable, an Extended Proceeding Committee, or Counsel to the Nasdaq Review Council, for good cause shown, may extend or shorten a period prescribed by the Code for the filing of any papers, except that Counsel to the Nasdaq Review Council may shorten a period so prescribed only with the consent of the Parties. The Nasdaq Review Council, the Review Subcommittee, a Subcommittee or, if applicable, an Extended Proceeding Committee, or Counsel to the Nasdaq Review Council, for good cause shown, may postpone or adjourn a hearing consistent with paragraph (b), except that Counsel to the Nasdaq Review Council may postpone or adjourn a hearing only with the consent of the Parties.

(b) Limitations on Postponements, Adjournments, and Changes in Location
Oral argument shall begin at the time and place ordered, unless the Nasdaq Review Council, the Review Subcommittee, a Subcommittee or, if applicable, an Extended Proceeding Committee, or Counsel to the Nasdaq Review Council, for good cause shown, postpones, adjourns, or changes the location of the oral argument, except that Counsel to the Nasdaq Review Council may postpone or adjourn the oral argument only with the consent of the Parties. In considering a motion for the postponement or adjournment of an oral argument, the Nasdaq Review Council, the Review Subcommittee, a Subcommittee or, if applicable, an Extended Proceeding Committee, or Counsel to the Nasdaq Review Council shall consider, in addition to any other relevant factors:

1. the length of time the disciplinary proceeding has been pending to date, and the timeliness of the request for a postponement, an adjournment, or an extension;
2. the number of postponements, adjournments, or extensions already granted;
3. the stage of the proceedings at the time of the request;
4. the prejudice to the other Parties;
5. the potential harm to the investing public if an extension of time, an adjournment, or a postponement is granted; and
6. any other matter that justice may require.

Nasdaq Stock Market Rules, Regulation, 9330., Nasdaq, Appointment of Subcommittee or Extended Proceeding Committee; Disqualification and Recusal

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Nasdaq Stock Market Rules, Regulation, 9331., Nasdaq, Appointment of Subcommittee or Extended Proceeding Committee

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(a) Appointment by Nasdaq Review Council

Following the filing of a notice of appeal pursuant to Rule 9311 or a notice of review pursuant to Rule 9312, the Nasdaq Review Council or the Review Subcommittee shall appoint a Subcommittee or an Extended Proceeding Committee to participate, subject to Rule 9345, in a disciplinary proceeding appealed or called for review.

(1) Subcommittee

Except as provided in subparagraph (2), for each disciplinary proceeding appealed or called for review, the Nasdaq Review Council or the Review Subcommittee shall appoint a Subcommittee to participate, subject to Rule 9345, in the appeal or review. A Subcommittee shall be composed of two or more persons who shall be current or former members of the Nasdaq Review Council or former Directors.

(2) Extended Proceeding Committee

Upon consideration of the volume and complexity of the certified record, or other factors the Nasdaq Review Council or the Review Subcommittee deems material, the Nasdaq Review Council or the Review Subcommittee may determine that a disciplinary proceeding appealed or called for review shall be designated an Extended Proceeding and shall appoint an Extended Proceeding Committee to participate, subject to Rule 9345, in the appeal or review. The Extended Proceeding Committee shall be composed of two or more persons who shall be current or former members of the Nasdaq Review Council or former Directors. The Review Subcommittee shall have discretion to compensate any or all Panelists of an Extended Proceeding Committee at the rate then in effect for arbitrators appointed under the FINRA Rule 12000 and 13000 Series.

(b) Function

If a hearing is held, the Subcommittee or, if applicable, the Extended Proceeding Committee, shall hear oral arguments and consider, if allowed under Rule 9346(b), any new evidence. Based on the hearing and the record on appeal or review, the Subcommittee or, if applicable, the Extended Hearing Committee, shall make a recommendation to the Nasdaq Review Council regarding the disposition of all matters on appeal, cross-appeal, or review. The recommendation shall be in the form of a written recommended decision.


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Recusal, Withdrawal of Member or Panelist

If at any time a member of the Nasdaq Review Council, including a member of the Review Subcommittee, a Panelist of a Subcommittee or an Extended Proceeding Committee, or a Counsel to the Nasdaq Review Council determines that the member, the Panelist, or the Counsel to the Nasdaq Review Council has a conflict of interest or bias or circumstances otherwise exist where the fairness of the member, the Panelist, or the Counsel to the Nasdaq Review Council might reasonably be questioned, the member, the Panelist, or the Counsel to the Nasdaq Review Council shall notify the Chair of the Nasdaq Review Council, and the Chair of the Nasdaq Review Council shall issue and serve on the Parties a notice stating that the member, the Panelist, or the Counsel to the Nasdaq Review Council has withdrawn from the matter. In the event that a Panelist withdraws, is incapacitated, or is otherwise unable to continue service after a hearing has been convened, the Chair of the Nasdaq Review Council shall appoint a replacement Panelist. In the event that a member of the Review Subcommittee withdraws, is incapacitated, or is otherwise unable to continue service after assignment, the Chair of the Nasdaq Review Council shall appoint another member of the Nasdaq Review Council to serve on the Review Subcommittee for the limited purpose of considering the issues raised in the disciplinary proceeding in which the withdrawal action was taken. The replacement member of the Review Subcommittee must have the same classification (Industry or Non-Industry) as the member who withdrew. In the event that a Counsel to the Nasdaq Review Council withdraws, is incapacitated, or is otherwise unable to continue service after assignment, the Chief Regulatory Officer shall assign a replacement Counsel to the Nasdaq Review Council.

Motion for Disqualification

A Party may move for the disqualification of a member of the Nasdaq Review Council, the Review Subcommittee, a Panelist of a Subcommittee or an Extended Proceeding Committee, or a Counsel to the Nasdaq Review Council. All such motions shall be based upon a reasonable, good faith belief that a conflict of interest or bias exists or circumstances otherwise exist where the fairness of the member, the Panelist, or the Counsel to the Nasdaq Review Council might reasonably be questioned, and shall be accompanied by an affidavit setting forth in detail the facts alleged to constitute grounds for disqualification, and the dates on which the Party learned of those facts. Such motions shall be filed not later than 15 days after the later of:

1. when the Party learned of the facts believed to constitute the disqualification; or
2. when the Party was notified of the composition of the Subcommittee or, if applicable, the Extended Proceeding Committee or the assignment to the disciplinary proceeding of the Counsel to the Nasdaq Review Council.

Disposition of Disqualification Motions: Challenges to Single Member of Nasdaq Review Council or Review Subcommittee, Single Panelist of Subcommittee or Extended Hearing Committee, or Counsel to the Nasdaq Review Council

Motions for disqualification of a member of the Nasdaq Review Council, including a member of the Review Subcommittee, a Panelist of a Subcommittee or an Extended Proceeding Committee, or a Counsel to the Nasdaq Review Council shall be decided by the Chair of the Nasdaq Review Council, who shall promptly determine whether disqualification is required and issue a written ruling on the motion. If a member of the Review Subcommittee is disqualified, the Chair of the Nasdaq Review Council shall appoint another member of the Nasdaq Review Council to serve on the Review Subcommittee for the limited purpose of considering the issues raised in the disciplinary proceeding in which the motion was made. The replacement member of the Review Subcommittee must have the same classification (Member, Industry or Non-Industry) as the
member being replaced. If a Panelist is disqualified, the Chair of the Nasdaq Review Council shall appoint a replacement Panelist. If a Counsel is disqualified, the Chief Regulatory Officer shall assign a replacement Counsel to the Nasdaq Review Council.

(d) Disposition of Disqualification Motions: Challenges to Multiple Members or Panelists

(1) Nasdaq Review Council

If a Party files a motion to disqualify more than one member of the Nasdaq Review Council, the Chair of the Nasdaq Review Council shall promptly determine whether disqualification is required, and shall issue a written ruling on the matter. In the event of such disqualification, the remaining members of the Nasdaq Review Council shall consider the review or appeal of the disciplinary matter.

(2) Review Subcommittee

If a Party files a motion to disqualify more than one member of the Review Subcommittee, the Chair of the Nasdaq Review Council shall promptly determine whether disqualification is required, and shall issue a written ruling on the matter. If members of the Review Subcommittee are disqualified, the Chair of the Nasdaq Review Council shall appoint other members of the Nasdaq Review Council to serve on the Review Subcommittee for the limited purpose of considering the issues raised in the disciplinary proceeding in which the motion was made. The replacement members of the Review Subcommittee must have the same classification (Member, Industry or Non-Industry) as the members being replaced.

(3) Subcommittee; Extended Proceeding Committee

If a Party files a motion to disqualify more than one Panelist of a Subcommittee or an Extended Proceeding Committee, the Chair of the Nasdaq Review Council shall promptly determine whether disqualification is required, and shall issue a written ruling on the motion. If multiple Panelists are disqualified, the Chair of the Nasdaq Review Council shall appoint replacement Panelists.


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Nasdaq Stock Market Rules, Regulation, 9341., Nasdaq, Oral Argument

(a) Request for Oral Argument
A Party may request oral argument before the Subcommittee or, if applicable, the Extended Proceeding Committee. Oral argument shall be requested in writing either in the Party's notice of appeal or cross-appeal or within 15 days after service of the Nasdaq Review Council's notice of review. Subject to the limitations of Rules 9342 and 9344, oral argument shall be granted if timely requested. The right to oral argument set forth in this Rule is unaffected by a Party's waiver of, or failure to request, a hearing pursuant to the Rule 9200 Series.

(b) Discretion to Proceed With or Without Oral Argument
In the absence of a request for oral argument, the Subcommittee or, if applicable, the Extended Proceeding Committee, in its discretion, may order that a matter be set down for oral argument or may consider the matter on the basis of the record.

(c) Notice Regarding Oral Argument
If oral argument is held, a notice stating the date, time, and location of the oral argument shall be served on the Parties at least 21 days before the hearing. The Parties may agree in writing to waive the notice period or, in extraordinary circumstances, the Subcommittee or, if applicable, the Extended Proceeding Committee, or Counsel to the Nasdaq Review Council may provide for a shorter notice period, except that Counsel to the Nasdaq Review Council may provide for a shorter notice period only with the consent of the Parties.

(d) Attendance Required
The Parties shall make oral arguments before the Subcommittee or, if applicable, the Extended Proceeding Committee. Unless otherwise agreed to by all of the Parties, all Panelists comprising the Subcommittee or, if applicable, the Extended Proceeding Committee shall be present for the oral argument.

(e) Time Limits
Unless the Subcommittee or, if applicable, the Extended Proceeding Committee, orders otherwise for good cause shown, each Party's oral argument before the Subcommittee or, if applicable, the Extended Proceeding Committee, shall be limited to a total of 30 minutes.

(f) Recordation; Transcript Correction

(1) Oral arguments shall be recorded by a court reporter and a transcript shall be prepared.

(2) A transcript of a hearing shall be available to a Party for purchase from the court reporter at prescribed rates. A witness may purchase a transcript of his or her own testimony from the court reporter.

(3) Prior to the filing of post-hearing briefs or within such earlier time as reasonably ordered by the Subcommittee or, if applicable, the Extended Proceeding Committee, a Party or witness may seek to correct his or her transcript. A proposed correction of the transcript shall be submitted by affidavit to the Subcommittee or, if applicable, the Extended Proceeding Committee. Upon notice to all Parties to the disciplinary proceeding, the Subcommittee or, if applicable, the Extended Proceeding Committee may order the correction to the transcript as requested or sua sponte.


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Nasdaq Stock Market Rules, Regulation, 9342., Nasdaq, Failure to Appear at Oral Argument

A Party who requests oral argument but fails to appear after being duly notified shall be deemed to have waived any opportunity for oral argument provided under the Rule 9300 Series. The Subcommittee or, if applicable, the Extended Proceeding Committee, shall permit argument to go forward as to those Parties who appear. The Subcommittee or, if applicable, the Extended Proceeding Committee, in the exercise of its discretion, may consider the matter on the basis of the record without oral argument as to those Parties who failed to appear.


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Nasdaq Stock Market Rules, Regulation, 9343., Nasdaq, Disposition Without Oral Argument

If an oral argument is not held, the matter shall be considered by a Subcommittee or, if applicable, an Extended Proceeding Committee, on the basis of the record, as defined in Rule 9267, and supplemented by any written materials submitted to or issued by the Subcommittee or, if applicable, the Extended Proceeding Committee, or the Nasdaq Review Council in connection with the appeal, cross-appeal, or call for review.


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Nasdaq Stock Market Rules, Regulation, 9344., Nasdaq, Failure to Participate Below; Abandonment of Appeal

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(a) Failure to Participate Below

When an appealing Party did not participate in the disciplinary proceeding before a Hearing Officer, a Hearing Panel or, if applicable, an Extended Hearing Panel, but shows good cause for the failure to participate, the Nasdaq Review Council or the Review Subcommittee may dismiss the appeal and remand the matter for further proceedings, or may order that the appeal proceed. If the appealing Party did not participate in the disciplinary proceeding before a Hearing Officer, a Hearing Panel or, if applicable, an Extended Hearing Panel, and fails to show good cause for the failure to participate, the matter shall be considered by the Subcommittee or, if applicable, the Extended Proceeding Committee, and the Nasdaq Review Council on the basis of the record and other documents, as provided in Rules 9346 and 9347. Alternatively, the Nasdaq Review Council or Review Subcommittee may remand the disciplinary proceeding with instructions. For purposes of this paragraph, failure to participate shall include failure to file an answer or otherwise respond to a complaint, or failure to appear at a scheduled hearing, but shall not include failure to request a hearing pursuant to Rule 9221.

(b) Abandonment of Appeal

If an appealing Party fails to advise the Nasdaq Review Council or the Review Subcommittee of the basis for seeking review or otherwise fails to provide information or submit a written brief in response to a request pursuant to Rules 9346 and 9347, the Nasdaq Review Council or the Review Subcommittee may dismiss the appeal as abandoned, and the decision of the Hearing Officer, the Hearing Panel or, if applicable, the Extended Hearing Panel shall become the final disciplinary action of Nasdaq. If a cross-appealing Party fails to advise the Nasdaq Review Council or the Review Subcommittee of the basis for seeking review or otherwise fails to provide information or submit a written brief in response to a request pursuant to Rules 9346 and 9347, the Nasdaq Review Council or the Review Subcommittee may dismiss the cross-appeal as abandoned. Upon a showing of good cause, the Nasdaq Review Council may withdraw any dismissal entered pursuant to this Rule.


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Nasdaq Stock Market Rules, Regulation, 9345., Nasdaq, Subcommittee or Extended Proceeding Committee Recommended Decision to Nasdaq Review Council

A Subcommittee or, if applicable, an Extended Proceeding Committee, shall present a recommended decision in writing to the Nasdaq Review Council before the meeting of the Nasdaq Review Council at which the disciplinary proceeding shall be considered.


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(a) Scope of Review
Exceed as otherwise set forth in this paragraph, the Nasdaq Review Council's review shall be limited to consideration of:

(1) the record, as defined in Rule 9267, supplemented by briefs and other papers submitted to the Subcommittee or, if applicable, the Extended Proceeding Committee, and the Nasdaq Review Council; and

(2) any oral argument permitted under this Code.
A Party may introduce additional evidence only with prior approval of the Subcommittee or, if applicable, the Extended Proceeding Committee, or the Nasdaq Review Council, upon a showing that extraordinary circumstances exist under paragraph (b). If an appealing Party shows good cause for failure to participate in the disciplinary proceeding below, the Nasdaq Review Council may hear evidence and consider the disciplinary proceeding pursuant to Rule 9344(a).

(b) Leave to Introduce Additional Evidence
A Party may apply to the Subcommittee or, if applicable, the Extended Proceeding Committee, or the Nasdaq Review Council for leave to introduce additional evidence by motion filed not later than 30 days after the Office of Hearing Officers transmits to the Nasdaq Review Council and serves upon all Parties the index to the record, pursuant to Rule 9321. The motion shall describe each item of proposed new evidence, demonstrate that there was good cause for failing to introduce it below, demonstrate why the evidence is material to the proceeding, and be filed and served. The Party may attach the documentary evidence as an exhibit to the motion. By a motion filed in accordance with Rule 9146, a Party may request an extension of the period during which a Party may file a motion for leave to introduce additional evidence. A Party shall demonstrate that there was good cause for failing to file the motion for leave to introduce additional evidence during the period prescribed.

(c) Motion In Opposition; Motion to Introduce Rebuttal Evidence
A Party may file an opposition to a motion, as provided in Rule 9146(d), for leave to introduce new evidence, and may move for leave to introduce rebuttal evidence in response to the proposed new evidence. A Party who moves to introduce rebuttal evidence in response to the proposed new evidence of another Party shall describe each item of proposed rebuttal evidence and explain why the evidence is material to the proceeding, and shall file and serve such motion.

(d) Discretion Regarding Review of Additional Evidence
Upon consideration of any motion to introduce additional evidence and any opposition thereto, the Subcommittee or, if applicable, the Extended Proceeding Committee, or the Nasdaq Review Council may permit the evidence to be introduced into the record on review, or the Nasdaq Review Council may remand the disciplinary proceeding for further proceedings consistent with its ruling or for further fact finding.

(e) Requirements for Submitting Additional Documentary Evidence
A Party that is permitted to introduce additional documentary evidence before the Subcommittee or, if applicable, the Extended Proceeding Committee, or the Nasdaq Review Council pursuant to paragraph (d) shall make copies of the evidence available to the Subcommittee or, if applicable, the Extended Proceeding Committee, or the Nasdaq Review Council, and to all Parties at such time as the Subcommittee or, if applicable, the Extended Proceeding Committee, the Nasdaq Review Council, or Counsel to the Nasdaq
Review Council may specify.

(f) Subcommittee or Extended Proceeding Committee Order Requiring Additional Evidence
On its own motion, the Subcommittee or, if applicable, the Extended Proceeding Committee, or the Nasdaq Review Council may order that the record be supplemented with such additional evidence as it may deem relevant. Among other things, the Subcommittee, or if applicable, the Extended Proceeding Committee, or the Nasdaq Review Council may order a Respondent who asserts his or her inability to pay a monetary sanction to file a sworn financial statement and to keep such statement current as ordered by the Subcommittee or, if applicable, the Extended Proceeding Committee, or the Nasdaq Review Council.

(g) Rules of Evidence Not Applicable
The formal rules of evidence shall not apply.

(h) Testimony
A person who is subject to the jurisdiction of Nasdaq shall testify under oath or affirmation. The oath or affirmation shall be administered by a court reporter or a notary public.


(a) Briefs; Reply Briefs; Requirements

Parties may file briefs in connection with proceedings governed by the Rule 9300 Series. Briefs shall be confined to the particular matters at issue. An exception to findings, conclusions, or sanctions shall be supported by citation to the relevant portions of the record, including references to specific pages relied upon, and by concise argument, including citation of such statutes, decisions, and other authorities as may be relevant. If an exception relates to the admission or exclusion of evidence, the substance of the evidence admitted or excluded shall be set forth in the brief, an appendix thereto, or by citation to the record. Parties may file reply briefs. If a Party files a reply brief, such brief shall be limited to matters in reply. All briefs shall conform to the requirements of the Rule 9130 Series, and, except with advance leave of the Subcommittee or, if applicable, the Extended Proceeding Committee, the Nasdaq Review Council, the Review Subcommittee, or Counsel to the Nasdaq Review Council, exclusive of pages containing tables of contents or tables of authorities, a brief other than a reply brief shall not exceed 25 double-spaced pages, and a reply brief shall not exceed 12 double-spaced pages.

(b) Timely Filing of Briefs

Briefs shall be due upon dates established by the Subcommittee or, if applicable, the Extended Proceeding Committee, the Nasdaq Review Council, the Review Subcommittee, or Counsel to the Nasdaq Review Council in a scheduling order. Unless the Subcommittee or, if applicable, the Extended Proceeding Committee, the Nasdaq Review Council, the Review Subcommittee, or Counsel to the Nasdaq Review Council specifies otherwise, opening briefs shall be submitted not less than 21 days from the date of the scheduling order, and answering briefs shall be submitted 21 days thereafter. When reply briefs are submitted, such briefs shall be filed not later than ten days after service of the answering brief. Counsel to the Nasdaq Review Council may not shorten a period previously established for the filing of briefs except with the consent of the Parties. The time periods listed in this provision are only applicable to the filing of opening briefs, answering briefs, and reply briefs.


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In any appeal or review proceeding pursuant to the Rule 9300 Series, the Nasdaq Review Council may affirm, dismiss, modify, or reverse with respect to each finding, or remand the disciplinary proceeding with instructions. The Nasdaq Review Council may affirm, modify, reverse, increase, or reduce any sanction, (including the terms of any permanent cease and desist order) or impose any other fitting sanction.


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Nasdaq Stock Market Rules, Regulation, 9349., Nasdaq, Nasdaq Review Council Formal Consideration; Decision

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(a) Decision of Nasdaq Review Council, Including Remand

In an appeal or review of a disciplinary proceeding governed by the Rule 9300 Series that is not withdrawn or dismissed prior to a decision on the merits, the Nasdaq Review Council, after considering all matters presented in the appeal or review and the written recommended decision of the Subcommittee or, if applicable, the Extended Proceeding Committee, may affirm, dismiss, modify or reverse the decision of the Hearing Panel or, if applicable, Extended Hearing Panel, with respect to each Respondent who has appealed or cross-appealed or is subject to a call for review. The Nasdaq Review Council may affirm, modify, reverse, increase, or reduce any sanction, or impose any other fitting sanction. Alternatively, the Nasdaq Review Council or the Review Subcommittee may remand the disciplinary proceeding with instructions. The Nasdaq Review Council shall prepare a proposed written decision pursuant to paragraph (b).

(b) Contents of Decision

The decision shall include:

1. a statement describing the investigative or other origin of the disciplinary proceeding;
2. the specific statutory or rule provisions that were alleged to have been violated;
3. a statement setting forth the findings of fact with respect to any act or practice the Respondent was alleged to have committed or omitted;
4. the conclusions as to whether the Respondent violated any provision alleged in the complaint;
5. a statement in support of the disposition of the principal issues raised in the proceeding; and
6. a statement describing any sanction imposed, the reasons therefor, and, pursuant to Rule 9360, the date upon which such sanction shall become effective.

(c) Issuance of Decision After Expiration of Call for Review Period

The Nasdaq Review Council shall provide its proposed written decision to the Nasdaq Board. The Nasdaq Board may call the disciplinary proceeding for review pursuant to Rule 9351. If the Nasdaq Board does not call the disciplinary proceeding for review, the proposed written decision of the Nasdaq Review Council shall become final, and the Nasdaq Review Council shall serve its written decision on the Parties and provide a copy to each member of Nasdaq with which a Respondent is associated. The decision shall constitute the final disciplinary action of Nasdaq for purposes of SEC Rule 19d-1(c)(1), unless the Nasdaq Review Council remands the proceeding.

Nasdaq Stock Market Rules, Regulation, 9350., Nasdaq, Discretionary Review by Board

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Nasdaq Stock Market Rules, Regulation, 9351., Nasdaq, Discretionary Review by Nasdaq Board

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(a) Call for Review by Director

A Director may call a disciplinary proceeding for review by the Nasdaq Board if the call for review is made within the period prescribed in paragraph (b); provided, however, that a decision with respect to a member that is an affiliate of Nasdaq within the meaning of Rule 2160 may not be called for review.

(b) 15 Day Period; Waiver

(1) A Director shall make his or her call for review not later than the next meeting of the Nasdaq Board that is at least 15 days after the date on which the Nasdaq Board receives the proposed written decision of the Nasdaq Review Council.

(2) Waiver

By a unanimous vote of the Nasdaq Board, the Nasdaq Board may shorten the period in subparagraph (1) to less than 15 days. By an affirmative vote of the majority of the Nasdaq Board then in office, the Nasdaq Board may, during the 15 day period in subparagraph (1), vote to extend the period in subparagraph (1) to more than 15 days.

(c) Review at Next Meeting

If a Director calls a disciplinary proceeding for review within the period prescribed in paragraph (b), the Nasdaq Board shall review the disciplinary proceeding not later than the next meeting of the Nasdaq Board. The Nasdaq Board may order the Parties (excluding any Respondent who did not appeal or cross-appeal, or as to whom the issues appealed or called for review do not apply) to file briefs in connection with the review proceedings pursuant to this Rule.

(d) Decision of Nasdaq Board, Including Remand

After review, the Nasdaq Board may affirm, modify, or reverse the proposed written decision of the Nasdaq Review Council. The Nasdaq Board may affirm, modify, reverse, increase, or reduce any sanction (including the terms of any permanent cease and desist order), or impose any other fitting sanction. Alternatively, the Nasdaq Board may remand the disciplinary proceeding with instructions. The Nasdaq Board shall prepare a written decision that includes all of the elements described in Rule 9349(b)(1) through (6).

(e) Issuance of Decision After Expiration of Call for Review Period

The Nasdaq Board shall issue and serve its written decision on the Parties and provide a copy to each member of Nasdaq with which a Respondent is associated. The decision shall constitute the final disciplinary action of Nasdaq for purposes of SEC Rule 19d-1(c)(1), unless the Nasdaq Board remands the proceeding.


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Nasdaq Stock Market Rules, Regulation, 9360., Nasdaq, Effectiveness of Sanctions

Unless otherwise provided in the decision issued under Rule 9349 or Rule 9351, a sanction (other than a bar, an expulsion, or a permanent cease and desist order) specified in a decision constituting final disciplinary action of Nasdaq for purposes of SEC Rule 19d-1(c)(1) shall become effective on a date to be determined by Nasdaq staff (or the Hearing Panel, Extended Hearing Panel, or Office of Disciplinary Affairs in the case of a decision with respect to an affiliate of Nasdaq within the meaning of Rule 2160). A bar, an expulsion, or a permanent cease and desist order shall become effective upon service of the decision constituting final disciplinary action of Nasdaq, unless otherwise specified therein. Nasdaq shall serve the decision on a Respondent by courier, facsimile or other means reasonably likely to obtain prompt service when the sanction is a bar, an expulsion, or a permanent cease and desist order.


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Nasdaq Stock Market Rules, Regulation, 9370., Nasdaq, Application to Commission for Review

(a) Appeal to Commission; Effect
A Respondent aggrieved by final disciplinary action pursuant to the Rule 9200 Series or the Rule 9300 Series may apply for review by the Commission pursuant to Section 19(d)(2) of the Act. The filing with the Commission of an application for review by the Commission shall stay the effectiveness of any sanction, other than a bar or an expulsion, imposed in a decision constituting final disciplinary action of Nasdaq for purposes of SEC Rule 19d-1(c)(1).

(b) Notification to Member
Nasdaq shall promptly notify any member with which a Respondent is associated if the Respondent files an application for review to the Commission.


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Nasdaq Stock Market Rules, Regulation, 9400., Nasdaq, Expedited Client Suspension Proceeding

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(a) Initiation of Proceeding

(Q) **Scope of Authority.** With the prior written authorization of the Chief Regulatory Officer ("CRO") or such other senior officers as the CRO may designate, the Nasdaq Regulation Department or the Department of Enforcement may initiate an expedited suspension proceeding with respect to alleged violations of Rule 2170 or Chapter III, Section 16 (Disruptive Quoting and Trading Activity Prohibited).

(R) **Service of Notice.** The Exchange or FINRA shall initiate the proceeding by serving a notice on a Member or associated person of a Member (hereinafter "Respondent"). The Exchange or FINRA shall serve the notice by personal service or overnight commercial courier. The notice shall be effective upon service.

(S) **Content of Notice.** The notice shall state whether the Exchange is requesting the Respondent to be required to take action or to refrain from taking action. The notice shall be accompanied by:

- (K) a declaration of facts, signed by a person with knowledge of the facts contained therein, that specifies the acts that constitute the alleged violation; and

- (L) a proposed order that contains the required elements of a suspension order (except the date and hour of the order's issuance), which are set forth in subparagraph (d)(2) of this Rule.

(b) Appointment of Hearing Officers and Hearing Panel

(6) As soon as practicable after the Exchange or FINRA initiates a suspension proceeding, a Hearing Panel shall be assigned in accordance with paragraph (a) of Rule 9231(b).

(7) If at any time a Hearing Officer determines that he or she has a conflict of interest or bias or circumstances otherwise exist where his or her fairness might reasonably be questioned, or if a Party files a motion to disqualify a Hearing Officer, the recusal and disqualification proceeding shall be conducted in accordance with Rules 9233(a), except that:

- (N) a motion seeking disqualification of a Hearing Officer must be filed no later than 5 days after the announcement of the Hearing Panel; and

- (O) the Exchange may file a brief in opposition to the Respondent's motion no later than 5 days after service thereof.

(c) Hearing

(F) **When Held.** The hearing shall be held not later than 15 days after service of the notice initiating the suspension proceeding, unless otherwise extended by the Chairman of the Hearing Panel with the consent of the Parties for good cause shown. If a Hearing Officer is recused or disqualified, the hearing shall be held not later than five days after a replacement Hearing Officer is appointed.

(G) **Service of Notice of Hearing.** A notice of date, time, and place of the hearing shall be served on the Parties not later than seven days before the hearing, unless otherwise ordered by the Chairman of the Hearing Panel. Service shall be made by personal service or overnight commercial courier. The notice shall be effective upon service.

(H) **Authority of Hearing Officers.** A Hearing Officer shall have authority to do all things necessary and appropriate to discharge his or her duties as set forth in Rule 9235.

(I) **Witnesses.** A person who is subject to the jurisdiction of the Exchange shall testify under oath or affirmation. The oath or affirmation shall be administered by a court reporter or a notary public.
(J) **Additional Information.** At any time during its consideration, the Hearing Panel may direct a Party to submit additional information. Any additional information submitted shall be provided to all Parties at least one day before the Hearing Panel renders its decision.

(K) **Transcript.** The hearing shall be recorded by a court reporter and a written transcript thereof shall be prepared. A transcript of the hearing shall be available to the Parties for purchase from the court reporter at prescribed rates. A witness may purchase a copy of the transcript of his or her own testimony from the court reporter at prescribed rates. Proposed corrections to the transcript may be submitted by affidavit to the Hearing Panel within a reasonable time determined by the Hearing Panel. Upon notice to all the Parties to the proceeding, the Hearing Panel may order corrections to the transcript as requested or sua sponte.

(L) **Record and Evidence Not Admitted.** The record shall consist of the notice initiating the proceeding, the declaration, and the proposed order described in subparagraph (a)(3) above; the transcript of the hearing; all evidence considered by the Hearing Panel; and any other document or item accepted into the record by the Hearing Panel. The Nasdaq Regulation Department shall be the custodian of the record. Proffered evidence that is not accepted into the record by the Hearing Panel shall be retained by the custodian of the record until the date when the Exchange’s decision becomes final or, if applicable, upon the conclusion of any review by the SEC or the federal courts.

(M) **Failure to Appear at a Hearing.** If a Respondent fails to appear at a hearing for which it has notice, the allegations in the notice and accompanying declaration may be deemed admitted, and the Hearing Panel may issue a suspension order without further proceedings. If the Exchange or FINRA fails to appear at a hearing for which it has notice, the Hearing Panel may order that the suspension proceeding be dismissed.

(d) **Issuance of Suspension Order by Hearing Panel**

(4) **Basis for Issuance.** The Hearing Panel shall issue a written decision stating whether a suspension order shall be imposed. The Hearing Panel shall issue the decision not later than ten days after receipt of the hearing transcript, unless otherwise extended by the Chairman of the Hearing Panel with the consent of the Parties for good cause shown. A suspension order shall be imposed if the Hearing Panel finds:

- (Q) by a preponderance of the evidence that the alleged violation specified in the notice has occurred; and
- (R) that the violative conduct or continuation thereof is likely to result in significant market disruption or other significant harm to investors.

(5) **Content, Scope, and Form of Order.** A suspension order shall:

- (6) be limited to: (i) ordering a Respondent to cease and desist from violating Rule 2170 or Chapter III, Section 16, and/or (ii) ordering a Respondent to cease and desist from providing access to the Exchange to a client of Respondent that is causing violations of Rule 2170 or Chapter III, Section 16;
- (7) set forth the alleged violation and the significant market disruption or other significant harm to investors that is likely to result without the issuance of an order;
- (8) describe in reasonable detail the act or acts the Respondent is to take or refrain from taking and to suspend the Respondent unless and until such action is taken or refrained from; and
- (9) include the date and hour of its issuance.

(6) **Duration of Order.** A suspension order shall remain effective and enforceable unless modified, set aside, limited, or revoked pursuant to paragraph (e), below.

(7) **Service.** The Hearing Panel’s decision and any suspension order shall be served by personal service or overnight commercial courier. The suspension order shall be effective upon service.
(e) Review by Hearing Panel. At any time after the Respondent is served with a suspension order, a Party may apply to the Hearing Panel to have the order modified, set aside, limited, or revoked. The application shall set forth with specificity the facts that support the request. The Hearing Panel shall respond to the request in writing within ten days after receipt of the request, unless otherwise extended by the Chairman of the Hearing Panel with the consent of the Parties for good cause shown. The Hearing Panel's response shall be served on the Respondent via personal service or overnight commercial courier. The filing of an application under this Rule shall not stay the effectiveness of the suspension order.

(f) Application to SEC for Review. Sanctions imposed pursuant to this Rule constitute final and immediately effective disciplinary sanctions imposed by the Exchange. The right to have any action under this Rule reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review shall not stay the effectiveness of a suspension order unless the SEC otherwise orders.


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Nasdaq Stock Market Rules, Regulation, 9520., Nasdaq, Eligibility Proceedings

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Nasdaq Stock Market Rules, Regulation, 9521., Nasdaq, Purpose and Definitions

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(a) Purpose
The Rule 9520 Series sets forth procedures for a person to become or remain associated with a member, notwithstanding the existence of a statutory disqualification as defined in the Nasdaq By-Laws and for a current member or person associated with a member to obtain relief from the eligibility or qualification requirements of the Nasdaq By-Laws and the Rules of Nasdaq. Such actions hereinafter are referred to as "eligibility proceedings."

(b) Definitions

1. The term "Application" means FINRA's Form MC-400 for individuals or Form MC-400A for members, filed with the Central Registration Depository/Public Disclosure.

2. The term "disqualified member" means a broker, dealer, municipal securities broker or dealer, government securities broker or dealer, or member that is or becomes subject to a disqualification or is otherwise ineligible for membership under the Nasdaq By-Laws.

3. The term "disqualified person" means an associated person or person seeking to become an associated person who is or becomes subject to a disqualification or is otherwise ineligible for association under the Nasdaq By-Laws.

4. The term "sponsoring member" means the member or applicant for membership pursuant to Rule 1013 that is sponsoring the association or continued association of a disqualified person to be admitted, readmitted, or permitted to continue in association.

Nasdaq Stock Market Rules, Regulation, 9522., Nasdaq, Initiation of Eligibility Proceeding; Member Regulation Consideration

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(a) Initiation

(1) Issuance of Notice of Disqualification or Ineligibility

If staff of the Department of Member Regulation has reason to believe that a disqualification exists or that a member or person associated with a member otherwise fails to meet the eligibility requirements of Nasdaq, staff of the Department of Member Regulation shall issue a written notice to the member or applicant for membership under Rule 1013. The notice shall specify the grounds for such disqualification or ineligibility. Staff of the Department of Member Regulation shall not issue such written notice to members or applicants for membership under Rule 1013 with respect to disqualifications arising solely from findings or orders specified in Section 15(b)(4)(D), (E), or (H) of the Exchange Act or arising under Section 3(a)(39)(E) of the Exchange Act, unless the member or applicant for membership under Nasdaq Rule 1013 is required to file an application pursuant to a Regulatory Alert entitled “Eligibility Proceedings: Amendments to Nasdaq Rule 9520 Series to Establish Procedures Applicable to Firms and Associated Persons Subject to Certain Statutory Disqualifications” (the “SD Regulatory Alert”).

(2) Notice Regarding a Member

A notice issued to a disqualified member shall state that the disqualified member may apply for relief by filing an application or, in the case of a matter set forth in Rule 9522(e)(1), a written request for relief, within ten business days after service of the notice. If the member fails to file the application or, where appropriate, the written request for relief, within the 10-day period, the membership of the member shall be canceled, unless the Department of Member Regulation grants an extension for good cause shown.

(3) Notice Regarding an Associated Person

A notice issued regarding a disqualified person to a member or applicant for membership under Rule 1013 shall state that such member or applicant for membership may file an application on behalf of itself and such person or, in the case of a matter set forth in Rule 9522(e)(1), a written request for relief, within ten business days after service of the notice. If the member fails to file the application or, where appropriate, the written request for relief, within the 10-day period, the registration of the disqualified person shall be revoked, unless the Department of Member Regulation grants an extension for good cause shown.

(4) Service

A notice issued under this section shall be served by facsimile or pursuant to Rules 9131 and 9134.

(b) Obligation of Member to Initiate Proceeding

(1) A member shall file an application or, in the case of a matter set forth in Rule 9522(e)(1), a written request for relief, with the Central Registration Depository/ Public Disclosure, if the member determines prior to receiving a notice under paragraph (a) that:

(A) it has become a disqualified member;

(B) a person associated with such member or whose association is proposed by an applicant for membership under Rule 1013 has become a disqualified person; or

(C) the member or applicant for membership under Rule 1013 wishes to sponsor the association of a person who is a disqualified person.

(2) For any disqualifications arising solely from findings or orders specified in Section 15(b)(4)(D), (E), or (H)
of the Exchange Act or arising under Section 3(a)(39)(E) of the Exchange Act, a member shall not file an application unless instructed to do so by the SD Regulatory Alert.

(c) Withdrawal of Application
A member may withdraw its application or written request for relief prior to a hearing by filing a written notice with the Central Registration Depository/Public Disclosure pursuant to Rules 9135, 9136, and 9137. A member may withdraw its application after the start of a hearing but prior to the issuance of a decision by the Nasdaq Review Council by filing a written notice with Nasdaq Review Council and the Office of General Counsel pursuant to Rules 9135, 9136, and 9137.

(d) Ex Parte Communications
The prohibitions against ex parte communications set forth in Rule 9143 shall become effective under the Rule 9520 Series when Nasdaq Regulation Department staff has initiated the eligibility proceeding and Nasdaq Regulation Department staff has knowledge that a member intends to file an application or written request for relief pursuant to the Rule 9520 Series.

(e) Member Regulation Consideration

(1) Matters that may be Approved by the Department of Member Regulation without the Filing of an Application
The Department of Member Regulation, as it deems consistent with the public interest and the protection of investors, is authorized to approve a written request for relief from the eligibility requirements by a disqualified member or a sponsoring member without the filing of an application by such disqualified member or sponsoring member if a disqualified member or disqualified person is subject to one or more of the following conditions but is not otherwise subject to disqualification:

(A) a disqualified member or disqualified person is subject to a disqualification based on an injunction that was entered ten or more years prior to the proposed admission or continuance by order, judgment, or decree of any court of competent jurisdiction from acting as an investment adviser, underwriter, broker, dealer, municipal securities dealer, government securities broker, government securities dealer, transfer agent, foreign person performing a function substantially equivalent to any of the above, entity or person required to be registered under the Commodity Exchange Act, or any substantially equivalent foreign statute or regulation, or as an affiliated person or employee of any investment company, bank, insurance company, foreign entity substantially equivalent to any of the above, or entity or person required to be registered under the Commodity Exchange Act or any substantially equivalent foreign statute or regulation, or from engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase or sale of any security.

(B) a sponsoring member makes a request to change the supervisor of a disqualified person; or

(C) a disqualified member or sponsoring member is a member of both Nasdaq and another self-regulatory organization; and:

(i) the other self-regulatory organization intends to file a Notice under SEC Rule 19h-1 approving the membership continuance of the disqualified member or, in the case of a sponsoring member, the proposed association or continued association of the disqualified person; and

(ii) the Department of Member Regulation concurs with that determination.

(2) Matters that may be Approved by the Department of Member Regulation after the Filing of an Application
The Department of Member Regulation, as it deems consistent with the public interest and the protection
of investors, is authorized to approve an application filed by a disqualified member or sponsoring member if the disqualified member or disqualified person is subject to one or more of the following conditions but is not otherwise subject to disqualification (other than a matter set forth in subparagraph(e)(1)):

(A) The disqualified person is already a participant in, a member of, or a person associated with a member of, a self-regulatory organization (other than Nasdaq), and the terms and conditions of the proposed admission to Nasdaq are the same in all material respects as those imposed or not disapproved in connection with such person's prior admission or continuance pursuant to an order of the Commission under SEC Rule 19h-1 or other substantially equivalent written communication;

(B) The Department of Member Regulation finds, after reasonable inquiry, that except for the identity of the employer concerned, the terms and conditions of the proposed admission or continuance are the same in all material respects as those imposed or not disapproved in connection with a prior admission or continuance of the disqualified person pursuant to an order of the Commission under SEC Rule 19h-1 or other substantially equivalent written communication, and that there is no intervening conduct or other circumstance that would cause the employment to be inconsistent with the public interest or the protection of investors;

(C) The disqualification previously was a basis for the institution of an administrative proceeding pursuant to a provision of the federal securities laws, and was considered by the Commission in determining a sanction against such disqualified person in the proceeding; and the Commission concluded in such proceeding that it would not restrict or limit the future securities activities of such disqualified person in the capacity now proposed, or, if it imposed any such restrictions or limitations for a specified time period, such time period has elapsed; or

(D) The disqualification consists of a court order or judgment of injunction or conviction, and such order or judgment:

   (i) expressly includes a provision that, on the basis of such order or judgment, the Commission will not institute a proceeding against such person pursuant to Section 15(b) or 15B of the Act or that the future securities activities of such persons in the capacity now proposed will not be restricted or limited; or

   (ii) includes such restrictions or limitations for a specified time period and such time period has elapsed;

(E) The disqualified person's functions are purely clerical and/or ministerial in nature; or

(F) The disqualification arises from findings or orders specified in Section 15(b)(4)(D), (E), or (H) of the Exchange Act or arises under Section 3(a)(39)(E) of the Exchange Act.

(3) Rights of Disqualified Member, Sponsoring Member, Disqualified Person, and Department of Member Regulation

(A) In the event the Department of Member Regulation does not approve a written request for relief from the eligibility requirements pursuant to subparagraph (e)(1), the disqualified member or sponsoring member may file an application, and such member shall have the right to proceed under Rule 9523 or 9524, as applicable. The Department of Member Regulation may require a disqualified member or sponsoring member to file an application with the Central Registration Depository/Public Disclosure, notwithstanding the provisions of subparagraph (e)(1).

(B) In the event the Department of Member Regulation does not approve an application pursuant to subparagraph (e)(2), the disqualified member or sponsoring member shall have the right to proceed under Rule 9523 or 9524, as applicable.
Nasdaq Stock Market Rules, Regulation, 9523., Nasdaq, Acceptance of Member Regulation Recommendations and Supervisory Plans by Consent Pursuant to SEC Rule 19h-1

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(a) With respect to all disqualifications, except those arising solely from findings or orders specified in Section 15(b)(4)(D), (E) or (H) of the Exchange Act or arising under Section 3(a)(39)(E) of the Exchange Act, after an application is filed, the Department of Member Regulation may recommend the membership or continued membership of a disqualified member or sponsoring member or the association or continuing association of a disqualified person pursuant to a supervisory plan where the disqualified member, sponsoring member, and/or disqualified person, as the case may be, consent to the recommendation and the imposition of the supervisory plan. The disqualified member, sponsoring member, and/or disqualified person, as the case may be, shall execute a letter consenting to the imposition of the supervisory plan.

(1) If a disqualified member, sponsoring member, and/or disqualified person submitted an executed letter consenting to a supervisory plan, by the submission of such letter, the disqualified member, sponsoring member and/or disqualified person waive:

(A) the right to a hearing before a Hearing Panel and any right of appeal to the Nasdaq Review Council, the Commission, and the courts, or otherwise challenge the validity of the supervisory plan, if the supervisory plan is accepted.

(B) any right of the disqualified member, sponsoring member, and/or disqualified person to claim bias or prejudgment by the Department of Member Regulation, the Chief Regulatory Officer, the Nasdaq Review Council, or any member of the Nasdaq Review Council, in connection with such person's or body's participation in discussions regarding the terms and conditions of the Department of Member Regulation's recommendation or the supervisory plan, or other consideration of the recommendation or supervisory plan, including acceptance or rejection of such recommendation or supervisory plan; and

(C) any right of the disqualified member, sponsoring member, and/or disqualified person to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of the recommendation or supervisory plan, or other consideration of the recommendation or supervisory plan, including acceptance or rejection of such recommendation or supervisory plan.

(2) If a recommendation or supervisory plan is rejected, the disqualified member, sponsoring member, and/or disqualified person shall be bound by the waivers made under subparagraph (a)(1) for conduct by persons or bodies occurring during the period beginning on the date the supervisory plan was submitted and ending upon the rejection of the supervisory plan and shall have the right to proceed under this rule and Rule 9524, as applicable.

(3) If the disqualified member, sponsoring member, and/or disqualified person execute the letter consenting to the supervisory plan, it shall be submitted to the Nasdaq Regulation Department by the Department of Member Regulation with a proposed Notice under SEC Rule 19h-1, where required. The Nasdaq Regulation Department shall forward the supervisory plan and proposed Notice under SEC Rule 19h-1, if any, to the Chairman of the Statutory Disqualification Committee, acting on behalf of the Nasdaq Review Council. The Chairman of the Statutory Disqualification Committee may accept or reject the recommendation of the Department of Member Regulation and the supervisory plan or refer them to the Nasdaq Review Council for acceptance or rejection by the Nasdaq Review Council.

(4) If the recommendation and supervisory plan are accepted by the Nasdaq Review Council or the
Chairman of the Statutory Disqualification Committee it shall be deemed final and, where required, the proposed Notice under SEC Rule 19h-1 will be filed by Nasdaq. If the recommendation and supervisory plan are rejected by the Chairman of the Statutory Disqualification Committee or the Nasdaq Review Council, the Nasdaq Regulation Department may take any other appropriate action with respect to the disqualified member, sponsoring member, and/or disqualified person. If the recommendation and supervisory plan are rejected, the disqualified member, sponsoring member, and/or disqualified person shall not be prejudiced by the execution of the letter consenting to the supervisory plan under subparagraph (a) and the letter may not be introduced into evidence in any proceeding.

(b) With respect to disqualifications arising solely from findings or orders specified in Section 15(b)(4)(D), (E) or (H) of the Exchange Act or arising under Section 3(a)(39)(E) of the Exchange Act, after an application is filed, in approving an application under Rule 9522(e)(2)(F), the Department of Member Regulation is authorized to accept the membership or continued membership of a disqualified member or sponsoring member or the association or continuing association of a disqualified person pursuant to a supervisory plan where the disqualified member, sponsoring member, and/or disqualified persons, as the case may be, consent to the imposition of the supervisory plan. The disqualified member, sponsoring member, and/or disqualified person, as the case may be, shall execute a letter consenting to the imposition of the supervisory plan. The Department of Member Regulation shall prepare a proposed Notice under SEC Rule 19h-1, where required, and Nasdaq shall file such Notice.

(I) If a disqualified member, sponsoring member, and/or disqualified person submitted an executed letter consenting to a supervisory plan, by the submission of such letter, the disqualified member, sponsoring member and/or disqualified person waives:

(n) the right to a hearing before a Hearing Panel and any right of appeal to the Nasdaq Review Council, the SEC, and the courts, or otherwise challenge the validity of the supervisory plan, if the supervisory plan is accepted;

(o) any right of the disqualified member, sponsoring member, and/or disqualified person to claim bias or prejudgment by the Department of Member Regulation or the General Counsel in connection with such person’s or body’s participation in discussions regarding the terms and conditions of the Department of Member Regulation’s recommended supervisory plan, or other consideration of the supervisory plan, including acceptance or rejection of such recommendation or supervisory plan; and

(p) any right of the disqualified member, sponsoring member, and/or disqualified person to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person’s or body’s participation in discussions regarding the terms and conditions of the supervisory plan, or other consideration of the supervisory plan, including acceptance or rejection of such supervisory plan.

(J) If the supervisory plan is rejected, the disqualified member, sponsoring member, and/or disqualified person shall be bound by the waivers made under paragraph (b)(1) for conduct by persons or bodies occurring during the period beginning on the date the supervisory plan was submitted and ending upon the rejection of the supervisory plan and shall have the right to proceed under Rule 9524.

Manual at its discretion.
Nasdaq Stock Market Rules, Regulation, 9524., Nasdaq, Nasdaq Review Council Consideration

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(a) Hearing Panel Consideration

(1) Appointment of Hearing Panel

When the disqualified member, sponsoring firm, or applicant requests a hearing, the Nasdaq Review Council or the Review Subcommittee shall appoint a Hearing Panel composed of two or more members, who shall be current or former members of the Nasdaq Review Council or the Statutory Disqualification Committee or former Directors (provided, however, that current members of the Nasdaq Review Council shall not serve on a Hearing Panel with respect to an affiliate of Nasdaq within the meaning of Rule 2160). The Hearing Panel shall conduct a hearing and recommend a decision on the request for relief.

(2) Notice of Hearing

The disqualified member or sponsoring member, as the case may be, and the Department of Member Regulation shall be notified via mail, facsimile, or overnight courier of the location, time, and date of the hearing not less than fourteen business days before the hearing, unless the parties agree to shorten the time period.

(3) Transmission of Documents

(A) Upon receipt of an application, the Central Registration Depository shall gather all of the information necessary to process the application, including (i) the Central Registration Depository records for the disqualified member, sponsoring member, and/or disqualified person, as the case may be, and the proposed supervisor; and (ii) all of the information submitted by the disqualified member or sponsoring member in support of the application. The Central Registration Depository will prepare an index of these documents, and simultaneously provide this index and copies of the documents to the disqualified member or sponsoring member, as the case may be, the Nasdaq Regulation Department, and the Department of Member Regulation. Such documents shall be served on the disqualified member or sponsoring member, as the case may be, by mail, facsimile, or overnight courier as soon as practicable. The Department of Member Regulation shall serve its recommendation and its supporting documents on the Nasdaq Regulation Department and the disqualified member or sponsoring member, as the case may be, within ten business days of the hearing, unless the Parties agree otherwise. The disqualified member or sponsoring member, as the case may be, shall serve its documents on the Nasdaq Regulation Department and the Department of Member Regulation within ten business days of the hearing, unless the Parties agree otherwise. Nasdaq Regulation shall forward all documents transmitted to it pursuant to this subparagraph (a)(3) to the Hearing Panel.

(B) Not less than ten business days before the hearing, the Department of Member Regulation, which shall act as a Party in the eligibility proceeding, and the disqualified member or sponsoring member, as the case may be, shall serve proposed exhibit and witness lists on each other and the Nasdaq Regulation Department. The exhibit and witness lists shall be served by facsimile or overnight courier.

(C) At any time prior to the issuance of its recommendation, the Hearing Panel may order the Parties to supplement the record with any additional information that the Hearing Panel deems necessary.

(4) Rights of Disqualified Member, Sponsoring Member, Disqualified Person, and Department of Member Regulation

The disqualified member, sponsoring member, and/or disqualified person, as the case may be, and, the
Department of Member Regulation, shall be entitled to be heard in person, to be represented by an attorney, and to submit any relevant evidence.

(5) Extensions of Time, Postponements, and Adjournments
At any time prior to the issuance of the decision of the Hearing Panel, after obtaining consent of all the Parties, the Hearing Panel may extend or shorten any time limits prescribed by the Code for the filing of any papers and may postpone or adjourn any hearing.

(6) Recordation of Hearing
The hearing shall be recorded and a transcript prepared by a court reporter. The disqualified member, sponsoring member, and/or disqualified person, as the case may be, may purchase a copy of the transcript from the court reporter at prescribed rates. A witness may purchase a copy of the transcript of his or her own testimony from the court reporter at prescribed rates. Proposed corrections to the transcript may be submitted by affidavit to the Hearing Panel within a reasonable time determined by the Hearing Panel. Upon notice to the participants in the hearing, the Hearing Panel may order corrections to the transcript as requested or sua sponte.

(7) Record
The record shall consist of:

(A) the notice issued pursuant to Rule 9522(a), if applicable;
(B) all documents relied upon in issuing the notice under Rule 9522(a), if applicable;
(C) the application for relief filed pursuant to Rule 9522(b);
(D) any other submissions by the disqualified member, sponsoring member, and/or disqualified person, as the case may be, and the Department of Member Regulation;
(E) any evidence considered at the hearing; and
(F) the transcript of the hearing and any corrections thereto.

(8) Custodian of the Record
The custodian of the record shall be the Nasdaq Regulation Department.

(9) Evidence Not Admitted
Evidence that is proffered but not admitted during the hearing shall not be part of the record, but shall be retained by the custodian of the record until the date when Nasdaq’s decision becomes final or, if applicable, upon the conclusion of any review by the Commission or the federal courts.

(10) Recommendation
On the basis of the record, the Hearing Panel shall present a recommended decision in writing on the request for relief to the Statutory Disqualification Committee. After considering the record and recommendation of the Hearing Panel, the Statutory Disqualification Committee shall present its recommended decision in writing to the Nasdaq Review Council. Notwithstanding the foregoing, with respect to a Nasdaq member that is an affiliate of Nasdaq within the meaning of Rule 2140, the Hearing Panel shall prepare a final decision meeting the requirements of Rule 9524(b)(2), which shall not be reviewed by the Statutory Disqualification Committee or the Nasdaq Review Council, and may not be called for review by the Nasdaq Board pursuant to Rule 9525.

(b) Decision
(1) Decision of the Nasdaq Review Council

After considering all matters presented in the request for relief, the Statutory Disqualification Committee’s recommended decision, the public interest, and the protection of investors, the Nasdaq Review Council may grant or deny the request for relief, and, if relief is granted, impose conditions on the disqualified member, sponsoring member, and/or disqualified person, as the case may be. At any time prior to the issuance of its recommendation, the Nasdaq Review Council may order the Parties to supplement the record with any additional information that the Nasdaq Review Council deems necessary. Alternatively, the Nasdaq Review Council may remand the eligibility proceeding. The Nasdaq Review Council shall prepare a proposed written decision pursuant to subparagraph (b)(2).

(2) Contents of Decision

The decision shall include:

(A) a description of the origin of the eligibility proceeding and the nature of the disqualification;

(B) a description of the prospective business or employment requested to be engaged in; and

(C) a statement in support of the disposition of the request for relief, which, if granted, includes any of the applicable elements under SEC Rule 19h-1(e) and a description of any conditions that are imposed on the disqualified member, sponsoring member, or disqualified person, as the case may be.

(3) Issuance of Decision After Expiration of Call for Review Period

The Nasdaq Review Council shall provide its proposed written decision to the Nasdaq Board. The Nasdaq Board may call the eligibility proceeding for review pursuant to Rule 9525. If the Nasdaq Board does not call the eligibility proceeding for review, the proposed written decision of the Nasdaq Review Council shall become final, and the Nasdaq Review Council shall serve its written decision on the disqualified member, sponsoring member, and/or disqualified person, as the case may be, and the Department of Member Regulation pursuant to Rules 9132 and 9134. In the case of a decision with respect to a Nasdaq member that is an affiliate of Nasdaq within the meaning of Rule 2160, the decision of the Hearing Panel shall become final without being provided to the Nasdaq Board, and the Hearing Panel shall serve its written decision.

The decision shall constitute final action of Nasdaq, unless the Nasdaq Review Council remands the eligibility proceeding. A decision to deny re-entry or continued association shall be effective immediately. A decision to approve shall be effective after the Commission issues an acknowledgment letter or, in cases involving Commission ordered sanctions, an order.


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Nasdaq Stock Market Rules, Regulation, 9525., Nasdaq, Discretionary Review by the Nasdaq Board

(a) Call for Review by Director
A Director may call an eligibility proceeding for review by the Nasdaq Board if the call for review is made within the period prescribed in paragraph (b).

(b) 15 Day Period; Waiver
A Director shall make his or her call for review not later than the next meeting of the Nasdaq Board that is at least 15 days after the date on which the Nasdaq Board receives the proposed written decision of the Nasdaq Review Council. By a unanimous vote of the Nasdaq Board, the Nasdaq Board may shorten the period to less than 15 days. By an affirmative vote of the majority of the Nasdaq Board then in office, the Nasdaq Board may, during the 15 day period, vote to extend the period to more than 15 days.

(c) Review at Next Meeting
If a Director calls an eligibility proceeding for review within the period prescribed in paragraph (b), the Nasdaq Board shall review the eligibility proceeding not later than the next meeting of the Nasdaq Board. The Nasdaq Board may order the filing of briefs in connection with its review proceedings pursuant to this Rule.

(d) Decision of Nasdaq Board, Including Remand
After review, the Nasdaq Board may affirm, modify, or reverse the proposed written decision of the Nasdaq Review Council. Alternatively, the Nasdaq Board may remand the eligibility proceeding with instructions. The Nasdaq Board shall prepare a written decision that includes all of the elements described in Rule 9524(b)(2).

(e) Issuance of Decision
The Nasdaq Board shall issue and serve its written decision on the disqualified member, sponsoring member, and/or disqualified person, as the case may be, and the Department of Member Regulation pursuant to Rules 9132 and 9134. The decision shall constitute the final action of Nasdaq, unless the Nasdaq Board remands the proceeding. A decision to deny re-entry or continued association shall be effective immediately. A decision to approve shall be effective after the Commission issues an acknowledgment letter or, in cases involving Commission-ordered sanctions, an order.


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Nasdaq Stock Market Rules, Regulation, 9526., Nasdaq, Expedited Review

(a) Direction by Executive Committee
Notwithstanding Rules 9524 and 9525, the Nasdaq Board Executive Committee, upon request of the Statutory Disqualification Committee, may direct an expedited review of a recommended written decision of the Statutory Disqualification Committee if the Nasdaq Board Executive Committee determines that expedited review is necessary for the protection of investors.

(b) Call for Review Period
If a recommended decision is subject to expedited review, a Director may call the eligibility proceeding for review within seven days after receipt of the recommended written decision.

(c) No Call for Review
If no Director calls the proceeding for review within the time prescribed, the decision shall become final, and the Statutory Disqualification Committee shall serve the decision on the disqualified member, sponsoring member, and/or disqualified person, as the case may be, and the Department of Member Regulation pursuant to Rules 9132 and 9134. The decision shall constitute final action of Nasdaq. The decision shall be effective upon approval by the Commission.

(d) Call for Review
If a Director calls the eligibility proceeding for review within the prescribed time, a review panel shall meet and conduct a review not later than 14 days after the call for review. The review panel shall be composed of the Nasdaq Board Executive Committee, except that the Director who calls the proceeding for review shall serve on the review panel in lieu of a member of the Executive Committee who has the same classification (Member, Industry, Non-Industry, or Public) as such Director. The review panel may affirm, modify, or reverse the recommended written decision of the Statutory Disqualification Committee or remand the eligibility proceeding with instructions. The review panel shall prepare, issue, and serve its decision pursuant to Rule 9525(d) and (e).

Nasdaq Stock Market Rules, Regulation, 9527., Nasdaq, Application to Commission for Review

The right to have any action taken pursuant to this Rule Series reviewed by the Commission is governed by Section 19 of the Act. The filing of an application for review shall not stay the effectiveness of final action by Nasdaq, unless the Commission otherwise orders.


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Nasdaq Stock Market Rules, Regulation, 9532., Nasdaq, Reserved

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Nasdaq Stock Market Rules, Regulation, 9550., Nasdaq, Expedited Proceedings

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Nasdaq Stock Market Rules, Regulation, 9552., Nasdaq, Failure to Provide Information or Keep Information Current

(a) Notice of Suspension of Member, Person Associated with a Member or Person Subject to Nasdaq's Jurisdiction if Corrective Action is Not Taken

If a member, person associated with a member or person subject to Nasdaq's jurisdiction fails to provide any information, report, material, data, or testimony requested or required to be filed pursuant to the Nasdaq By-Laws or the Nasdaq Rules, or fails to keep its membership application or supporting documents current, Nasdaq Regulation staff may provide written notice to such member or person specifying the nature of the failure and stating that the failure to take corrective action within 21 days after service of the notice will result in suspension of membership or of association of the person with any member.

(b) Service of Notice of Suspension

Except as provided below, Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) shall serve the member or person with such notice (or upon counsel representing the member or person, or other person authorized to represent others under Rule 9141, when counsel or other person authorized to represent others under Rule 9141 agrees to accept service for the member or person) in accordance with Rule 9134 or by facsimile or email. A copy of a notice under this Rule that is served on a person associated with a member also shall be served on such member. Papers served on a member by facsimile shall be sent to the member’s facsimile number listed in the FINRA Contact System submitted to Nasdaq pursuant to Rule 1160, except that, if Nasdaq Regulation Department staff has actual knowledge that a member’s FINRA Contact System facsimile number is out of date, duplicate copies shall be sent to the member by overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of Rule 9134. Papers served on a member by email shall be sent to the member’s email address listed in the FINRA Contact System submitted to Nasdaq pursuant to Rule 1160 and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of Rule 9134. Papers served on a person by facsimile or email shall be sent to the person's last known facsimile number or email address and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(1) of Rule 9134. Papers served on counsel for a member or person, or other person authorized to represent others under Rule 9141, by facsimile or email shall be sent to the facsimile number or email address that counsel or other person authorized to represent others under Rule 9141 provides and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) of Rule 9134. Service is complete upon sending the notice by facsimile or email, mailing the notice by U.S. Postal Service first class mail, first class certified mail, first class registered mail, or Express Mail, sending the notice through a courier service, or delivering it in person, except that, where duplicate service is required, service is complete when the duplicate service is complete.

(c) Contents of Notice

A notice issued under this Rule shall state the specific grounds and include the factual basis for the Nasdaq action. The notice shall state when the Nasdaq action will take effect and explain what the respondent must do to avoid such action. The notice shall state that the respondent may file a written request for a hearing with the Office of Hearing Officers pursuant to Rule 9559. The notice also shall inform the respondent of the applicable deadline for filing a request for a hearing and shall state that a request for a hearing must set forth with specificity any and all defenses to the Nasdaq action. In addition, the notice shall explain that, pursuant to Rules 8310(a) and 9559(n), a Hearing Officer or, if applicable, Hearing Panel, may approve, modify or withdraw any and all sanctions or limitations imposed by the notice, and may impose any other fitting sanction.

(d) Effective Date of Suspension
The suspension referenced in a notice issued and served under this Rule shall become effective 21 days after service of the notice, unless stayed by a request for a hearing pursuant to Rule 9559.

(e) Request for Hearing
A member or person served with a notice under this Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to Rule 9559. A request for a hearing shall be made before the effective date of the notice, as indicated in paragraph (d) of this Rule. A request for a hearing must set forth with specificity any and all defenses to the Nasdaq action.

(f) Request for Termination of the Suspension
A member or person subject to a suspension pursuant to this Rule may file a written request for termination of the suspension on the ground of full compliance with the notice or decision. Such request shall be filed with the head of the FINRA department or office that issued the notice or, if another FINRA department or office is named as the party handling the matter on behalf of the issuing department or office, with the head of the FINRA department or office that is so designated. The head of the appropriate department or office may grant relief for good cause shown.

(g) Settlement Procedure
Uncontested offers of settlement shall be permitted under this Rule and shall conform to the requirements of Rule 9270, except that, if an uncontested offer of settlement, made under Rule 9270(e) after a hearing on the merits has begun, is accepted by the Hearing Officer, the Hearing Officer shall issue the order of acceptance, which shall constitute final Nasdaq action. Contested offers of settlement shall not be considered in proceedings initiated under this Rule.

(h) Defaults
A member or person who is suspended under this Rule and fails to request termination of the suspension within three months of issuance of the original notice of suspension will automatically be expelled or barred.

Nasdaq Stock Market Rules, Regulation, 9553., Nasdaq, Failure to Pay Nasdaq Dues, Fees and Other Charges

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(a) Notice of Suspension, Cancellation or Bar
If a member, person associated with a member or person subject to Nasdaq’s jurisdiction fails to pay any fees, dues, assessment or other charge required to be paid under the Nasdaq By-Laws or Rules, or to submit a required report or information related to such payment, Nasdaq Regulation Department staff may issue a written notice to such member or person stating that the failure to comply within 21 days of service of the notice will result in a suspension or cancellation of membership or a suspension or bar from associating with any member.

(b) Service of Notice of Suspension, Cancellation or Bar
Except as provided below, Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) shall serve the member or person with such notice (or upon counsel representing the member or person, or other person authorized to represent others under Rule 9141, when counsel or other person authorized to represent others under Rule 9141 agrees to accept service for the member or person) in accordance with Rule 9134 or by facsimile or email. A copy of a notice under this Rule that is served on a person associated with a member also shall be served on such member. Papers served on a member by facsimile shall be sent to the member’s facsimile number listed in the FINRA Contact System submitted to Nasdaq pursuant to Rule 1160, except that, if Nasdaq Regulation Department staff has actual knowledge that a member’s FINRA Contact System facsimile number is out of date, duplicate copies shall be sent to the member by overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of Rule 9134. Papers served on a member by email shall be sent to the member’s email address listed in the FINRA Contact System submitted to Nasdaq pursuant to Rule 1160 and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of Rule 9134. Papers served on a person by facsimile or email shall be sent to the person’s last known facsimile number or email address and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(1) of Rule 9134. Papers served on counsel for a member or person, or other person authorized to represent others under Rule 9141, by facsimile or email shall be sent to the facsimile number or email address that counsel or other person authorized to represent others under Rule 9141 provides and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) of Rule 9134. Service is complete upon sending the notice by facsimile or email, mailing the notice by U.S. Postal Service first class mail, first class certified mail, first class registered mail, or Express Mail, sending the notice through a courier service, or delivering it in person, except that, where duplicate service is required, service is complete when the duplicate service is complete.

(c) Contents of Notice
A notice issued under this Rule shall state the specific grounds and include the factual basis for the Nasdaq action. The notice shall state when the Nasdaq action will take effect and explain what the respondent must do to avoid such action. The notice shall state that the respondent may file a written request for a hearing with the Office of Hearing Officers pursuant to Rule 9559. The notice also shall inform the respondent of the applicable deadline for filing a request for a hearing and shall state that a request for a hearing must set forth with specificity any and all defenses to the Nasdaq action. In addition, the notice shall explain that, pursuant to Rules 8310(a) and 9559(n), a Hearing Officer or, if applicable, Hearing Panel, may approve, modify or withdraw any and all sanctions or limitations imposed by the notice, and may impose any other fitting sanction.

(d) Effective Date of Suspension, Cancellation or Bar
The suspension, cancellation or bar referenced in a notice issued and served under this Rule shall become
effective 21 days after service of the notice, unless stayed by a request for a hearing pursuant to Rule 9559.

(e) Request for Hearing
A member or person served with a notice under this Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to Rule 9559. A request for a hearing shall be made before the effective date of the notice, as indicated in paragraph (d) of this Rule. A request for a hearing must set forth with specificity any and all defenses to the Nasdaq action.

(f) Failure to Request Hearing
If a member or person does not timely request a hearing, the suspension, cancellation or bar specified in the notice shall become effective 21 days after service of the notice and the notice shall constitute final Nasdaq action.

(g) Request for Termination of the Suspension
A member or person subject to a suspension under this Rule may file a written request for termination of the suspension on the ground of full compliance with the notice or decision. Such request shall be filed with the head of the FINRA department or office that issued the notice or, if another FINRA department or office is named as the party handling the matter on behalf of the issuing department or office, with the head of the FINRA department or office that is so designated. The appropriate head of the department or office may grant relief for good cause shown.

Nasdaq Stock Market Rules, Regulation, 9554., Nasdaq, Failure to Comply with an Arbitration Award or Related Settlement or an Order of Restitution or Settlement Providing for Restitution

(a) Notice of Suspension or Cancellation

If a member, person associated with a member or person subject to Nasdaq’s jurisdiction fails to comply with an arbitration award or a settlement agreement related to an arbitration or mediation under the Nasdaq By-Laws, or a FINRA order of restitution or FINRA settlement agreement providing for restitution, Nasdaq Regulation Department staff may provide written notice to such member or person stating that the failure to comply within 21 days of service of the notice will result in a suspension or cancellation of membership or a suspension from associating with any member.

(b) Service of Notice of Suspension or Cancellation

Except as provided below, Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) shall serve the member or person with such notice (or upon counsel representing the member or person, or other person authorized to represent others under Rule 9141, when counsel or other person authorized to represent others under Rule 9141 agrees to accept service for the member or person) in accordance with Rule 9134 or by facsimile or email. A copy of a notice under this Rule that is served on a person associated with a member also shall be served on such member. Papers served on a member by facsimile shall be sent to the member’s facsimile number listed in the FINRA Contact System submitted to Nasdaq pursuant to Rule 1160, except that, if Nasdaq Regulation Department staff has actual knowledge that a member’s FINRA Contact System facsimile number is out of date, duplicate copies shall be sent to the member by overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of Rule 9134. Papers served on a member by email shall be sent to the member’s email address listed in the FINRA Contact System submitted to Nasdaq pursuant to Rule 1160 and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of Rule 9134. Papers served on a person by facsimile or email shall be sent to the person’s last known facsimile number or email address and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(1) of Rule 9134. Papers served on counsel for a member or person, or other person authorized to represent others under Rule 9141, by facsimile or email shall be sent to the facsimile number or email address that counsel or other person authorized to represent others under Rule 9141 provides and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) of Rule 9134. Service is complete upon sending the notice by facsimile or email, mailing the notice by U.S. Postal Service first class mail, first class certified mail, first class registered mail, or Express Mail, sending the notice through a courier service, or delivering it in person, except that, where duplicate service is required, service is complete when the duplicate service is complete.

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(d) Effective Date of Suspension or Cancellation
The suspension or cancellation referenced in a notice issued and served under this Rule shall become effective 21 days after service of the notice, unless stayed by a request for a hearing pursuant to Rule 9559.

(e) Request for Hearing

A member or person served with a notice under this Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to Rule 9559. A request for a hearing shall be made before the effective date of the notice, as indicated in paragraph (d) of this Rule. A request for a hearing must set forth with specificity any and all defenses to the Nasdaq action.

(f) Failure to Request Hearing

If a member or person does not timely request a hearing, the suspension or cancellation specified in the notice shall become effective 21 days after the service of the notice and the notice shall constitute final Nasdaq action.

(g) Request for Termination of the Suspension

A member or person subject to a suspension under this Rule may file a written request for termination of the suspension on the ground of full compliance with the notice or decision. Such request shall be filed with the head of the FINRA department or office that issued the notice or, if another FINRA department or office is named as the party handling the matter on behalf of the issuing department or office, with the head of the FINRA department or office that is so designated. The appropriate head of the department or office may grant relief for good cause shown.


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Nasdaq Stock Market Rules, Regulation, 9555., Nasdaq, Failure to Meet the Eligibility or Qualification Standards or Prerequisites for Access to Services

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(a) Notice to Member or Person of Suspension, Cancellation, Bar, or Limitation or Prohibition on Access to Services

(1) If a member or an associated person does not meet the eligibility or qualification standards set forth in the Nasdaq By-Laws or Rules, Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) may provide written notice to such member or person stating that the failure to become eligible or qualified will result in a suspension or cancellation of membership or a suspension or bar from associating with any member.

(2) If a member, associated person, or other person does not meet the prerequisites for access to services offered by Nasdaq or a member thereof or cannot be permitted to continue to have access to services offered by Nasdaq or a member thereof with safety to investors, creditors, members, or Nasdaq, Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) may provide written notice to such member or person limiting or prohibiting access to services offered by Nasdaq or a member thereof.

(b) Service of Notice

Except as provided below, Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) shall serve the member or person with such notice (or upon counsel representing the member or person, or other person authorized to represent others under Rule 9141, when counsel or other person authorized to represent others under Rule 9141 agrees to accept service for the member or person) in accordance with Rule 9134 or by facsimile or email. A copy of a notice under this Rule that is served on a person associated with a member also shall be served on such member. Papers served on a member by facsimile shall be sent to the member’s facsimile number listed in the FINRA Contact System submitted to Nasdaq pursuant to Rule 1160, except that, if Nasdaq Regulation Department staff has actual knowledge that a member’s FINRA Contact System facsimile number is out of date, duplicate copies shall be sent to the member by overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of Rule 9134. Papers served on a member by email shall be sent to the member’s email address listed in the FINRA Contact System submitted to Nasdaq pursuant to Rule 1160 and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of Rule 9134. Papers served on a person by facsimile or email shall be sent to the person’s last known facsimile number or email address and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(1) of Rule 9134. Papers served on counsel for a member or person, or other person authorized to represent others under Rule 9141, by facsimile or email shall be sent to the facsimile number or email address that counsel or other person authorized to represent others under Rule 9141 provides and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) of Rule 9134. Service is complete upon sending the notice by facsimile or email, mailing the notice by U.S. Postal Service first class mail, first class certified mail, first class registered mail, or Express Mail, sending the notice through a courier service, or delivering it in person, except that, where duplicate service is required, service is complete when the duplicate service is complete.

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applicable deadline for filing a request for a hearing and shall state that a request for a hearing must set forth with specificity any and all defenses to the Nasdaq action. In addition, the notice shall explain that, pursuant to Rules 8310(a) and 9559(n), a Hearing Officer or, if applicable, Hearing Panel, may approve, modify or withdraw any and all sanctions or limitations imposed by the notice, and may impose any other fitting sanction.

(d) Effective Date of Limitation, Prohibition, Suspension, Cancellation or Bar

The limitation, prohibition, suspension, cancellation or bar referenced in a notice issued under this Rule shall become effective 14 days after service of the notice, except that the effective date for a notice of a limitation or prohibition on access to services offered by Nasdaq or a member thereof with respect to services to which the member or person does not have access shall be upon service of the notice. A request for a hearing, pursuant to Rule 9559, shall stay the effectiveness of the notice, except that the effectiveness of a notice of a limitation or prohibition on access to services offered by Nasdaq or a member thereof with respect to services to which the member or person does not have access shall not be stayed by a request for a hearing.

(e) Request for Hearing

A member or person served with a notice under this Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to Rule 9559. A request for a hearing shall be made within 14 days after service of the notice. A request for a hearing must set forth with specificity any and all defenses to the Nasdaq action.

(f) Failure to Request Hearing

If a member or person does not timely request a hearing, the limitation, prohibition, suspension, cancellation or bar specified in the notice shall become effective 14 days after service of the notice, except that the effective date for a notice of a limitation or prohibition on access to services offered by Nasdaq or a member thereof with respect to services to which the member or person does not have access shall be upon service of the notice. The notice shall constitute final Nasdaq action if the member or person does not request a hearing within 14 days after service of the notice.

(g) Request for Termination of the Limitation, Prohibition or Suspension

A member or person subject to a limitation, prohibition or suspension under this Rule may file a written request for termination of the limitation, prohibition or suspension on the ground of full compliance with the notice or decision. Such request shall be filed with the head of the Nasdaq or FINRA department or office that issued the notice or, if another Nasdaq or FINRA department or office is named as the party handling the matter on behalf of the issuing department or office, with the head of the Nasdaq or FINRA department or office that is so designated. The appropriate head of the department or office may grant relief for good cause shown.


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Nasdaq Stock Market Rules, Regulation, 9556., Nasdaq, Failure to Comply with Temporary and Permanent Cease and Desist Orders

(a) Notice of Suspension, Cancellation or Bar

If a member, person associated with a member or person subject to Nasdaq’s jurisdiction fails to comply with a temporary or permanent cease and desist order issued under the Rule 9200, 9300 or 9800 Series, Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq), after receiving written authorization from the Chief Regulatory Officer, may issue a notice to such member or person stating that the failure to comply with the temporary or permanent cease and desist order within seven days of service of the notice will result in a suspension or cancellation of membership or a suspension or bar from associating with any member.

(b) Service of Notice

Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) shall serve the member or person subject to a notice issued under this Rule (or upon counsel representing the member or person, or other person authorized to represent others under Rule 9141, when counsel or other person authorized to represent others under Rule 9141 agrees to accept service for the member or person) by facsimile, email, overnight courier or personal delivery. Papers served on a member, person or counsel for such member or person, or other person authorized to represent others under Rule 9141 by overnight courier or personal delivery shall conform to paragraphs (a)(1) and (3) and, with respect to a member or person, (b)(1) and (2) of Rule 9134. Papers served on a member by facsimile shall be sent to the member’s facsimile number listed in the FINRA Contact System submitted to Nasdaq pursuant to Rule 1160, except that, if Nasdaq Regulation Department staff has actual knowledge that a member’s FINRA Contact System facsimile number is out of date, duplicate copies shall be sent to the member by overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of Rule 9134. Papers served on a member by email shall be sent to the member’s email address listed in the FINRA Contact System submitted to Nasdaq pursuant to Rule 1160 and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of Rule 9134. Papers served on a person by facsimile or email shall be sent to the person’s last known facsimile number or email address and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(1) of Rule 9134. Papers served on counsel for a member or person, or other person authorized to represent others under Rule 9141 by facsimile or email shall be sent to the facsimile number or email address that counsel or other person authorized to represent others under Rule 9141 provides and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) of Rule 9134. A copy of a notice under this Rule that is served on a person associated with a member also shall be served on such member. Service is complete upon sending the notice by facsimile or email, sending the notice by overnight courier or delivering it in person, except that, where duplicate service is required, service is complete upon sending the duplicate service.

(c) Contents of Notice

The notice shall explicitly identify the provision of the permanent or temporary cease and desist order that is alleged to have been violated and shall contain a statement of facts specifying the alleged violation. The notice shall state that the respondent may file a written request for a hearing with the Office of Hearing Officers pursuant to Rule 9559. The notice also shall inform the respondent of the applicable deadline for filing a request for a hearing and shall state that a request for a hearing must set forth with specificity any and all defenses to the Nasdaq action. In addition, the notice shall explain that, pursuant to Rules 8310(a) and 9559(n), a Hearing Officer or, if applicable, Hearing Panel, may approve, modify or withdraw any and all sanctions or limitations imposed by the notice, and may impose any other fitting sanction.

(d) Effective Date of Suspension, Cancellation or Bar
The suspension, cancellation or bar referenced in a notice issued and served under this Rule shall become effective seven days after service of the notice, unless stayed by a request for a hearing pursuant to Rule 9559.

(e) Request for a Hearing
A member or person served with a notice under this Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to Rule 9559. A request for a hearing shall be made before the effective date of the notice, as indicated in paragraph (d) of this Rule. A request for a hearing must set forth with specificity any and all defenses to the Nasdaq action.

(f) Failure to Request Hearing
If a member or person does not timely request a hearing, the suspension, cancellation or bar specified in the notice shall become effective seven days after the service of the notice and the notice shall constitute final Nasdaq action.

(g) Request for Termination of the Suspension
A member or person subject to a suspension imposed after the process described in paragraphs (a) through (f) of this Rule may file a written request for termination of the suspension on the ground of full compliance with the notice or decision. Such request shall be filed with the head of the Nasdaq or FINRA department or office that issued the notice or, if another Nasdaq or FINRA department or office is named as the party handling the matter on behalf of the issuing department or office, with the head of the Nasdaq or FINRA department or office that is so designated. The appropriate head of the department or office may grant relief for good cause shown.

(h) Subsequent Proceedings
If a member, person associated with a member or person subject to Nasdaq’s jurisdiction fails to comply with a temporary or permanent cease and desist order issued under the Rule 9200, 9300, or 9800 Series, and has previously been served under paragraph (a) of this Rule with a notice for a failure to comply with any provision of the same temporary or permanent cease and desist order, Nasdaq Regulation Department staff, after receiving written authorization from the Chief Regulatory Officer, may file a petition with the Office of Hearing Officers seeking a hearing pursuant to Rule 9559 and the imposition of any fitting sanctions for such member’s or person’s failure to comply with the temporary or permanent cease and desist order.

(13) The petition shall be served in accordance with paragraph (b) of this Rule, and it shall be filed with the Office of Hearing Officers.

(14) The petition shall explicitly identify the provision of the permanent or temporary cease and desist order that is alleged to have been violated, contain a statement of facts specifying the alleged violation, describe with particularity the sanctions that Nasdaq Regulation Department staff seeks to have imposed, and note that a hearing under Rule 9559 is requested. Nasdaq Regulation Department staff may seek the imposition of any fitting sanction.

(15) Upon the filing of the petition, Rule 9559 shall govern the proceeding. Respondent’s full compliance with the temporary or permanent cease and desist order is not a ground for dismissing a proceeding brought pursuant to this paragraph (h).

(16) The Nasdaq Department that filed the petition can withdraw it without prejudice and shall be permitted to refile a petition based on allegations concerning the same facts and circumstances that are set forth in the withdrawn petition.


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(a) Notice of Requirements and/or Restrictions; Nasdaq Action

Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) may issue a notice directing a member to comply with the provisions of Rule 4110A or 4120A or restrict its business activities, either by limiting or ceasing to conduct those activities consistent with Rule 4110A or 4120A, if Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) has reason to believe that a condition specified in Rule 4110A or 4120A exists. A notice served under this Rule shall constitute Nasdaq action.

(b) Service of Notice

Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) shall serve the member subject to a notice issued under this Rule (or upon counsel representing the member, or other person authorized to represent others under Rule 9141, when counsel or other person authorized to represent others under Rule 9141 agrees to accept service for the member) by facsimile, email, overnight courier or personal delivery. Papers served on a member, counsel for such member, or other person authorized to represent others under Rule 9141 by overnight courier or personal delivery shall conform to paragraphs (a)(1) and (3) and, with respect to a member, (b)(2) of Rule 9134. Papers served on a member by facsimile shall be sent to the member’s facsimile number listed in the FINRA Contact System submitted to Nasdaq pursuant to Rule 1160, except that, if Nasdaq Regulation Department staff has actual knowledge that a member’s FINRA Contact System facsimile number is out of date, duplicate copies shall be sent to the member by overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of Rule 9134. Papers served on a member by email shall be sent to the member’s email address listed in the FINRA Contact System submitted to Nasdaq pursuant to Rule 1160 and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of Rule 9134. Papers served on counsel for a member, or other person authorized to represent others under Rule 9141 by facsimile or email shall be sent to the facsimile number or email address that counsel or other person authorized to represent others under Rule 9141 provides and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) of Rule 9134. Service is complete upon sending the notice by facsimile or email, sending the notice by overnight courier or delivering it in person, except that, where duplicate service is required, service is complete upon sending the duplicate service.

(c) Contents of Notice

A notice issued under this Rule shall:

(1) state the specific grounds and include the factual basis for the Nasdaq action;

(2) specify the date of the notice and the requirements and/or restrictions being imposed by the notice;

(3) state that the requirements and/or restrictions imposed by the notice are immediately effective;

(4) specify the conditions for complying with and, where applicable, avoiding or terminating the requirements and/or restrictions imposed by the notice;

(5) inform the member that, pursuant to paragraph (f) of this Rule, the failure to comply with the requirements and/or restrictions imposed by an effective notice under this Rule shall be deemed, without further notice from Nasdaq Regulation Department staff, to result in automatic and immediate suspension unless Nasdaq Regulation Department staff issues a letter of withdrawal of all requirements and/or restrictions imposed by the notice pursuant to paragraph (g)(2) of this Rule;

(6) explain that the member may make a request for a letter of withdrawal of the notice pursuant to paragraph (e) of this Rule;
(7) state that, in addition to making a request for a letter of withdrawal of the notice, the member may file a written request for a hearing with the Office of Hearing Officers pursuant to Rule 9559;

(8) inform the member of the applicable deadline for filing a request for a hearing and state that a request for a hearing must set forth with specificity any and all defenses to the Nasdaq action; and

(9) explain that, pursuant to Rule 9559(n), a Hearing Panel may approve or withdraw the requirements and/or restrictions imposed by the notice, and that if the Hearing Panel approves the requirements and/or restrictions imposed by the notice and finds that the member has not complied with all of them, the Hearing Panel shall impose an immediate suspension on the member.

(d) Effectiveness of the Requirements and/or Restrictions

The requirements and/or restrictions imposed by a notice issued and served under this Rule are immediately effective, except that a timely request for a hearing shall stay the effective date for ten business days after service of the notice or until the Office of Hearing Officers issues a written order under Rule 9559(o)(4)(A) (whichever period is less), unless Nasdaq’s Chief Executive Officer (or such other senior officer as the Chief Executive Officer may designate) determines that such a stay cannot be permitted with safety to investors, creditors or other members. Such a determination by Nasdaq’s Chief Executive Officer (or such other senior officer as the Chief Executive Officer may designate) cannot be appealed. An extension of the stay period is not permitted. Where a timely request for a hearing stays the action for ten business days after service of the notice or until the Office of Hearing Officers issues a written order under Rule 9559(o)(4)(A) (whichever period is less), the notice shall not be deemed to have taken effect during that entire period.

Any requirements and/or restrictions imposed by an effective notice shall remain in effect unless Nasdaq Regulation Department staff shall remove or reduce the requirements and/or restrictions pursuant to a letter of withdrawal of the notice issued as set forth in paragraph (g)(2) of this Rule.

(e) Request for a Letter of Withdrawal of the Notice; Request for a Hearing

A member served with a notice under this Rule may request from Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) a letter of withdrawal of the notice pursuant to paragraph (g)(2) of this Rule and/or file a written request for a hearing with the Office of Hearing Officers pursuant to Rule 9559.

(5) A request for a letter of withdrawal of the notice may be made at any time after service of a notice under this Rule. The member making the request must demonstrate to the satisfaction of Nasdaq Regulation Department staff that the requirements and/or restrictions imposed by the notice should be removed or reduced. If such a request is denied by Nasdaq Regulation Department staff, the member shall not be precluded from making a subsequent request or requests.

(6) A request for a hearing shall be made within two business days after service of a notice under this Rule. A request for a hearing must set forth with specificity any and all defenses to the Nasdaq action. A request for a hearing may seek to contest:

(5) the validity of the requirements and/or restrictions imposed by the notice (as the same may have been reduced by a letter of withdrawal pursuant to paragraph (g)(2) of this Rule, where applicable); and/or

(6) Nasdaq Regulation Department staff’s determination not to issue a letter of withdrawal of all requirements and/or restrictions imposed by the notice, if such was requested by the member.

(f) Enforcement of Notice

A member that has failed to comply with the requirements and/or restrictions imposed by an effective notice under this Rule shall be deemed, without further notice from Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq), automatically and immediately suspended. Such suspension shall remain in effect unless Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) shall issue a letter, pursuant to paragraph (g)(2) of this Rule, stating that the suspension is lifted.
(g) Additional Requirements and/or Restrictions or the Removal or Reduction of Requirements and/or Restrictions; Letter of Withdrawal of the Notice

(1) Additional Requirements and/or Restrictions

If a member continues to experience financial or operational difficulty specified in Rule 4110A or 4120A, notwithstanding an effective notice, Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) may impose additional requirements and/or restrictions by serving an additional notice under paragraph (b) of this Rule. The additional notice shall inform the member that it may apply for relief from the additional requirements and/or restrictions by filing a written request for a letter of withdrawal of the notice and/or a written request for a hearing before the Office of Hearing Officers under Rule 9559. The procedures delineated in this Rule shall be applicable to such additional notice.

(2) Removal or Reduction of Requirements and/or Restrictions and/or Lifting of Suspension; Letter of Withdrawal

(K) Removal or Reduction of Requirements and/or Restrictions

If, upon the member’s demonstration to the satisfaction of Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq), Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) determines that any requirements and/or restrictions imposed by a notice under this Rule should be removed or reduced, Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) shall serve the member, pursuant to paragraph (b) of this Rule, a written letter of withdrawal that shall, in the sole discretion of Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq), withdraw the notice in whole or in part. A notice that is withdrawn in part shall remain in force, unless Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) shall remove the remaining requirements and/or restrictions.

(L) Lifting of Suspension

If, upon the member’s demonstration to the satisfaction of Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq), Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) determines that a suspension imposed by a notice under this Rule should be lifted, Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) shall serve the member, pursuant to paragraph (b) of this Rule, a letter that shall, in the sole discretion of Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq), lift the suspension. Where all or some of the requirements and/or restrictions imposed by a notice issued under this Rule remain in force, the letter shall state that the member’s failure to continue to comply with those requirements and/or restrictions that remain effective shall result in the member being immediately suspended.

(h) For purposes of this Rule, “Nasdaq Regulation Department staff” shall mean:

(i) the head of the Nasdaq department or office (or FINRA acting on behalf of the Nasdaq) that issued the notice, or his or her written officer delegate; or

(ii) if another Nasdaq (or FINRA acting on behalf of Nasdaq) department or office is named as the party handling the matter on behalf of the issuing department or office, the head of the Nasdaq (or FINRA acting on behalf of Nasdaq) department or office that is so designated, or his or her written officer delegate.
Nasdaq Stock Market Rules, Regulation, 9558., Nasdaq, Summary Proceedings for Actions Authorized by Section 6(d)(3) of the Act

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(a) Notice of Initiation of Summary Proceedings

The Chief Regulatory Officer of Nasdaq may provide written authorization to FINRA staff to issue on a case-by-case basis a written notice that summarizes:

(1) suspends a member, person associated with a member or person subject to Nasdaq's jurisdiction who has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with a member of any self-regulatory organization;

(2) suspends a member who is in such financial or operating difficulty that Association staff determines and so notifies the Commission that the member cannot be permitted to continue to do business as a member with safety to investors, creditors, other members, or Nasdaq; or

(3) limits or prohibits any person with respect to access to services offered by Nasdaq if paragraphs (1) or (2) of this Rule or the provisions of Section 6(d)(3) of the Act applies to such person or, in the case of a person who is not a member, if the Chief Regulatory Officer of Nasdaq determines that such person does not meet the qualification requirements or other prerequisites for such access and such person cannot be permitted to continue to have such access with safety to investors, creditors, members, or Nasdaq, and so notifies the Commission.

(b) Service of Notice

Nasdaq Regulation Department staff (or FINRA, acting on behalf of Nasdaq) shall serve the member or person subject to a notice issued under this Rule (or upon counsel representing the member or person, or other person authorized to represent others under Rule 9141, when counsel or other person authorized to represent others under Rule 9141 agrees to accept service for the member or person) by facsimile, email, overnight courier, or personal delivery. Papers served on a member, person or counsel for such member or person, or other person authorized to represent others under Rule 9141 by overnight courier or personal delivery shall conform to paragraphs (a)(1) and (3) and, with respect to a member or person, (b)(1) and (2) of Rule 9134. Papers served on a member by facsimile shall be sent to the member’s facsimile number listed in the FINRA Contact System submitted to Nasdaq pursuant to Rule 1160, except that, if Nasdaq Regulation Department staff has actual knowledge that a member’s FINRA Contact System facsimile number is out of date, duplicate copies shall be sent to the member by overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of Rule 9134. Papers served on a member by email shall be sent to the member’s email address listed in the FINRA Contact System submitted to Nasdaq pursuant to Rule 1160 and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of Rule 9134. Papers served on a person by facsimile or email shall be sent to the person’s last known facsimile number or email address and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(1) of Rule 9134. A copy of a notice under this Rule that is served on a person associated with a member also shall be served on such member. Papers served on counsel for a member or person, or other person authorized to represent others under Rule 9141 by facsimile or email shall be sent to the facsimile number or email address that counsel or other person authorized to represent others under Rule 9141 provides and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) of Rule 9134. Service is complete upon sending the notice by facsimile or email, sending the notice by overnight courier or delivering it in person, except that, where duplicate service is required, service is complete upon sending the duplicate service.

(c) Contents of Notice

A notice issued under this Rule shall state the specific grounds and include the factual basis for the Nasdaq
action. The notice shall state when the Nasdaq action will take effect and explain what the respondent must do to avoid such action. The notice shall state that the respondent may file a written request for a hearing with the Office of Hearing Officers pursuant to Rule 9559. The notice also shall inform the respondent of the applicable deadline for filing a request for a hearing and shall state that a request for a hearing must set forth with specificity any and all defenses to the Nasdaq action. In addition, the notice shall explain that, pursuant to Rules 8310(a) and 9559(n), a Hearing Officer or, if applicable, Hearing Panel, may approve, modify or withdraw any and all sanctions or limitations imposed by the notice, and may impose any other fitting sanction.

(d) Effective Date of Limitation, Prohibition or Suspension
The limitation, prohibition or suspension referenced in a notice issued and served under this Rule is immediately effective. The limitation, prohibition or suspension specified in the notice shall remain in effect unless, after a timely written request for a hearing and written request for a stay, the Chief Hearing Officer or Hearing Officer assigned to the matter finds good cause exists to stay the limitation, prohibition or suspension.

(e) Request for a Hearing and Stay
A member or person subject to a notice issued under this Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to Rule 9559. A request for a hearing shall be made within seven days after service of the notice issued under this Rule. A request for a hearing must set forth with specificity any and all defenses to the Nasdaq action.

A member or person subject to a notice issued under this Rule may, concurrent with or after filing a request for a hearing, file with the Office of Hearing Officers a written request for a stay of the limitation, prohibition or suspension specified in the notice. A request for a stay must set forth with specificity any and all relevant facts and arguments supporting the request for a stay.

(f) Failure to Request Hearing
If a member or person subject to a notice issued under this Rule does not timely request a hearing within the time period specified in paragraph (e) of this Rule, the notice shall constitute final Nasdaq action.

(g) Request for Termination of the Limitation, Prohibition or Suspension
A member or person subject to a limitation, prohibition or suspension under this Rule may file a written request for termination of the limitation, prohibition or suspension on the ground of full compliance with the notice or decision. Such request shall be filed with the head of the FINRA department or office that issued the notice or, if another FINRA department or office is named as the party handling the matter on behalf of the issuing department or office, with the head of the FINRA department or office that is so designated. The appropriate head of the department or office may grant relief for good cause shown.


(a) Applicability
The hearing procedures under this Rule shall apply to a member, person associated with a member, person subject to Nasdaq's jurisdiction or other person who is served with a notice issued under the Rule 9550 Series and who timely requests a hearing or who is served with a petition instituting an expedited proceeding under Rule 9556(h). For purposes of this Rule, such members or persons shall be referred to as respondents.

(b) Computation of Time
Rule 9138 shall govern the computation of time in proceedings brought under the Rule 9550 Series, except that intermediate Saturdays, Sundays and Federal holidays shall be included in the computation in proceedings brought under Rules 9556 through 9558, unless otherwise specified.

(c) Stays
(1) Unless the Chief Hearing Officer or the Hearing Officer assigned to the matter orders otherwise for good cause shown, a timely request for a hearing shall stay the effectiveness of a notice issued under Rules 9552 through 9556, except that (A) the effectiveness of a notice of a limitation or prohibition on access to services offered by Nasdaq or a member thereof under Rule 9555 with respect to services to which the member or person does not have access shall not be stayed by a request for a hearing; and (B) this paragraph has no applicability to a petition instituting an expedited proceeding under Rule 9556(h).

(2) A timely request for a hearing shall stay the effectiveness of a notice issued under Rule 9557 for ten business days after service of the notice or until the Office of Hearing Officers issues a written order under Rule 9559(o)(4)(A) (whichever period is less), unless Nasdaq's Chief Executive Officer (or such other senior officer as the Chief Executive Officer may designate) determines that a notice under Rule 9557 shall not be stayed. Where a notice under Rule 9557 is stayed by a request for a hearing, such stay shall remain in effect only for ten business days after service of the notice or until the Office of Hearing Officers issues a written order under Rule 9559(o)(4)(A) (whichever period is less) and shall not be extended.

(3) A timely request for a hearing shall not stay the effectiveness of a notice issued under Rule 9558, unless the Chief Hearing Officer or the Hearing Officer assigned to the matter orders otherwise for good cause shown.

(d) Appointment and Authority of Hearing Officer and/or Hearing Panel
(1) For proceedings initiated under Rules 9553, 9554, and 9556(h), the Chief Hearing Officer shall appoint a Hearing Officer to preside over and act as the sole adjudicator for the matter.

(2) For proceedings initiated under Rules 9552, 9555, 9556 (except Rule 9556(h)), 9557 and 9558, the Chief Hearing Officer shall appoint a Hearing Panel composed of a Hearing Officer and two Panelists. The Hearing Officer shall serve as the chair of the Hearing Panel. For proceedings initiated under Rules 9552, 9555, 9556 (except Rule 9556(h)) and 9558, the Chief Hearing Officer shall select as Panelists persons who meet the qualifications delineated in Rules 9231 and 9232. For proceedings initiated under Rule 9557, the Chief Hearing Officer shall select as Panelists current or former members of the Nasdaq Financial Responsibility Committee.

(3) Rules 9231(e), 9233 and 9234 shall govern disqualification, recusal or withdrawal of a Hearing Officer or, if applicable, Hearing Panelist.

(4) A Hearing Officer appointed pursuant to this provision shall have authority to do all things necessary
and appropriate to discharge his or her duties as set forth under Rules 9235 and 9280.

(5) Hearings under the Rule 9550 Series shall be held by telephone conference, unless the Hearing Officer orders otherwise for good cause shown.

(6) For good cause shown, or with the consent of all of the parties to a proceeding, the Hearing Officer or, if applicable, the Hearing Panel may extend or shorten any time limits prescribed by this Rule other than those relating to Rule 9557.

(e) Consolidation or Severance of Proceedings
Rule 9214 shall govern the consolidation or severance of proceedings, except that, where one of the notices that are the subject of consolidation under this Rule requires that a hearing be held before a Hearing Panel, the hearing of the consolidated matters shall be held before a Hearing Panel. Where two consolidated matters contain different timelines under this Rule, the Chief Hearing Officer or Hearing Officer assigned to the matter has discretion to determine which timeline is appropriate under the facts and circumstances of the case. Where one of the consolidated matters includes an action brought under a Rule that does not permit a stay of the effectiveness of the notice or where Nasdaq's Chief Executive Officer (or such other senior officer as the Chief Executive Officer may designate), in the case of Rule 9557, or Hearing Officer, in the case of Rule 9558(d), determines that a request for a hearing shall not stay the effectiveness of the notice, the limitation, prohibition, condition, requirement, restriction, or suspension specified in the notice shall not be stayed pending resolution of the case. Where one of the consolidated matters includes an action brought under Rule 9557 that is stayed for up to ten business days, the requirement and/or restriction specified in the notice shall not be further stayed.

(f) Time of Hearing

(iv) A hearing shall be held within five business days after a respondent subject to a notice issued under Rule 9557 files a written request for a hearing with the Office of Hearing Officers.

(v) A hearing shall be held within ten days after a respondent is served a petition seeking an expedited proceeding issued under Rule 9556(h).

(vi) A hearing shall be held within 14 days after a respondent subject to a notice issued under Rules 9556 (except Rule 9556(h)) and 9558 files a written request for a hearing with the Office of Hearing Officers.

(vii) A hearing shall be held within 30 days after a respondent subject to a notice issued under Rules 9552 through 9555 files a written request for a hearing with the Office of Hearing Officers.

(viii) The timelines established by paragraphs (f)(1) through (f)(4) confer no substantive rights on the parties.

(g) Notice of Hearing
The Hearing Officer shall issue a notice stating the date, time, and place of the hearing as follows:

(j) At least two business days prior to the hearing in the case of an action brought pursuant to Rule 9557;

(k) At least six days prior to the hearing in the case of an action brought pursuant to Rule 9556(h);

(l) At least seven days prior to the hearing in the case of an action brought pursuant to Rules 9556 (except Rule 9556(h)) and 9558; and

(m) At least 21 days prior to the hearing in the case of an action brought pursuant to Rules 9552 through 9555.

(h) Transmission of Documents
(1) Not less than two business days before the hearing in an action brought under Rule 9557, not less than six days before the hearing in an action brought under Rule 9556(h), not less than seven days before the hearing in an action brought under Rules 9556 (except Rule 9556(h)) and 9558, and not less than 14 days before the hearing in an action brought under Rules 9552 through 9555, Nasdaq Regulation Department staff shall provide to the respondent who requested the hearing or the respondent who has received a petition pursuant to Rule 9556(h), by facsimile, email, overnight courier or personal delivery, all documents that were considered in issuing the notice unless a document meets the criteria of Rule 9251(b)(1)(A), (B) or (C). Documents served by facsimile or email shall also be served by either overnight courier or personal delivery. A document that meets the criteria in this paragraph shall not constitute part of the record, but shall be retained until the date upon which the Nasdaq’s final decision is served or, if applicable, upon the conclusion of any review by the Securities and Exchange Commission or the federal courts.

(2) Not less than two business days before the hearing in an action brought under Rule 9557, not less than three days before the hearing in an action brought under Rules 9556 and 9558, and not less than seven days before the hearing in an action brought under Rules 9552 through 9555, the parties shall exchange proposed exhibit and witness lists. The exhibit and witness lists shall be served by facsimile, email, by overnight courier or personal delivery. Documents served by facsimile or email shall also be served by either overnight courier or personal delivery.

(i) Evidence
Formal rules of evidence shall not apply to a hearing under this Rule Series. Rules 9262 and 9263 shall govern testimony and the admissibility of evidence.

(j) Additional Information
The Hearing Officer or, if applicable, the Hearing Panel may direct the Parties to submit additional information.

(k) Record of Hearing
Rule 9265 shall govern the requirements for the record of the hearing.

(l) Record of Proceeding
Rule 9267 shall govern the record of the proceeding.

(m) Failure to Appear at a Pre-Hearing Conference or Hearing or to Comply with a Hearing Officer Order Requiring the Production of Information
Failure of any respondent to appear before the Hearing Officer or, if applicable, the Hearing Panel at any status conference, pre-hearing conference or hearing, or to comply with any order of the Hearing Officer or, if applicable, Hearing Panel requiring production of information to support any defense to the notice or petition that respondent has raised, shall be considered an abandonment of the respondent's defense and waiver of any opportunity for a hearing provided by the Rule 9550 Series. In such cases:

(x) The notice issued under the Rule 9550 Series shall be deemed to be final Nasdaq action. The Hearing Officer or, if applicable, the Hearing Panel may permit the hearing to go forward as to those parties who appear and otherwise comply with this Rule.

(xi) The Hearing Officer may issue a default decision against a respondent who is the subject of a petition filed pursuant to Rule 9556(h) and may deem the allegations against that respondent admitted. The contents of a default decision shall conform to the content requirements of Rule 9559(p). A respondent may, for good cause shown, file a motion to set aside a default. Upon a showing of good cause, the Hearing Officer that entered the original order shall decide the motion. If the Hearing Officer is not available, the Chief Hearing Officer shall appoint another Hearing Officer to decide the motion. If a default decision is not called for review pursuant to Rule 9559(q),
the default decision shall become the final Nasdaq action.

(n) Sanctions, Costs and Remands

(1) In any action brought under the Rule 9550 Series, other than an action brought under Rule 9556(h) or Rule 9557, the Hearing Officer or, if applicable, the Hearing Panel may approve, modify or withdraw any and all sanctions, requirements, restrictions or limitations imposed by the notice and, pursuant to Rule 8310(a), may also impose any other fitting sanction.

(2) In an action brought under Rule 9556(h), the Hearing Officer may impose any fitting sanction.

(3) In an action brought under Rule 9557, the Hearing Panel shall approve or withdraw the requirements and/or restrictions imposed by the notice. If the Hearing Panel approves the requirements and/or restrictions and finds that the respondent has not complied with all of them, the Hearing Panel shall impose an immediate suspension on the respondent that shall remain in effect unless Nasdaq Regulation Department staff issues a letter of withdrawal of all requirements and/or restrictions pursuant to Rule 9557(g)(2).

(4) The Hearing Officer or, if applicable, the Hearing Panel may impose costs pursuant to Rule 8330 regarding all actions brought under the Rule 9550 Series.

(5) In any action brought under the Rule 9550 Series, other than an action brought under Rule 9556(h) or Rule 9557, the Hearing Officer or, if applicable, the Hearing Panel may remand the matter to the department or office that issued the notice for further consideration of specified matters.

(o) Timing of Decision

(1) Proceedings initiated under Rules 9553 and 9554
Within 60 days of the date of the close of the hearing, the Hearing Officer shall prepare a proposed written decision and provide it to the Nasdaq Review Council's Review Subcommittee.

(2) Proceedings initiated under Rules 9556 and 9558
Within 21 days of the date of the close of the hearing, the Hearing Officer shall prepare a proposed written decision that reflects the views of the Hearing Panel, as determined by majority vote, and provide it to the Nasdaq Review Council's Review Subcommittee.

(3) Proceedings initiated under Rules 9552 and 9555
Within 60 days of the date of the close of the hearing, the Hearing Officer shall prepare a proposed written decision that reflects the views of the Hearing Panel, as determined by majority vote, and provide it to the Nasdaq Review Council's Review Subcommittee.

(4) Proceedings initiated under Rule 9557

(x) Written Order
Within two business days of the date of the close of the hearing, the Office of Hearing Officers shall issue a written order that reflects the Hearing Panel’s summary determinations, as decided by majority vote, and shall serve the Hearing Panel’s written order on the Parties. The Hearing Panel’s written order under Rule 9557 is effective when issued. The Hearing Panel’s written order will be followed by a written decision explaining the reasons for the Hearing Panel’s summary determinations, as required by paragraphs (o)(4)(B) and (p) of this Rule.

(xii) Written Decision
Within seven days of the issuance of the Hearing Panel’s written order, the Office of Hearing Officers shall issue a written decision that complies with the requirements of paragraph (p) of
(5) If not timely called for review by the Nasdaq Review Council’s Review Subcommittee pursuant to paragraph (q) of this Rule, the Hearing Officer’s or, if applicable, the Hearing Panel’s written decision shall constitute final Nasdaq action. For decisions issued under Rules 9552 through 9556 and 9558, the Office of Hearing Officers shall promptly serve the decision of the Hearing Officer or, if applicable, the Hearing Panel on the Parties and provide a copy to each Nasdaq member with which the respondent is associated.

(6) The timelines established by paragraphs (o)(1) through (5) confer no substantive rights on the parties.

(p) Contents of Decision
The decision, which for purposes of Rule 9557 means the written decision issued under paragraph (o)(4)(B) of this Rule, shall include:

(1) a statement describing the investigative or other origin of the notice issued under the Rule 9550 Series;

(2) the specific statutory or rule provision alleged to have been violated or providing the authority for the Nasdaq action;

(3) a statement setting forth the findings of fact with respect to any act or practice the respondent was alleged to have committed or omitted or any condition specified in the notice;

(4) the conclusions of the Hearing Officer or, if applicable, Hearing Panel regarding the alleged violation or condition specified in the notice;

(5) a statement of the Hearing Officer or, if applicable, Hearing Panel in support of the disposition of the principal issues raised in the proceeding; and

(6) a statement describing any sanction, requirement, restriction or limitation imposed, the reasons therefore, and the date upon which such sanction, requirement, restriction or limitation shall become effective.

(q) Call for Review by the Nasdaq Review Council

(1) For proceedings initiated under the Rule 9550 Series (other than Rule 9557), the Nasdaq Review Council's Review Subcommittee may call for review a proposed decision prepared by a Hearing Officer or, if applicable, Hearing Panel within 21 days after receipt of the decision from the Office of Hearing Officers; provided, however, that a decision under the Rule 9550 Series with respect to a Nasdaq member that is an affiliate of Nasdaq within the meaning of Rule 2160 shall constitute final disciplinary action of Nasdaq for purposes of SEC Rule 19d-1(a)(1) and may not be called for review pursuant to Rule 9559. For proceedings initiated under Rule 9557, the Nasdaq Review Council's Review Subcommittee may call for review a written decision issued under paragraph (o)(4)(B) of this Rule by a Hearing Panel within 14 days after receipt of the written decision from the Office of Hearing Officers. Rule 9313(a) is incorporated herein by reference.

(2) If the Review Subcommittee calls the proceeding for review within the prescribed time, a Subcommittee of the Nasdaq Review Council shall meet and conduct a review not later than 40 days after the call for review. The Subcommittee shall be composed pursuant to Rule 9331(a)(1). The Subcommittee may elect to hold a hearing or decide the matter on the basis of the record made before the Hearing Officer or, if applicable, the Hearing Panel. Not later than 60 days after the call for review, the Subcommittee shall make its recommendation to the Nasdaq Review Council. Not later than 60 days after receipt of the Subcommittee's recommendation, the Nasdaq Review Council shall serve a final written
decision on the parties via overnight courier or facsimile. The Nasdaq Review Council may affirm, modify or reverse the decision of the Hearing Officer or, if applicable, the Hearing Panel. The Nasdaq Review Council also may impose any other fitting sanction, pursuant to Rule 8310(a), and may impose costs, pursuant to 8330. In addition, the Nasdaq Review Council may remand the matter to the Office of Hearing Officers for further consideration of specified matters.

(3) For good cause shown, or with the consent of all of the parties to a proceeding, the Review Subcommittee, the Nasdaq Review Council Subcommittee or the Nasdaq Review Council may extend or shorten any time limits prescribed by this Rule other than those relating to Rule 9557.

(4) The Nasdaq Review Council's written decision shall constitute final Nasdaq action.

(5) The Nasdaq Review Council shall promptly serve the decision on the Parties and provide a copy of the decision to each Nasdaq member with which the respondent is associated.

(6) The timelines established by paragraphs (q)(1)–(5) confer no substantive rights on the parties.

(r) Reserved

(s) Application to Commission for Review

The right to have any action pursuant to this Rule reviewed by the Securities and Exchange Commission is governed by Section 19(f) of the Securities Exchange Act. The filing of an application for review by the Securities and Exchange Commission shall not stay the effectiveness of final Nasdaq action, unless the Securities and Exchange Commission otherwise orders.


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Nasdaq Stock Market Rules, Regulation, 9610., Nasdaq, Application

(a) Where to File
A member seeking exemptive relief as specifically permitted under any Nasdaq Rule referencing the 9600 Series shall file a written application with the appropriate FINRA department or staff and provide a copy of the application to the Nasdaq Regulation Department.

(b) Content
An application filed pursuant to this Rule shall contain the member's name and address, the name of a person associated with the member who will serve as the primary contact for the application, the Rule from which the member is seeking an exemption, and a detailed statement of the grounds for granting the exemption. If the member does not want the application or the decision on the application to be publicly available in whole or in part, the member also shall include in its application a detailed statement, including supporting facts, showing good cause for treating the application or decision as confidential in whole or in part.

(c) Applicant
A member that files an application under this Rule is referred to as "Applicant" hereinafter in the Rule 9600 Series.


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After considering an application, Nasdaq Regulation staff shall issue a written decision setting forth its findings and conclusions. The decision shall be served on the Applicant pursuant to Rules 9132 and 9134. After the decision is served on the Applicant, the application and decision shall be publicly available unless Nasdaq Regulation staff determines that the Applicant has shown good cause for treating the application or decision as confidential in whole or in part.


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Nasdaq Stock Market Rules, Regulation, 9630., Nasdaq, Appeal

(a) Notice
An Applicant may file a written notice of appeal within 15 calendar days after service of a decision issued under Rule 9620. The notice of appeal shall be filed with the Nasdaq Regulation Department, with a copy of the notice also provided to the appropriate Nasdaq Regulation Department staff. The notice of appeal shall contain a brief statement of the findings and conclusions as to which exception is taken. Appeals of decisions issued by Nasdaq Regulation Department staff pursuant to Rule 9620 shall be decided by the Nasdaq Review Council, except with respect to exemptive relief under General 4, Section 1.1210.03, which shall be decided by the Waiver Subcommittee of the Nasdaq Review Council. If the Applicant does not want the decision on the appeal to be publicly available in whole or in part, the Applicant also shall include in its notice of appeal a detailed statement, including supporting facts, showing good cause for treating the decision as confidential in whole or in part. The notice of appeal shall be signed by the Applicant.

(b) Expedited Review
Where the failure to promptly review a decision to deny a request for exemption would unduly or unfairly harm the Applicant, the Nasdaq Review Council or the Waiver Subcommittee of the Nasdaq Review Council, as the case may be, shall provide expedited review.

(c) Withdrawal of Appeal
An Applicant may withdraw its notice of appeal at any time by filing a written notice of withdrawal of appeal with the Nasdaq Review Council.

(d) Oral Argument

(1) Subject to paragraph (2) below, following the filing of a notice of appeal, the Nasdaq Review Council or Review Subcommittee may order oral argument and may designate a Subcommittee to hear such oral argument. The Subcommittee may consider any new evidence if the Applicant can show good cause for not including it in its application, and the Subcommittee will recommend to the Nasdaq Review Council a disposition of all matters on appeal.

(2) With respect to exemptive relief requested under General 4, Section 1.1210.03, the Waiver Subcommittee of the Nasdaq Review Council may order oral argument and consider any new evidence if the Applicant can show good cause for not including it in its application.

(e) Decision

(1) Subject to paragraph (2) below, after considering all matters on appeal, and, as applicable, the Subcommittee's recommendation, the Nasdaq Review Council shall affirm, modify, or reverse the decision issued under Rule 9620. The Nasdaq Review Council shall issue a written decision setting forth its findings and conclusions and serve the decision on the Applicant. The decision shall be served pursuant to Rules 9132 and 9134. The decision shall be effective upon service and shall constitute final action of Nasdaq.

(2) With respect to exemptive relief requested under General 4, Section 1.1210.03, after considering all matters on appeal, the Waiver Subcommittee of the Nasdaq Review Council shall affirm, modify, or reverse the decision issued under Rule 9620. The Waiver Subcommittee shall issue a written decision setting forth its findings and conclusions and serve the decision on the Applicant. The decision shall be served pursuant to Rules 9132 and 9134. The decision shall be effective upon service and shall constitute final action of Nasdaq. The Waiver Subcommittee shall retain the discretion to refer the appeal to the
Nasdaq Review Council, in which case the Nasdaq Review Council shall act on such appeal pursuant to its authority under this 9600 Series.

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Nasdaq Stock Market Rules, Regulation, 9810., Nasdaq, Initiation of Proceeding

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(a) Nasdaq Regulation Department or Department of Enforcement With the prior written authorization of FINRA’s Chief Executive Officer or such other senior officers as the Chief Executive Officer may designate, and the Nasdaq Chief Regulatory Officer, the Nasdaq Regulation Department or the Department of Enforcemen may initiate a temporary cease and desist proceeding with respect to alleged violations of Section 10(b) of the Exchange Act and SEC Rule 10b-5 thereunder; SEC Rules 15g-1 through 15g-9; Nasdaq Rule 2010A (if the alleged violation is unauthorized trading, or misuse or conversion of customer assets, or based on violations of Section 17(a) of the Securities Act); Nasdaq Rule 2120; or Nasdaq Rule 2150 (if the alleged violation is misuse or conversion of customer assets). The Nasdaq Regulation Department or the Department of Enforcement shall initiate the proceeding by serving a notice on a member or associated person (hereinafter “Respondent”) (or upon counsel representing the Respondent, or other person authorized to represent others under Rule 9141, when counsel or other person authorized to represent others under Rule 9141 agrees to accept service for the Respondent) and filing a copy thereof with the Office of Hearing Officers. The Nasdaq Regulation Department or the Department of Enforcement shall serve the notice by personal service, overnight commercial courier, facsimile, or email. If service is made by facsimile or email, the Nasdaq Regulation Department or the Department of Enforcement shall send an additional copy of the notice by personal service or overnight commercial courier. Service is complete upon sending the notice by facsimile or email, sending the notice by overnight courier or delivering it in person, except that, where duplicate service is required, service is complete when the duplicate service is complete. The notice shall be effective when service is complete.

(b) Contents of Notice The notice shall set forth the rule or statutory provision that the Respondent is alleged to have violated and that the Nasdaq Regulation Department or the Department of Enforcement is seeking to have the Respondent ordered to cease violating. The notice also shall state whether the Nasdaq Regulation Department or the Department of Enforcement is requesting the Respondent to be required to take action, refrain from taking action or both. The notice shall be accompanied by:

(1) a declaration of facts, signed by a person with knowledge of the facts contained therein, that specifies the acts or omissions that constitute the alleged violation;

(2) a memorandum of points and authorities setting forth the legal theories upon which the Department of Enforcement relies; and

(3) a proposed order that contains the required elements of a temporary cease and desist order (except the date and hour of the order's issuance), which are set forth in Rule 9840(b).

(c) Authority to Approve Settlements If the Parties agree to the terms of the proposed temporary cease and desist order, the Hearing Officer shall have the authority to approve and issue the order.

(d) Filing of Underlying Complaint If the Nasdaq Regulation Department or the Department of Enforcement has not issued a complaint under Rule 9211 against the Respondent relating to the subject matter of the temporary cease and desist proceeding and alleging violations of the rule or statutory provision specified in the notice described in paragraph (b), the Nasdaq Regulation Department or the Department of Enforcement shall serve and file such a complaint with the notice initiating the temporary cease and desist proceeding. Service of the complaint can be made in accordance with the service provisions in paragraph (a).

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Nasdaq Stock Market Rules, Regulation, 9820., Nasdaq, Appointment of Hearing Officer and Hearing Panel

(a) As soon as practicable after the Nasdaq Regulation Department or the Department of Enforcement files a copy of the notice initiating a temporary cease and desist proceeding with the Office of Hearing Officers, the Chief Hearing Officer shall assign a Hearing Officer to preside over the temporary cease and desist proceeding. The Chief Hearing Officer shall appoint two Panelists to serve on a Hearing Panel with the Hearing Officer. Each Panelist shall be associated with a member of Nasdaq or retired therefrom. The Chief Hearing Officer shall select as a Panelist a person who:

(1) previously served on the Nasdaq Review Council;

(2) previously served on a disciplinary subcommittee of the Nasdaq Review Council, including a Subcommittee, an Extended Proceeding Committee, or their predecessor subcommittees;

(3) previously served as a Director, but does not currently serve in any of these positions;

(4) served on the FINRA National Adjudicatory Council or on a disciplinary subcommittee of the FINRA National Adjudicatory Council prior to the date that Nasdaq commenced operating as a national securities exchange; or

(5) is a FINRA Panelist approved by the Nasdaq Board at least annually, or is drawn from other sources the Board deems appropriate given the responsibilities of Panelists.

(b) If at any time a Hearing Officer or Hearing Panelist determines that he or she has a conflict of interest or bias or circumstances otherwise exist where his or her fairness might reasonably be questioned, or if a Party files a motion to disqualify a Hearing Officer or Hearing Panelist, the recusal and disqualification proceeding shall be conducted in accordance with Rules 9233 and 9234, except that:

(1) a motion seeking disqualification of a Hearing Officer or Hearing Panelist must be filed no later than 5 days after the later of the events described in paragraph (b) of Rules 9233 and 9234; and

(2) the Chief Hearing Officer shall appoint a replacement Panelist using the criteria set forth in paragraph (a) of this Rule.


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Nasdaq Stock Market Rules, Regulation, 9830., Nasdaq, Hearing

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(a) When Held The hearing shall be held not later than 15 days after service of the notice and filing initiating the temporary cease and desist proceeding, unless otherwise extended by the Chief Hearing Officer or Deputy Chief Hearing Officer for good cause shown. If a Hearing Officer or Hearing Panelist is recused or disqualified, the hearing shall be held not later than five days after a replacement Hearing Officer or Hearing Panelist is appointed.

(b) Service of Notice of Hearing The Office of Hearing Officers shall serve a notice of date, time, and place of the hearing on the Nasdaq Regulation Department or the Department of Enforcement and the Respondent (or upon counsel representing the Respondent, or other person authorized to represent others under Rule 9141, when counsel or other person authorized to represent others under Rule 9141 agrees to accept service for the Respondent) not later than seven days before the hearing, unless otherwise ordered by the Hearing Officer. Service shall be made by personal service, overnight commercial courier, facsimile, or email. If service is made by facsimile or email, the Office of Hearing Officers shall send an additional copy of the notice by personal service or overnight commercial courier. Service is complete upon sending the notice by facsimile or email, sending the notice by overnight courier or delivering it in person, except that, where duplicate service is required, service is complete when the duplicate service is complete. The notice shall be effective when service is complete.

(c) Authority of Hearing Officer The Hearing Officer shall have authority to do all things necessary and appropriate to discharge his or her duties as set forth under Rule 9235.

(d) Witnesses A person who is subject to the jurisdiction of Nasdaq shall testify under oath or affirmation. The oath or affirmation shall be administered by a court reporter or a notary public.

(e) Additional Information Prior to the hearing, the Hearing Officer may order a Party to furnish to all other Parties and the Hearing Panel such information as deemed appropriate, including any or all of the pre-hearing submissions described in Rule 9242(a). The documentary evidence submitted by the Parties pursuant to this paragraph shall not become part of the record, unless the Hearing Officer or Hearing Panel orders some or all of such evidence included pursuant to Rule 9830(g). At any time during the Hearing Panel’s consideration, the Hearing Panel may direct a Party to submit additional information. Any additional information submitted shall be provided to all Parties at least one day before the Hearing Panel renders its decision.

(f) Transcript The hearing shall be recorded by a court reporter and a written transcript thereof shall be prepared. A transcript of the hearing shall be available to the Parties for purchase from the court reporter at prescribed rates. A witness may purchase a copy of the transcript of his or her own testimony from the court reporter at prescribed rates. Proposed corrections to the transcript may be submitted by affidavit to the Hearing Panel within a reasonable time determined by the Hearing Panel. Upon notice to all the Parties to the proceeding, the Hearing Panel may order corrections to the transcript as requested or sua sponte.

(g) Record and Evidence Not Admitted The record shall consist of the notice initiating the proceeding, the declaration, and the proposed order described in Rule 9810(b); the transcript of the hearing; all evidence considered by the Hearing Panel; and any other document or item accepted into the record by the Hearing Officer or the Hearing Panel. The Office of Hearing Officers shall be the custodian of the record. Proffered evidence that is not accepted into the record by the Hearing Panel shall be retained by the custodian of the record until the date when Nasdaq’s decision becomes final or, if applicable, upon the conclusion of any review by the SEC or the federal courts.

(h) Failure to Appear at Hearing If a Respondent fails to appear at a hearing for which it has notice, the allegations in the notice and accompanying declaration may be deemed admitted, and the Hearing Panel
may issue a temporary cease and desist order without further proceedings. If the Nasdaq Regulation Department or the Department of Enforcement fails to appear at a hearing for which it has notice, the Hearing Panel may order that the temporary cease and desist proceeding be dismissed.


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Nasdaq Stock Market Rules, Regulation, 9840., Nasdaq, Issuance of Temporary Cease and Desist Order by Hearing Panel

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(a) Basis for Issuance The Hearing Panel shall issue a written decision stating whether a temporary cease and desist order shall be imposed. The Hearing Panel shall issue the decision not later than ten days after receipt of the hearing transcript, unless otherwise extended by the Chief Hearing Officer or Deputy Chief Hearing Officer for good cause shown. A temporary cease and desist order shall be imposed if the Hearing Panel finds:

1. that the Nasdaq Regulation Department or the Department of Enforcement has made a showing of a likelihood of success on the merits; and

2. that the alleged violative conduct or continuation thereof is likely to result in significant dissipation or conversion of assets or other significant harm to investors prior to the completion of the underlying disciplinary proceeding under the Rule 9200 and 9300 Series.

(b) Content, Scope, and Form of Order A temporary cease and desist order shall:

1. be limited to ordering a Respondent (and any successor of a Respondent, where the Respondent is a member firm) to cease and desist from violating a specific rule or statutory provision, and, where applicable, to ordering a Respondent (and any successor of a Respondent, where the Respondent is a member firm) to cease and desist from dissipating or converting assets or causing other harm to investors;

2. set forth the alleged violation and the significant dissipation or conversion of assets or other significant harm to investors that is likely to result without the issuance of an order;

3. describe in reasonable detail the act or acts the Respondent (and any successor of a Respondent, where the Respondent is a member firm) shall take, refrain from taking, or both; and

4. include the date and hour of its issuance.

(c) Duration of Order A temporary cease and desist order shall remain effective and enforceable until the issuance of a decision under Rule 9268 or Rule 9269, or until a settlement offer is accepted pursuant to Rule 9270.

(d) Service and Dissemination Requirements The Office of Hearing Officers shall serve the Hearing Panel’s decision and any temporary cease and desist order on the Nasdaq Regulation Department or the Department of Enforcement and the Respondent (or upon counsel representing the Respondent or person, or other person authorized to represent others under Rule 9141, when counsel or other person authorized to represent others under Rule 9141 agrees to accept service for the Respondent) by personal service, overnight commercial courier, facsimile, or email. If service is made by facsimile or email, the Office of Hearing Officers shall send an additional copy of the Hearing Panel’s decision and any temporary cease and desist order by personal service, overnight commercial courier, facsimile, or email. Service is complete upon sending the notice by facsimile or email, sending the notice by overnight courier, or delivering it in person, except that, where duplicate service is required, service is complete when the duplicate service is complete. The temporary cease and desist order shall be effective when service is complete. The Office of Hearing Officers shall provide a copy of the temporary cease and desist order to each Nasdaq member with which a Respondent is associated.

(e) Delivery Requirement Where a Respondent is a member firm, Respondent shall deliver a copy of a temporary cease and desist order, within one business day of receiving it, to its associated persons.

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At any time after the Office of Hearing Officers serves the Respondent (or counsel representing the Respondent, or other person authorized to represent others under Rule 9141, when counsel or other person authorized to represent others under Rule 9141 agrees to accept service for the Respondent) with a temporary cease and desist order, a Party may apply to the Hearing Panel to have the order modified, set aside, limited, or suspended. The application shall set forth with specificity the facts that support the request. The Hearing Panel that presided over the temporary cease and desist order proceeding shall retain jurisdiction to modify, set aside, limit, or suspend the temporary cease and desist order, unless at the time the application is filed a Hearing Panel has already been appointed in the underlying disciplinary proceeding commenced under Rule 9211 in which case the Hearing Panel appointed in the disciplinary proceeding has jurisdiction. The Hearing Panel shall respond to the request in writing within ten days after receipt of the request, unless otherwise extended by the Chief Hearing Officer or Deputy Chief Hearing Officer for good cause shown. The Hearing Panel’s response shall be served on the Respondent (or upon counsel representing the Respondent, or other person authorized to represent others under Rule 9141, when counsel or other person authorized to represent others under Rule 9141 agrees to accept service for the Respondent) via personal service, overnight commercial courier, facsimile, or email. If service is made by facsimile or email, the Office of Hearing Officers shall send an additional copy of the temporary cease and desist order by personal service or overnight commercial courier. The filing of an application under this Rule shall not stay the effectiveness of the temporary cease and desist order.


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Nasdaq Stock Market Rules, Regulation, 9860., Nasdaq, Violation of Temporary Cease and Desist Orders

A Respondent who violates a temporary cease and desist order imposed under this Rule Series may have its association or membership suspended or canceled or be subject to any fitting sanction under Rule 9556. The Chief Regulatory Officer of Nasdaq must authorize the initiation of any such proceeding in writing.


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Nasdaq Stock Market Rules, Regulation, 9870., Nasdaq, Application to SEC for Review

Temporary cease and desist orders issued pursuant to this Rule Series constitute final and immediately effective disciplinary sanctions imposed by Nasdaq. The right to have any action under this Rule Series reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review shall not stay the effectiveness of the temporary cease and desist order, unless the SEC otherwise orders.


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Nasdaq Stock Market Rules, Regulation, Nasdaq, 11100. Scope of Uniform Practice Code

(a) Transactions executed through the facilities of the Nasdaq Market Center, including the rights and liabilities of the members participating in the transaction, and those operational procedures that affect the day-to-day business of members shall be subject to the provisions of this Code. However, the provisions of this Code shall not apply to transactions between members that are compared, cleared or settled through the facilities of a registered clearing agency (except to the extent that the rules of the clearing agency provide that rules of other organizations shall apply). Accordingly, because Nasdaq Rule 4618 contemplates that Nasdaq Market Center transactions will be settled through the facilities of a registered clearing agency using a continuous net settlement system, the provisions of the Code relating to clearance and settlement will apply to Nasdaq Market Center transactions only in unusual circumstances in which trades are settled "ex-clearing".

(b) The scope of coverage contained in paragraph (a) above may be expanded or limited in any Rule of this Code if specifically provided therein.

(c) With respect to transactions executed on Nasdaq, failure to deliver the securities sold, or failure to pay for securities as delivered, on or after the settlement date, does not effect a cancellation of the contract. The remedy for the buyer or seller is provided for by Rules 11810 and 11820 respectively unless the parties mutually consent to cancel the trade. In every such case of nondelivery of securities, the party in default shall be liable for any damages which may accrue thereby. All claims for such damages shall be made promptly.

(d) The CUSIP number must be used on the Uniform Transfer Instruction Form, Uniform Delivery Ticket and the Uniform Comparison or Confirmation.


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Nasdaq Stock Market Rules, Regulation, 11110., Nasdaq, Nasdaq Regulation

Nasdaq Regulation shall have the power to issue interpretations or rulings with respect to the applicability of this Code to situations in which there is no substantial disagreement as to the facts involved in order to make custom, practice, usage, and trading technique in the investment banking and securities business uniform, to simplify and facilitate day-to-day business of members and to remove causes for business disputes and misunderstandings which arise from uncertainty and lack of uniformity, including rulings in connection with "when, as and if issued" trading and "when, as and if distributed" trading, and whether a security tendered is a good delivery in settlement of such contracts.


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Nasdaq Stock Market Rules, Regulation, IM-11110., Nasdaq, Refusal to Abide by Rulings of Nasdaq Regulation staff

It shall be considered conduct inconsistent with just and equitable principles of trade for any member to refuse to abide by an official ruling of Nasdaq Regulation, acting within its appropriate sphere, with respect to any transaction which was consummated within the provisions and purview of the Uniform Practice Code.


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Nasdaq Stock Market Rules, Regulation, 11120., Nasdaq, Definitions

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(a) Nasdaq Regulation
The term "Nasdaq Regulation" as used in this Code, unless the context otherwise requires, shall mean the Department of Nasdaq that administers this Code.

(b) Delivery Date
The term "delivery date" as used in this Code shall be used interchangeably with "settlement date" and shall mean the date designated for the delivery of securities.

(c) Ex-Date
The term "ex-date" as used in this Code shall mean the date on and after which the security is traded without a specific dividend or distribution.

(d) Immediate Return Receipt
The term "immediate return receipt" as used in this Code, shall mean the acknowledgement by the receiving member of a written notice and which shall be issued, upon receipt, via the media in which such notice is received.

(e) Record Date
The term "record date" as used in this Code means the date fixed by the trustee, registrar, paying agent or issuer for the purpose of determining the holders of equity securities, bonds, similar evidences of indebtedness or unit investment trust securities entitled to receive dividends, interest or principal payments or any other distributions.

(f) Reserved

(g) Written Notices
The term "written notice," as used in this Code, shall include a notice delivered by hand, by letter, teletype, telegraph, TWX, facsimile ("FAX") transmission or other comparable media.


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Nasdaq Stock Market Rules, Regulation, 11130., Nasdaq, When, As and If Issued/Distributed Contracts

(a) Confirmations or Comparisons

(1) Each party to the transaction shall send a written "when, as and if issued" or "when as and if distributed" confirmation or comparison in the same form as set forth in the Sample Form appearing after this Rule 11130 and pursuant to the requirements of Rules 11210(a), 11220, and 11860.

(2) Each confirmation or comparison covering a contract in a "when, as and if issued" or "when, as and if distributed" security shall, at a minimum, contain:

(A) an adequate description of the security and the plan, if any, under which the security is proposed to be issued or distributed;

(B) designation of Nasdaq as the authority which shall rule upon the performance of the contract; and

(C) provision for marking the contract to the market.

(3) Nasdaq Regulation will furnish, upon written request therefor, an adequate description of any particular issue of securities and of the plan under which the securities are proposed to be issued for the purpose of inclusion in all contracts or confirmations covering transactions on a "when, as and if issued" or "when, as and if distributed" basis in the particular securities.

(b) Accrued Interest

(1) Unless the parties agree otherwise, "when, as and if issued" or "when, as and if distributed" transactions between members in fixed obligations of new or reorganized companies shall be "and accrued interest" to date of settlement. Interest shall be computed on the basis of the expired portion of the coupon current at the time of settlement, and all due and past due coupons shall be detached.

(2) "When, as and if issued" or "when, as and if distributed" transactions between members in income or contingent interest securities of such companies shall be traded "flat" and shall carry all payments that may be made or declared in connection with such new securities from the effective date of the plan; except that, if any payment is made or declared directly or indirectly in connection with such securities, prior to the settlement date, transactions made on and after the "ex" date for such payment shall carry only payments made or declared in connection with such securities from such "ex" date.

(3) Securities of such companies which bear a fixed rate of interest, plus contingent additional payment, are to be traded "and accrued interest" at the rate of the fixed interest, and traded "flat" in respect to the contingent payments.

(c) Marks to the Market

In case of "when, as and if issued" or "when, as and if distributed" contracts, the time of issuance or distribution of the securities is indefinite and may be long delayed. Therefore, such contracts should be marked to the market pursuant to the provisions of Rule 11740 of the Code.

(d) Contracts on Margin

All "when, as and if issued" or "when, as and if distributed" contracts shall be in compliance with Sections 220.4 and 220.5 of Regulation T of the Board of Governors of the Federal Reserve System.
(e) Request for Deposits

A member may require a customer to deposit cash or collateral to secure a "when, as and if issued" or "when, as and if distributed" contract even though Section 220.8(b)(1) of Regulation T of the Board of Governors of the Federal Reserve System may not require such deposit.

(f) Segregation of Funds

(1) Deposits against "when, as and if issued" or "when, as and if distributed" transactions should be segregated on the books of the firm in order to present a true picture of the firm's position and its commitment in transactions of this kind. It may be appropriate to segregate such deposits from the firm's general cash balances by depositing them in a bank other than those containing the general deposits, loans or other obligations of the firm. Whether or not such physical segregation is made, no member should permit any part of deposits against "when, as and if issued" or "when, as and if distributed" contracts to be used for any purpose whatsoever other than to secure such contracts.

(2) As a minimum, every member doing business in "when, as and if issued" or "when, as and if distributed" securities shall ensure that the sum of the cash balances and any deposits with banks, clearing houses, or other brokers against "when, as and if issued" or "when, as and if distributed" contracts always exceeds the aggregates of all free credits and deposits against "when, as and if issued" or "when, as and if distributed" contracts by an amount fully ample to conduct his business without employing any part of such deposits.

(g) Settlement of Contracts

(1) A date for the settlement of "when, as and if issued" and "when, as and if distributed" contracts shall be determined by Nasdaq Regulation when a sufficient percentage of the issue is outstanding.

(2) In connection with a transaction in a security "when, as and if issued," delivery shall be made at the office of the purchaser on the date declared by Nasdaq Regulation; except that if no delivery date shall be declared by Nasdaq Regulation:

   (A) delivery may be made by the seller on the business day following the day upon which the seller has delivered at the office of the purchaser written notice of intention to deliver, and

   (B) open market "when, as and if issued" contracts in securities currently being publicly offered through a syndicate or selling group shall be settled on the date such syndicate or selling group contracts are settled; provided, however, delivery of securities in accordance with this paragraph shall be made during the normal delivery hours in the community where the buyer is located.

(3) In connection with a transaction in a security "when, as and if distributed," delivery shall be made at the office of the purchaser on the date declared by Nasdaq Regulation; except that if no delivery date shall be declared by Nasdaq Regulation, delivery may be made by the seller on the business day following the day upon which the seller has delivered at the office of the purchaser written notice of intention to deliver.

(h) Cancellation of Contracts

(1) Pursuant to Rule 11110, Nasdaq Regulation may cancel or terminate "when, as and if issued" and "when, as and if distributed" contracts as necessary to resolve conflicts over the settlement of such contracts.

(2) Contracts will be canceled if the securities are not to be issued or distributed.

(3) Contracts will generally be canceled if the securities which are to be issued or distributed are not
substantially the same as those contemplated in the contract. Material changes which will generally result in cancellation include, but are not limited to, changes to the redemption schedule, dividend payments, interest rates, maturity, yield, and exercise price.

(4) Notwithstanding paragraph (h)(3), contracts will not generally be canceled as a result of changes that do not constitute material changes to the terms of the security called for under the contract. Changes which will not generally result in cancellation include, but are not limited to:

(A) changes in the dollar value of securities to be issued or distributed;
(B) restructuring of financing arrangements previously announced by the issuer of the securities; or
(C) settlement of any legal action or the occurrence of any other event which has or will have a material effect on the financial condition of the issuer of the securities.

Nasdaq Stock Market Rules, Regulation, IM-11130., Nasdaq, Standard Forms of “When, As and If Issued” or “When, As and If Distributed” Contract

(a) For use by dealers and brokers in confirming transactions with other dealers and brokers

“When, as and if Issued” or “When, as and if Distributed” Contract

....................................................................................................................................................
(Firm Name)
Date ............................................................................................................................................
Sold to — Quantity etc. Table Here

If this contract was made on a national securities exchange other than Nasdaq, the contract shall be subject to and governed by the requirements of such other exchange, its constitution, rules, practices and interpretations thereof, relating to contracts between members of such exchange, as the same may be amended or modified from time to time.

If this contract was made elsewhere than on a national securities exchange, it shall be subject to and governed by the requirements of FINRA, its By-Laws, Rules, Uniform Practice Code and interpretations thereof as the same may be amended or modified from time to time.

This contract shall be settled and payment therefor made at such time and place, in such manner, and by the delivery of such securities and/or other property as the exchange or association to whose requirements this contract is subject in its sole discretion may determine, or shall be canceled and thereafter shall be null and void if such exchange or association determines in its sole discretion that the securities which are to be issued or distributed are not substantially the same as those contemplated in the contract. During the pendency of this contract either party shall have the right to call for a mark to the market, and upon failure of the other party to comply therewith the party not in default may close this contract in accordance with the requirements of the exchange or association to whose requirements this contract is subject.

(b) For use by a dealer (principal) and his customer covering transactions on a principal basis

....................................................................................................................................................
Date
“When, as and if Issued” or “When, as and if Distributed” Contract

TO ............................................................................................................................................
I/we have sold to you/purchased from you ................................................................................ shares/par value .............................................................................................................................. at
These securities shall be payable and deliverable “when, as and if issued” or “when, as and if distributed,” or this contract shall be cancelable in accordance with the requirements of the Nasdaq Rules, Uniform Practice Code and interpretations thereof.

I/we shall have the right to demand deposits according to such requirements. On your failure to comply therewith, we may close the contract in accordance with such requirements.

....................................................................................................................................................
(Firm Signature)
Accepted:

....................................................................................................................................................

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(Signature of Customer)


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(a) Designation of Ex-Date

All transactions in securities, except "cash" transactions, shall be "ex-dividend," "ex-rights" or "ex-warrants":
(1) on the day specifically designated by Nasdaq Regulation after definitive information concerning the declaration and payment of a dividend or the issuance of rights or warrants has been received at the office of Nasdaq Regulation; or (2) on the day specified as such by the appropriate national securities exchange which has received definitive information in accordance with the provisions of SEC Rule 10b-17 concerning the declaration and payment of a dividend or the issuance of rights or warrants.

(b) Normal Ex-Dividend, Ex-Warrants Dates

(1) In respect to cash dividends or distributions, or stock dividends, and the issuance or distribution of warrants, which are less than 25% of the value of the subject security, if the definitive information is received sufficiently in advance of the record date, the date designated as the "ex-dividend date" shall be the first business day preceding the record date if the record date falls on a business day, or the second business day preceding the record date if the record date falls on a day designated by Nasdaq Regulation as a non-delivery date.

(2) In respect to cash dividends or distributions, stock dividends and/or splits, and the distribution of warrants, which are 25% or greater of the value of the subject security, the ex-dividend date shall be the first business day following the payable date.

(3) In respect to stock dividends and/or splits relating to American Depository Receipts (ADRs) and foreign securities, the ex-dividend or ex-warrants date shall be designated by Nasdaq Regulation.

(c) Late Information Re: Ex-Dividend, Ex-Warrants Dates

If definitive information is not received sufficiently in advance of the record date to permit designation of an ex-dividend or ex-warrants date in accordance with paragraph (b)(1) hereof, the date designated shall be the first business day which, in the opinion of Nasdaq Regulation, shall be practical having regard to the circumstances pertaining.

(d) Normal Ex-Rights Dates

In respect to transferable rights subscription offerings, if definitive information is received sufficiently in advance of the effective date of the registration statement, the date designated as the ex-rights date shall be the first business day after the effective date of the registration statement.

(e) Late Information Re: Ex-Rights

If definitive information is not received sufficiently in advance of the effective date of the registration statement to permit designation of an ex-rights date in accordance with the paragraph (d) hereof, the date designated shall be the first business day which in the opinion of Nasdaq Regulation shall be practical having regard to the circumstances pertaining.

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Nasdaq Stock Market Rules, Regulation, 11150., Nasdaq, Transactions “Ex-Interest” in Bonds Which Are Dealt in “Flat”

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(a) Normal Ex-Interest Dates

All transactions, except "cash" transactions, in bonds or similar evidences of indebtedness which are traded "flat" shall be "ex-interest" as prescribed by the following provisions:

1. On the first business day preceding the record date if the record date falls on a business day.

2. On the second business day preceding the record date if the record date falls on a day other than a business day.

3. On the second business day preceding the date on which an interest payment is to be made if no record date has been fixed.

(b) Late Information Re: Ex-Interest Dates

If notice of payment of interest is not made public sufficiently in advance of the record date or the payment date, as the case may be, to permit the security to be dealt in "ex-interest" in accordance with paragraph (a) hereof such security shall be dealt in "ex-interest" on the first business day which, in the opinion of Nasdaq Regulation, shall be practical having regard to the circumstances pertaining.

Nasdaq Stock Market Rules, Regulation, 11160., Nasdaq, “Ex” Liquidating Payments

All transactions except “cash” transactions in stocks, bonds or similar evidences of indebtedness shall be "ex" liquidating payments or payments on account of principal in accordance with the formula set forth in Rules 11140 and 11150.


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Nasdaq Stock Market Rules, Regulation, 11170., Nasdaq, Transactions in “Part-Redeemed” Bonds

In transactions in bonds which have been redeemed or paid in part, such bonds shall be designated as “part-redeemed” bonds. The settlement price of contracts in "part-redeemed" bonds shall be determined by multiplying the contract price by the original principal amount thereof and contracts shall be made on the same basis.


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Nasdaq Stock Market Rules, Regulation, 11180., Nasdaq, Reserved

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(a) Each member or its agent that is a participant in a registered clearing agency, for purposes of clearing transactions executed on Nasdaq, shall participate in fail reconfirmation and pricing services when offered.

(b) 

(1) A contract submitted to a reconfirmation and repricing service ("service") which has been DK'd ("Don't Know") by the contra-party or is otherwise deemed a DK under the rules of the service may be closed-out by the party who submitted the contract to the service without notice during normal trading hours promptly after the completion of the reconfirmation and pricing cycle of the service for the account and liability of the non-confirming member.

(2) Notice of any execution pursuant to this paragraph (b), shall be made as promptly as possible on the day of execution, as provided in Rules 11810(g) and 11820(b).


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Nasdaq Stock Market Rules, Regulation, 11210., Nasdaq, Sent by Each Party

(a) Comparisons or Confirmations

(1) Each party to a transaction, other than a cash transaction, shall send a Uniform Comparison or Confirmation of same on or before the first business day following the date of the transaction.

(2) Comparisons or confirmations of cash transactions shall be exchanged on the day of the trade.

(3) Comparisons or confirmations shall be compared upon receipt to ascertain whether any discrepancies exist. If discrepancies do exist, a corrected Uniform Comparison or Confirmation shall be sent by the party in error.

(4) This Rule shall not be applicable to transactions which clear through the National Securities Clearing Corporation or other clearing organizations registered under the Act.

(b) Uniform Comparison or Confirmation

A properly executed Uniform Comparison or Confirmation must be used for each transaction.

(c) "DK" Procedures Using "Don't Know Notices" (NASD Form No. 101)

When a party to a transaction sends a comparison or confirmation of a trade, but does not receive a comparison or confirmation or a signed DK, from the contra-member by the close of one business day following the trade date of the transaction, the following procedure may be utilized.

(1) The confirming member shall send by certified mail, return receipt requested, or messenger, a "Don't Know Notice" on the form prescribed by NASD Rule 11210 to the contra-member in accordance with the directions contained thereon. If the notice is sent by certified mail the returned, signed receipt therefor must be retained by the confirming member and attached to the fourth copy of the "Don't Know Notice." If delivered by messenger, the fourth copy must immediately be dated and manually receipted by, and imprinted with the firm stamp of, the contra-member pursuant to the provisions of paragraph (c)(4) of this Rule, returned to the messenger and thereafter be retained by the confirming member.

(2)

(A) After receipt of the "Don't Know Notice" as specified in paragraph (c)(1) of this Rule, the contra-member shall have two business days after the notice is received to either confirm or DK the transaction in accordance with the provisions of paragraph (c)(2)(B) or (c)(2)(C) below.

(B) If the contra-member desires to respond by mail, the second copy of the "Don't Know Notice" previously received shall be executed in accordance with the provisions of paragraph (c)(4) of this Rule and sent to the confirming broker by certified mail, return receipt requested. The notice so returned shall indicate clearly whether the contra-member desires to confirm or DK the transaction. The returned, signed receipt must thereafter be retained by the contra-member.

(C) If the contra-member desires to respond by messenger, it shall return to the confirming member the second and third copies of the notice which shall indicate clearly whether the contra-member desires to confirm or DK the transaction. The third copy shall be dated and manually receipted by the confirming broker pursuant to the provisions of paragraph (c)(4) of this Rule and immediately be returned to the messenger and thereafter be retained by the contra-member.
(3) If the confirming member does not receive a response from the contra-member by the close of two business days after receipt by the confirming member of the fourth copy of the "Don't Know Notice" if delivered by messenger, or the post office receipt if delivered by mail, as specified in paragraph (c)(1) of this Rule, such shall constitute a DK and the confirming member shall have no further liability for the trade.

(4) All "Don't Know Notices" sent by any party pursuant to the provisions of this paragraph (c) must be manually signed by a person authorized to pursue further discussions in respect to the transaction on behalf of the signing member. In addition to the manual signature receipt on the third and fourth copies, as required by paragraphs (c)(1) and (c)(2)(C) hereof, if delivered by hand, the firm stamp of the contra-member must be imprinted thereon to signify receipt.

(5) The "Don't Know Notice" form to be used for purposes of complying with this section, may be ordered through any office of FINRA. If the official form is not used, the form which is used must conform in every respect to the official form.

(d) "DK" Procedure Using Other Forms of Notice

When a party to a transaction sends comparison or confirmation of a trade, but does not receive a comparison or confirmation or a signed DK, from the contra-member by the close of one business day following the date of the transaction, the following procedure may be utilized in place of that provided in the preceding paragraph (c).

(1) The confirming member shall provide notice to the contra-member identifying the trade in question by providing the information described in Rule 11220. The notice shall, in addition, contain a request for the contra-member to confirm or "DK" the trade and the name of the individual issuing the notice.

(2) The confirming member shall record and retain verification of delivery to the contra-member of each notice issued in accordance with paragraph (d)(1) of this Rule.

(3) The contra-member, on receipt of the notice from the confirming member, shall research the trade in question.

(4) The contra-member shall then send notice to the confirming member to either confirm or "DK" the trade and shall include the name of the individual issuing the notice.

(5) If the confirming member does not receive a response in the form of a notice from the contra-member by the close of four business days after receipt of the confirming member's notice, such shall constitute a DK and the confirming member shall have no further liability.

(6) Both the confirming member and the contra-member shall record and retain verification of the delivery and receipt of each notice issued pursuant to paragraph (d)(4) of this Rule.

(7) If the trade in question is confirmed by the contra-member pursuant to paragraph (d)(4) of this Rule, settlement shall be completed in the normal manner.

(8) Notices under this paragraph (d) may be delivered through any communications medium which provides verification of delivery and receipt as required under paragraphs (d)(2) and (d)(6).


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Footnotes

## Nasdaq Stock Market Rules, Regulation, IM-11210., Nasdaq, Uniform Comparison Form

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### PRICE

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Nasdaq Stock Market Rules, Regulation, 11220., Nasdaq, Description of Securities

Confirmations or comparisons shall include, in addition to an adequate description of the security (which shall include payment options on a unit investment trust series), the price at which the transaction was made and any other information deemed necessary to insure that the buyer and seller agree as to details of the transaction. Such "other information" should include, if applicable, but need not be limited to, such phrases as "ex-warrants," "ex-stock," "registered," "flat," "part-redeemed," "Canadian funds," "with proxy," etc.


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Nasdaq Stock Market Rules, Regulation, 11310., Nasdaq, Book-Entry Settlement

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(a) A member shall use the facilities of a securities depository for the book-entry settlement of all transactions in depository eligible securities with another member or a member of a national securities exchange or a registered securities association.

(b) A member shall not effect a delivery-versus-payment or receipt-versus-payment transaction in a depository eligible security with a customer unless the transaction is settled by book-entry using the facilities of a securities depository.

(c) For purposes of this Rule, the term "securities depository" shall mean a securities depository registered as a clearing agency under Section 17A of the Act.

(d) (1) The term "depository eligible securities" shall mean securities that (A) are part of an issue of securities that is eligible for deposit at a securities depository and (B) with respect to a particular transaction, are eligible for book-entry transfer at the depository at the time of settlement of the transaction.

(2) A determination under Rule 4310(c)(23) or under the corresponding rule of another national securities exchange that a security depository has included a CUSIP number identifying a security in its file of eligible issues does not render the security "depository eligible" under this Rule until:

(A) in the case of any new issue distributed by an underwriting syndicate on or after the date a securities depository system for monitoring repurchases of distributed shares by the underwriting syndicate is available, the date of the commencement of trading in such security on Nasdaq; or

(B) in the case of any new issue distributed by an underwriting syndicate prior to the date a securities depository system for monitoring repurchases of distributed shares by the underwriting syndicate is available where the managing underwriter elects not to deposit the securities on the date of the commencement of trading in such security on Nasdaq, such later date designated by the managing underwriter in a notification submitted to the securities depository; but in no event more than three (3) months after the commencement of trading in such security on Nasdaq.

(e) This Rule shall not apply to transactions settled outside of the United States.

(f) The requirements of this Rule shall supersede any inconsistent requirements under other Rules in the Code.

(g) This Rule shall not apply to any transactions where the securities to be delivered in settlement of the transaction are not on deposit at a securities depository and:

(1) if the transaction is for same-day settlement, the deliverer is unable to deposit the securities in a securities depository prior to the cut-off time established by the depository for same-day crediting of deposited securities, or

(2) the deliverer is unable to deposit the securities in a depository prior to the cut-off date established by the depository for that issue of securities.

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Nasdaq Stock Market Rules, Regulation, 11320., Nasdaq, Dates of Delivery

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(a) For "Cash"
In connection with a transaction for "cash," delivery shall be made at the office of the purchaser on the day of the transaction.

(b) "Regular Way"
In connection with a transaction "regular way," delivery shall be made at the office of the purchaser on, but not before, the second business day following the date of the transaction.

(c) "Seller's Option"
In connection with a transaction "seller's option," delivery shall be made at the office of the purchaser on the date on which the option expires; except that delivery may be made by the seller on any business day after the second business day following the date of the transaction and prior to the expiration of the option, provided the seller delivers at the office of purchaser, on a business day preceding the day of delivery, written notice of intention to deliver.

(d) "Buyer's Option"
In connection with a transaction "buyer's option," delivery shall be made at the office of the purchaser on the date on which the option expires.

(e) Contracts Due on Holidays or Saturdays
Contracts due on a day other than a business day shall mature on the next business day.

(f) "Delayed-Delivery"
In connection with a transaction made for "delayed-delivery," delivery shall be at the office of the purchaser on the date agreed upon at the time for the transaction.

(g) Prior to Delivery Date
If in contracts executed pursuant to paragraphs (b), (d) and (h) of this Rule, the seller tenders delivery before the stated time, acceptance shall be at the election of the purchaser, and rejection of such delivery by the purchaser shall be without prejudice to his rights.

(h) Time and Place of Delivery
Delivery shall be made at the office of the purchaser between the hours established by rule or practice in the community where such office is located. If the purchaser maintains more than one office, delivery shall be made at the office with which the transaction was effected, unless delivery instructions are provided at the time of the transaction.


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The party making delivery shall have the right to require the purchase money to be paid upon delivery by certified check, cashier's check, bank draft or cash.


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Nasdaq Stock Market Rules, Regulation, 11340., Nasdaq, Stamp Taxes

(a) Members shall, as required by the rules and regulations of jurisdictions imposing taxes on sales, purchases or other transfers of securities, furnish tax stamps or pay the tax through securities clearing organizations.

(b) In the event that taxes are due pursuant to state stock transfer taxes, the seller shall furnish to the buyer at the time of delivery a sale memorandum ticket to which shall be affixed and canceled sufficient state transfer stamps as are required by the state in which the sale occurs, or the tax may be paid by the seller through securities clearing organizations.

(c) Additional stamps. If any stamps in addition to those required by paragraph (a) hereof are desired by the buyer, the furnishing of such additional stamps by the seller may be made a part of the transaction.

(d) Seller's failure to furnish stamps. If the buyer has requested the additional state stamps provided by paragraph (c) and at the time of delivery of the security the seller does not furnish or has not made adequate provision for such stamps, the buyer may furnish and cancel such additional state transfer stamps and deduct the cost thereof from the purchase price.


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The purchaser shall be required to accept a part delivery on any contract due provided the portion remaining undelivered is not an amount which includes an odd-lot which was not a part of the original transaction.


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### Nasdaq Stock Market Rules, Regulation, IM-11360., Nasdaq, Uniform Delivery Ticket Form

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Nasdaq Stock Market Rules, Regulation, 11361., Nasdaq, Units of Delivery — Stocks

(a) Stock certificates delivered in settlement of contracts:

(1) in which the transaction is for 100 shares may be in one certificate for the exact number of shares or certificates totaling 100 shares.

(2) in which the transaction is greater than 100 shares and a multiple of 100 shall be in the exact amount of the contract, or in multiples of 100 shares, or in amounts from which units of 100 shares can be made, or a combination thereof equaling the amount of the contract.

(3) in which the transaction is for more than 100 shares but not in a multiple of 100 shall be in multiples of 100 shares, or in amounts from which units of 100 shares can be made, or a combination thereof, plus either the exact amount for the odd lot or smaller amounts equaling the odd lot.

(4) in which the transaction is for less than 100 shares shall be in the exact amount of the contract or for smaller units aggregating the amount of the contract.

(b) Uniform Delivery Ticket

A properly executed Uniform Delivery Ticket must accompany the delivery of securities. ¹


Footnotes

Nasdaq Stock Market Rules, Regulation, 11362., Nasdaq, Units of Delivery — Bonds

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(a) **Coupon Bonds**

Each delivery of bonds or similar evidences of indebtedness in coupon bearer form shall be made in denominations of $1,000 or in denominations of $100 or multiples thereof aggregating $1,000.

(b) **Registered Bonds**

Each delivery of bonds or similar evidences of indebtedness in fully registered bond issues shall be made in denominations of $1,000 or multiples thereof or in amounts of $100 or multiples aggregating $1,000 but in no event in denominations larger than $100,000.

(c) **Bonds Issued in Both Coupon and Registered Form**

Unless otherwise specified at the time of execution, contracts in bonds that are issuable in either coupon or registered form, shall be settled by delivery of bonds in either form pursuant to the denominations in paragraphs (a) and (b) above, notwithstanding that there may be a charge for interchanging one form with the other.

(d) **Units of Delivery by Agreement**

When a contract relating to paragraphs (a), (b) and (c) above is for a principal amount which is not a multiple of $100, the parties shall agree, at the time of entering into the contract, as to the proper units of delivery.


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The minimum unit of delivery for Unit Investment Trust Securities shall be a single unit of the trust.


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Nasdaq Stock Market Rules, Regulation, 11364., Nasdaq, Units of Delivery — Certificates of Deposit for Bonds

The units of delivery for certificates of deposit for bonds, shall be the same as prescribed for bonds in Rule 11362.


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Nasdaq Stock Market Rules, Regulation, IM-11364., Nasdaq, Trading Securities As “Units” or Bonds “With Stock”

Where securities are physically separate instruments, transferable independently of one another, and not subject to any legal or technical condition which requires that they be kept together, good practice requires that they be quoted and dealt in separately and not as units.

Where, for some special reason, members enter into a contract calling for a group of securities, they are cautioned to make adequate specification both at the time of trade and in their confirmation or comparison, so that uncertainty or misunderstanding in the settlement of the contract may be eliminated.


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(a) Time of Presentation
Drafts accompanying the shipment of securities need be accepted only on a business day between the hours established by rule or practice in the community where the draft is presented. Acceptance of a draft at other times shall be at the option of the drawee, and the drawee shall not be liable for any expense arising out of his refusal of the draft when presented on a Saturday or half-holiday.

Note: For his own protection, the seller should instruct his bank or collecting agent that if the draft is received on a Saturday or half-holiday, it need not be presented to the drawee until the following business day.

(b) Prior to Settlement Date
The acceptance of a draft prior to the settlement date shall be at the option of the drawee.

(c) With Irregularities
The acceptance of a draft which contains irregularities shall be at the option of the drawee.

(d) Expense Due to Shipment
Expenses of shipment, including insurance, postage, draft, and collection charges, shall be paid by the seller.

(e) Expenses Due to Delay
Failure to accept a draft in which no irregularities exist, when duly presented on a business day, shall make the drawee liable for the payment of interest to the date the draft is paid and for other incidental expenses incurred because of the delay, including protest fees, if any, and wire charges.

(f) Claims for Irregularities
Claims with respect to such items as price, interest, protest fees or wire charges and items of similar nature, arising from the acceptance of draft shipments in which irregularities exist, shall be presented not later than ten days after payment. This limitation shall not apply to matters covered hereinafter under "Reclamations," in Rules 11710 to 11730.


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Nasdaq Stock Market Rules, Regulation, 11510., Nasdaq, Delivery of Temporary Certificates

A temporary certificate shall not be a good delivery when permanent certificates are available.


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Nasdaq Stock Market Rules, Regulation, 11520., Nasdaq, Delivery of Mutilated Securities

(a) A mutilated security shall not be a good delivery until appropriately authenticated by the trustee, registrar, transfer agent, or issuer.

(b) The delivery of a bond which bears a coupon which has been mutilated as to the bond number or signature or which bears a coupon which has been canceled in error shall not be good delivery unless an appropriate endorsement by an official authorized by paragraph (c) hereof shall have been placed on the reverse of the coupon.

(c) The endorsement shall be signed on behalf of the obligor by an officer thereof or, under authorization from the obligor, on behalf of the corporate trustee or paying agent by a duly authorized officer thereof or other person authorized to sign on behalf thereof.


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Nasdaq Stock Market Rules, Regulation, 11530., Nasdaq, Delivery of Securities Called for Redemption or Which Are Deemed Worthless

(a) Securities Called for Redemption
A certificate of stock or a bond shall cease to be a good delivery upon publication of notice of call for redemption, except when an entire issue is called for redemption and except against transactions in "called stock" or "called bonds" dealt in specifically as such.

(b) Securities Deemed Worthless

(1) In contracts for securities where a public announcement or publication of general circulation discloses that the securities have been deemed worthless, deliveries shall consist of (A) the worthless securities or (B) a Letter of Indemnity which shall grant the purchaser any rights and privileges which might accrue to the holders of the physical securities.

(2) Deliveries effected pursuant to paragraph (b)(1) shall operate to close-out the contract and must be accompanied by documentation evidencing that the security was deemed worthless after the original execution date of the contracts. Such contracts shall be settled at the existing contract price.

(3) For purposes of this paragraph (b), securities deemed worthless shall be those instruments which have no known market value.


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Nasdaq Stock Market Rules, Regulation, 11540., Nasdaq, Delivery Under Government Regulations

(a) Documents Required
When the laws, regulations, rulings, instructions or orders of any government, government instrumentality or agency, or official thereof having jurisdiction, require a license, clearance certificate, affidavit of ownership or any similar document in connection with the acquisition, disposition, transfer or redemption of, or other dealing in or with respect to, any security, such security shall not be a good delivery unless accompanied by the document or documents so required.

(b) Certificate Subject to Stoppage
If a specific certificate tendered in settlement of a contract in foreign securities is on a black list, blocked list, or subject to similar stoppage, from which an innocent holder in due course cannot have it removed by simple request, such certificate is not a good delivery, and reclamation may be made without limit of time.


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Nasdaq Stock Market Rules, Regulation, 11550., Nasdaq, Assignments and Powers of Substitution; Delivery of Registered Securities

(a) General Requirements
Any registered security to be a good delivery must be accompanied by an assignment and a power of substitution (when such power of substitution is required under paragraph (g) of this Rule) conforming to the requirements set forth in Rule 11550 to 11574, inclusive. Any expense incurred through failure of a seller to meet these requirements shall be paid by the seller.

(b) Assignment
An assignment shall be executed on the certificate itself or on a separate paper, in which latter case there shall be a separate assignment for each certificate.

(c) Signature Requirements
The signature to an assignment or power of substitution shall be technically correct; i.e., it shall correspond with the name as written upon the certificate in every particular without alteration or enlargement, or any change whatever, except that "and" or "&" “Company” or "Co." may be written either way.

(d) Detached Assignment Requirements
A separate (detached) assignment shall contain provision for the irrevocable appointment of an attorney, with power of substitution, and a full description of the security, including name of issuer, issue, certificate number, and amount (expressed in words and numerals).

(e) Two or More Names
A certificate registered in the names of two or more individuals or firms shall be a good delivery only if signed by all the registered owners.

(f) Alteration or Correction
Any alteration or correction in an assignment or power of substitution shall be accompanied by an explanation on the original instrument signed by the person or firm executing the same.

(g) Power of Substitution
When the name of an individual or firm has been inserted in an assignment, as attorney, a power of substitution shall be executed in blank by such individual or firm. When the name of an individual or firm has been inserted in a power of substitution as substitute attorney, a new power of substitution shall be executed in blank by such substitute attorney.

(h) Guarantee
Each assignment, endorsement, alteration and erasure shall bear a guarantee acceptable to the transfer agent or registrar. It is not the intent of this paragraph that a "New York," national securities exchange member or other specific guarantee is required; rather, it is the intent only that the guarantee be acceptable to the transfer agent.

(i) Foreign Internal Securities
Except for Canadian Securities, American Depositary Receipts, American Shares, New York Shares and similar securities, the provisions of paragraphs (b) through (g), inclusive, and Rule 11572 shall not apply to Foreign Internal Securities in registered form. In default of specific Rules in this Code, the usual conditions of delivery and transfer of Foreign Internal Securities in registered form in the foreign market where principally traded shall apply.
(j) **Uniform Transfer Instruction Form**

A properly executed Uniform Transfer Instruction Form must accompany securities presented for transfer. ¹


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**Footnotes**

¹ Specifications for use of the Uniform Transfer Instruction Form are contained in the Final Report of the Banking and Securities Industry Committee entitled "Four Uniform Forms" dated December 22, 1971.
Nasdaq Stock Market Rules, Regulation, IM-11550., Nasdaq, Uniform Transfer Instructions Form

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PLEASE TRANSFER THE ATTACHED SECURITIES AS SHOWN BELOW

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General Requirements

A certificate of a company whose transfer books are closed indefinitely for any reason shall be good delivery only if the required ownership transfer indemnification is affixed to or recorded upon the certificate. The indemnification acknowledges the assignor(s)' ultimate responsibility for the ownership of the certificate as of the date of the indemnification and shall be affixed or recorded only once during the lifetime of the certificate. Certificates delivered pursuant to this Rule must conform with all the applicable delivery requirements set forth in Rule 11550 of this Code.


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Nasdaq Stock Market Rules, Regulation, IM-11560., Nasdaq, Sample Ownership Transfer Indemnification Stamp

Date:
The undersigned owner of this certificate (number) representing .................................................. Shares of .......................................................................................................................................................... hereby certifies the transfer of all ownership therewith to the bearer hereby. We acknowledge that the transfer books of the herein named corporation are closed and agree to accept responsibility in accordance with the provisions of Rule 11560 of Nasdaq's Uniform Practice Code.

_______________________________ NAME OF MEMBER

_______________________________ AUTHORIZED SIGNATURE


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Nasdaq Stock Market Rules, Regulation, 11570., Nasdaq, Certificates in Various Names

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Nasdaq Stock Market Rules, Regulation, 11571., Nasdaq, Certificate in Name of Corporation

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(a) Transfer Books Open
A certificate in the name of a corporation or an institution, or in a name with official designation shall be a good delivery only if the statement "Proper papers for transfer filed by assignor" is placed on the assignment and signed by the transfer agent.

(b) Transfer Books Closed
Where a certificate, an assignment or a power of attorney is in the name of a corporation and the transfer books of the issuing company are closed indefinitely for any reason, the certificate shall be a good delivery if the assignment or other instrument effecting transfer on the corporation’s behalf is executed by an officer of such corporation, other than the secretary, and is accompanied by (1) a guarantee of such officer’s signature executed by a person with the authority to make such a guarantee; (2) a copy of a corporate resolution and a completed and executed certificate of incumbency; and (3) the ownership transfer indemnification, as provided in Rule 11560, affixed to or recorded on the certificate.

(c) Foreign Internal Securities
The foregoing requirements shall not apply to foreign internal securities when the requirements do not correspond to the laws or customs of the country concerned; but instead such laws and customs shall govern such securities.


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Nasdaq Stock Market Rules, Regulation, IM-11571., Nasdaq, Sample Certificate and Authorizing Resolution/Certificate of Incumbency

I hereby certify that a meeting of the Board of Directors of ..........................................................., a corporation organized under the laws of the State of ...................................................................................., held the .......................................................................................................................................................... day of , 19 .......................................................................................................................................................... , at which a quorum was present and acting throughout, the following resolution was duly adopted and is now in full force and effect:

RESOLVED, that any one of the following officers of this Corporation, viz: the President, Vice President, Treasurer or Secretary, be and is hereby fully authorized and empowered to sell, assign, transfer and deliver any and all shares of stock, bonds, debentures, notes, evidences of indebtedness, or other securities now or hereafter standing in the name of or owned by this Corporation, and to make, execute, and deliver, any and all written instruments necessary or proper to effectuate the authority hereby conferred.

I further certify that the authority thereby conferred is not inconsistent with the Charter or By-Laws of this Corporation, and that the following is a true and correct list of the officers of this Corporation authorized to act.

Signing Officers:

In witness, whereof, I have hereunto set my hand and the seal of said Corporation this .............. day of , 19 ..........................................................................................................................

(Affix Corporate Seal)

Secretary

(The foregoing certification and the assignment of the securities should be executed by different officers.)


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Nasdaq Stock Market Rules, Regulation, 11572., Nasdaq, Certificate in Name of Firm

Unless the endorsement specifies otherwise, there shall be a presumption that stock registered in a firm or business name is registered in the name of a partnership and not a corporation.


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A certificate with an assignment or a power of substitution executed in the name of a firm that has since dissolved and is succeeded by a firm or firms having as general partners one or more of the general partners of the dissolved firm shall be a good delivery only if the new firm or one of the new firms shall have signed the statement "Execution Guaranteed" under a date subsequent to the formation of the new firm so signing.


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(a) A certificate shall not be a good delivery with an assignment or power of substitution executed by a: (1) person since deceased; (2) trustee or trustees, except as provided in paragraph (b) below, or except for trustees acting in the capacity of a board of directors of a corporation or association, in which case Rule 11561(a) shall apply; (3) guardian, except as provided in paragraph (b) below; (4) infant; (5) executor, except as provided in paragraph (b) below; (6) administrator, except as provided in paragraph (b) below; (7) receiver in bankruptcy; (8) agent; (9) attorney; (10) or with a qualification, restriction or special designation.

(b) A certificate shall be a good delivery with an assignment or a power of substitution executed by a: (1) domestic individual executor(s) or administrator(s); (2) domestic individual trustee(s) under an inter vivos or testamentary trust; or (3) domestic guardian(s) including committees, conservators and curators. These exceptions to paragraph (a) above are to cover transfers that will be effected by transfer agents without additional documentation. This paragraph (b) shall apply only to securities of a domestic issuer (organized under the laws of any state in the United States or District of Columbia) which are registered in the name(s) of (1), (2) or (3) of this paragraph (b). Certificates delivered pursuant to this paragraph (b) must be properly assigned, and the signature(s) to the assignment be guaranteed pursuant to Rule 11550(h).

(c) This Rule does not apply to certificates registered under a Statutory Gifts to Minors Act.


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Limited Partnership Change of Trustee Form

<table>
<thead>
<tr>
<th>FBO (Investor's Name)</th>
<th>Partnership Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignor (Present Trustee's Name)</td>
<td>Assignor's Address</td>
</tr>
<tr>
<td>Customer's A/C Number with Assignor</td>
<td>This hereby constitutes and appoints the said Partnership to transfer the said interests on the books of the Partnership with full power of substitution in the premises.</td>
</tr>
</tbody>
</table>

The Assignor hereby assigns to the Assignee 100% of the Assignor's right, title and interest in the Limited Partnership(s) described herein.

ASSIGNOR'S RELEASE: (DATE)
Authorized Signature X

Designee (New Trustee's Name) | (Assignee's Address) |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Customer's A/C Number with Assignee)</td>
<td>(Assignee's Tax ID Number)</td>
</tr>
</tbody>
</table>

New Trustee's (Assignee's) Instructions:

ASSIGNEE'S ACCEPTANCE: (DATE)
Authorized Signature X

Assignee: Upon receipt, forward this form and the original certificate (if available) to the General Partner for re-registration.

General Partner:


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Nasdaq Stock Market Rules, Regulation, 11610., Nasdaq, Liability for Expenses

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Failure of the seller to meet the requirements of good delivery relating to bonds and similar evidences of indebtedness, as set forth in paragraphs (a) through (h) of this Rule inclusive, shall make the seller liable for any expense incurred as a result of such failure.

(a) Coupon Bonds
A coupon bond shall have securely attached in the correct place proper coupons, warrants, etc., of the same serial number as the bond. Acceptance of cash or check in lieu of missing coupons shall be at the option of the purchaser.

(b) Endorsed Bonds
A coupon bond bearing an endorsement of a definite name of a person, firm, corporation, association, etc., in conjunction with words of condition, qualification, direction, or restriction, not properly pertaining thereto as a security, shall not be a good delivery unless sold specifically as an "endorsed bond." This shall also apply to bonds with coupons bearing such endorsements.

(c) Interest in Default
A bond upon which interest is in default shall carry all unpaid coupons.

(d) Registerable as to Principal
A coupon bond registerable as to principal shall be a good delivery only if registered to bearer.

(e) Endorsements for Banking or Insurance Requirements
A coupon bond bearing an endorsement indicating that the bond was deposited in accordance with a governmental requirement pertaining to banking institutions or insurance companies shall not be a good delivery. If released, with such release acknowledged before an officer authorized to take acknowledgments, it shall be a good delivery if sold specifically as a "released endorsed bond."

(f) Coupon Detached Prior to Delivery
(1) A bond dealt in "and interest," for delivery on or after the date on which interest is due and payable, shall be delivered without the coupon payable on such date.

(2) Late delivery. In the settlement of contracts in bonds dealt in "and interest" where delivery is due prior to the interest payment date but is made on or after the interest payment date, bonds may be delivered without coupons payable on such date, and the seller may present such detached, unpaid coupons to the buyer for payment, the buyer bearing the risk of non-payment.

(g) Stamped Bonds
(1) If a plan of reorganization which has been declared operative, or an amendment or supplement to an indenture provides that the bonds covered thereby shall be stamped to reflect the adoption of such plan or the amendment or supplement to the indenture, bonds so stamped shall be a good delivery and bonds not so stamped shall not be a good delivery.

(2) The fact that a bond has been stamped "Tax Paid" by any authority vested with the power to tax, if the stamp does not indicate ownership, shall not prevent such bond from being a good delivery.
(h) Certificates of Deposit

Certificates of deposit issued by committees or depositaries other than those specified at time of trade shall not be a good delivery.

Nasdaq Stock Market Rules, Regulation, 11620., Nasdaq, Computation of Interest

(a) Interest to be Added to the Dollar Price

In the settlement of contracts in interest-paying securities other than for "cash," there shall be added to the dollar price interest at the rate specified in the security, which shall be computed up to but not including the second business day following the date of the transaction. In transactions for "cash," interest shall be added to the dollar price at the rate specified in the security up to but not including the date of transaction.

(b) Basis of Interest

Interest shall be computed on the basis of a 360-day year, i.e., every calendar month shall be considered to be 1/12 of 360 days; every period from a date in one month to the same date in the following month shall be considered to be 30 days.

Note: The number of elapsed days should be computed in accordance with the examples given in the following table:

- From 1st to 30th of the same month to be figured as 29 days;
- From 1st to 31st of the same month to be figured as 30 days;
- From 1st to 1st of the following month to be figured as 30 days;
- From 1st to 28th of February to be figured as 27 days;
- From the 23rd of February to the 3rd of March to be figured as 10 days;
- From the 15th of May to the 6th of June to be figured as 21 days.

Where interest is payable on 30th or 31st of the month:

- From 30th or 31st to 1st of the following month to be figured as 1 day;
- From 30th or 31st to 30th of the following month to be figured as 30 days;
- From 30th or 31st to 31st of the following month to be figured as 30 days;
- From 30th or 31st to 1st of second following month to be figured as 1 month, 1 day.

(c) Securities Traded "and interest"

When delivery of a security traded "and interest" is made between the record date fixed for the purpose of determining the holder entitled to receive interest and the interest payment date, a deduction equivalent to the full amount of the interest to be paid shall be made on settlement.

(d) Securities Traded "flat"

When delivery of a security traded "flat" is made after the record date fixed for the purpose of determining the holder entitled to receive interest, in the settlement of a contract made prior to the date on which the security was traded "ex-interest," a due-bill check for the full amount of the interest to be paid shall accompany the delivery.

(e) Income Bonds

Income bonds shall be dealt in "flat" even though such bonds are paying interest, except that where a certain fixed rate is guaranteed in the indenture and provision is made for additional contingent payment, they shall be dealt in "and interest" at the fixed rate guaranteed in the indenture (so long as interest payments at such fixed rate are not in default and no announcement of intention to default has been made).

(f) Fractions of a Cent
In all transactions involving the payment of interest, fractions of a cent equaling or exceeding five mills shall be regarded as one cent; fractions of a cent less than five mills shall be disregarded.

Nasdaq Stock Market Rules, Regulation, 11630., Nasdaq, Due-Bills and Due-Bill Checks

(a) **Definition of Due-Bills**
The term "due-bill" as used in this Rule means an instrument employed for the purpose of evidencing the transfer of title to any security or rights pertaining to any security contracted for or evidencing the obligation of a seller to deliver such to a subsequent purchaser. A due-bill shall not be transferable or assignable by the purchaser.

(b) **Definition of Due-Bill Checks**
The term "due-bill checks" as used in this Rule means a due-bill in the form of a check payable on the date of payment of a cash dividend, interest on registered bonds or interest on unit investment trust securities, which prior to such date shall be considered as a due-bill, as defined in paragraph (a) above, for the amount of such dividend or interest.

(c) **Due-bills for Stock Dividends and Rights**
A security sold before it trades "ex-dividend" (for stock and scrip dividends) or "ex-rights" and delivered too late for transfer on or before the record date, shall be accompanied by a due-bill for the distribution to be made. When a due-bill accompanying a delivery evidences the obligation of the seller to deliver stock, the purchaser shall prorate the value of the contract, and shall make payment of the balance upon redemption of the due-bill. The requirement to pro-rate the value of the contract as described above shall not apply to stock dividends less than ten percent (10%) or to "spinoffs" or rights.

(d) **Due-bill Checks for Cash Distribution and Interest**
Due-bill checks for a cash distribution, interest on registered bonds or interest on unit investment trust securities shall accompany securities delivered too late for transfer on or before the record date.

(e) **Redemption of Due-Bills**
Due-bills for any security or rights pertaining to any security shall be redeemable on the date on which the security or rights are issued by the corporation or as soon thereafter as the signer or guarantor of the due-bill can obtain transfer of the security or rights into denominations necessary to effect the redemption of the due-bills.

(f) **Default Upon Redemption of Due-Bills**
A due-bill for any security or rights pertaining to any security issued pursuant to paragraph (c) of this Rule and presented for redemption pursuant to the terms of paragraph (e), and not honored by the seller may, at the option of the buyer, be treated as a "fail to receive" from the seller, and the distribution evidenced by such due-bill may be bought-in for the account and risk of the seller pursuant to the terms of Rule 11810. However, buy-ins executed in accordance with this paragraph must be executed after the payable date of such securities as determined by the issuing corporation.


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Nasdaq Stock Market Rules, Regulation, IM-11630., Nasdaq, Sample Due-Bill Forms

(a) Due-Bill for Stock Dividend or Stock Distribution

For value received, the undersigned hereby assigns, transfers and sets over to ...........................................the stock distribution of ..........................................................................................................................( ) shares of .........................................................................................................................................................stock of  to be issued on .....................................................................................................................................................to the registered holder of .................................................................................................................................( ) shares of .........................................................................................................................................................stock of .........................................................................................................................................................represented by certificate number .........................................................................................................................................................., to which the undersigned is entitled as a stock dividend, and hereby irrevocably constitutes and appoints attorney to transfer the shares representing said stock dividend on the books of said corporation, with full power of substitution in the premises.

Dated ..........................................................................................................................................

(Official Signature)  

(b) Due-Bill for Rights

For value received, the undersigned hereby assigns, transfers, and sets over to ...........................................the warrant and/or fractional warrant to which the undersigned is entitled, evidencing the rights to subscribe for .............................................................................................................................................................................., which warrant and/or fractional warrant is to be issued to the holder of record at the close of business of .................................................................................................................................( ) shares of .........................................................................................................................................................stock of .........................................................................................................................................................represented by certificate No .........................................................................................................................................................., to which the undersigned is entitled as a stock dividend, and hereby irrevocably constitutes and appoints attorney to transfer the shares representing said stock dividend on the books of said corporation, with full power of substitution in the premises.

Dated ..........................................................................................................................................

(Official Signature)  

(c) Due-Bill for Interest on When Issued Contract

This is to certify that, upon issuance of ........................................................................................................in accordance with the plan approved by ............................................................................................................., the undersigned will pay to ..............................................................................................................$ representing (contingent)(income) interest for ..............................................................................................................on $ principal amount of said bonds sold to him when, as, and if issued on ................................................... 19

This due-bill shall become null and void if the contract for sale of said bonds cannot be completed in accordance with the plan approved by ............................................................................................................., on

Dated ..........................................................................................................................................

(Official Signature)  
(d) Due-Bill for Dividend on When Issued Contract

This is to certify that, upon issuance of ...................................................................................... in accordance with the plan approved by ......................................................................................, the undersigned will pay to .............................................................................................................. $ , representing the dividend of $ ......................................................................................................................... per share declared for the period ending ...................................................................................... 19 , on .............................................................................................................. shares of .............................................................................................................. stock of sold to him when, as, and if issued on ...................................................................................... 19

This due-bill shall become null and void if the contract for sale of said stock cannot be completed in accordance with the plan approved by ......................................................................................, on Dated ..........................................................................................................................................

(Official Signature)

(e) Due-Bill Check

Consider this check as due-bill until payable date as shown below

NEW YORK ................................................................................................................................, 19  No. 1999

XYZ BANK
Pay To The Order Of ......................................................................................................................... $

..................................................................................................................................................... DOLLARS

In Payment of Dividend or Interest Dividend Account
On ..................................................................................................................................................... Interest Account
NOT PAYABLE BEFORE ..........................................................................................................

Record Date ....................................................................................................................................


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Nasdaq Stock Market Rules, Regulation, 11640., Nasdaq, Claims for Dividends, Rights, Interest, etc.

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(a) Dividends or Rights
A buyer of stock who has the certificate in his possession in time to enable him to effect transfer prior to the closing of the books or to the record date shall have no claim upon the seller (unless the seller is the registered holder) for the dividend or rights pertaining to such certificate, but the seller, upon request of the buyer, shall use his best efforts to collect the same for the buyer.

(b) Substantiating Claims
When a buyer of stock who has failed to have said stock transferred in time requests the seller to collect the dividends or rights pertaining thereto, the seller may require from the buyer the presentation of the certificate or a letter from the transfer agent substantiating the claim, or the buyer's written statement that he or his customer was the holder on the record date, and a guarantee of indemnity for liability arising out of any further demand for said dividend or rights.

(c) Interest or Rights
The provisions of paragraphs (a) and (b) of this Rule shall be equally applicable to interest or rights pertaining to registered bonds and unit investment trust securities.


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The party at whose instance a transfer of securities is made shall pay all service charges of the transfer agent.


(a) Definition

The term "reclamation" as used in this Code shall mean a claim for the right to return or the right to demand the return of a security which has been previously accepted. Securities which have been presented for delivery on a transaction and which for a valid reason have been refused shall within the meaning of Rules 11710 and 11720, inclusive, be deemed a rejection for the purposes of these Rules.

(b) Uniform Reclamation Form

(1) Form Must Accompany Securities

A properly executed Uniform Reclamation Form must accompany securities on reclamation or return. 1

(2) Absence of Form Permits Sell-Out

Any security reclaimed or returned on a transaction without a properly executed Uniform Reclamation Form as prescribed within this Rule may, at the option of the receiving broker, be "sold-out" pursuant to Rule 11820 of this Code, however, in no event later than three business days after receipt of the receiving broker or his agent.

(c) Time for Delivery of Reclamation and Manner of Settlement

(1) A security with an irregularity having been delivered may be returned or reclaimed between the hours established by rule or practice in the community where the delivery or reclamation is to be made.

(2) When a security is returned or reclaimed, the party who originally delivered it shall immediately give the party returning it either the security in proper form for delivery in exchange for the security originally delivered, or the money amount of the contract. In the latter case, unless otherwise agreed, the party to whom the security is returned shall be deemed to be failing to deliver the security until such time as a proper delivery is made.

(d) Minor Irregularities

Reclamation for an irregularity which affects only the currency of the security in the market shall be made within fifteen days from the day of original delivery, except that, if the security is issued under the jurisdiction of a foreign country, the period for reclamation under this section shall be forty-five days from the day of original delivery.

(e) Wrong Form of Certificate

Reclamation, by reason of the fact that a form of certificate was delivered which was not a good delivery, but which is exchangeable without charge for a certificate which is a good delivery, shall be made within fifteen days from the day of original delivery.


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Footnotes

1 Specifications for use of the Uniform Reclamation Form are contained in the Final Report of the Banking and Securities Industry Committee entitled "Four Uniform Forms" dated December 22, 1971.
Nasdaq Stock Market Rules, Regulation, IM-11710., Nasdaq, Uniform Reclamation Form

Click to open document in a browser

To Accompany Reclamations Subject to
Rules & Regulations of

<table>
<thead>
<tr>
<th>NSCC</th>
<th>NASD — Uniform Practice Code</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nasdaq — Uniform Practice Code</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RECLAIMED TO</th>
<th>Rec No.</th>
<th>Name of Receiver</th>
<th>Date Securities Below Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECLAIMED BY</td>
<td>Del. No.</td>
<td>Name of Deliverer</td>
<td>Date of Return</td>
</tr>
<tr>
<td>Quantity</td>
<td>Security Description (certificate's can be applied to reverse side of copy #1)</td>
<td>Amount</td>
<td></td>
</tr>
</tbody>
</table>

Wrong Security

Wrong Money

Our Money

Should Be

Carries Due Bill

Duplicates Delivery

You Delivered On

Needs Signature Guarantee

Wrong Settlement Date

Our S/D

Needs Tax Stamp

No Instructions

Release Power of Attorney

Needs Legal Opinion

Coupon Missing

Needs Better Account Date

Other Explanation

Name of Person making Reclamation

(Print)

Telephone Number

Extension

ATTACH COPIES 1 & 2 TO CERTIFICATE – COPIES 3 & 4 ARE RETAINED BY DELIVERER

Nasdaq Stock Market Rules, Regulation, 11720., Nasdaq, Irregular Delivery —Transfer Refused — Lost or Stolen Securities

(a) Irregular Delivery
Reclamation, by reason of the fact of an irregularity in the delivery of a security, shall be within 30 months after the settlement date of the contract. For purposes of this paragraph, the term "irregular delivery" shall include, among other things, wrong, duplicate, misdirected or over-deliveries and delivery of unit investment trust securities having the incorrect payment option.

(b) Transfer Refused
Reclamation, by reason of the fact that a specific certificate tendered in settlement of a contract has been presented for transfer and transfer thereof has been refused by the transfer agent, shall be within 30 months after the settlement date of the contract.

(c) Lost or Stolen or Confiscated Securities
Reclamation, by reason of the fact that a security is lost or stolen or confiscated shall be within 30 months after the settlement date of the contract.

(d) Running of 30 Month Period
The running of the 30-month period described in this Rule shall not be deemed to foreclose a member's rights to pursue its claim via other open avenues, including but not limited to arbitration.

Any member who discovers securities in its possession to which it is not entitled is required to make reasonable attempts to ascertain and to promptly notify the true owner of such securities and to take affirmative steps to correct the situation. Failure to abide by this requirement may result in a violation of Rule 2110.

Nasdaq Stock Market Rules, Regulation, 11730., Nasdaq, Called Securities

Click to open document in a browser.

Reclamation by reason of the fact that a security was delivered after publication of notice of call for its redemption, may be made without limit of time and such security may be returned to the party who held it at the time of such publication; except that this Rule shall not apply when an entire issue is called for redemption or when the security involved was dealt in specifically as a "called" security.


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Nasdaq Stock Market Rules, Regulation, 11740., Nasdaq, Marking to the Market

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(a) Demand for Deposit
The party who is partially unsecured by reason of a change in the market value of the subject of a contract in securities may demand from the other party a deposit equal to the difference between the contract price and the market price, without being required to make a mutual deposit. Such deposit shall be made either with the member demanding same or with a mutually agreed-on depositary or, on failure to agree on a depositary, with any member of the Federal Reserve System with an office in the financial district of the city where the unsecured party maintains its office.

(b) Assignment of Contract
Either party to a contract in securities may assign the contract, either at the time the transaction is effected or at the time a request is made for funds to "mark to the market," provided the other party to the contract assents to the assignment.

(c) Refund of Deposit
If the market value of the subject of the contract changes so as to permit a total or partial refund of any deposits which have been made in accordance with paragraph (a) of this Rule, such refunds shall be made on demand.

(d) Delivery of Demand for Deposit or Refund
All demands for deposits or refunds shall be in writing and shall be delivered at the office of the party upon whom the demand is made during the business hours of member banks of the Federal Reserve System located in the community where such party maintains his office, and such demands shall be complied with immediately.

(e) Failure to Comply with Demand
Failure of a party to comply with a demand for a deposit or refund made in accordance with paragraphs (a), (c) and (d) of this Rule shall entitle the party making the demand to close the contract without notice, by making offsetting purchase or sale contracts in the best available market for the account and liability of the party failing to comply with said demand.

(f) Contract Closure
No contract shall be closed pursuant to paragraph (e) of this Rule prior to the expiration of regular delivery time in the community where the party making the demand maintains his office, on the next business day following the day when notice of such demand was received by the other party.

(g) Notice of Offsetting Purchase or Sale
The party making such offsetting purchase or sale contracts shall as promptly as possible on the day on which they are made (1) notify the other party via telegram, TWX, or other comparable written media, and (2) mail or deliver formal confirmation of same to the other party and a copy of said confirmation to Nasdaq Regulation.


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A contract which has not been completed by the seller according to its terms may be closed by the buyer not sooner than the third business day following the date delivery was due, in accordance with the following procedure:

(a) Notice of "Buy-In"

(1) Written notice of "buy-in" shall be delivered to the seller at his office not later than 12:00 noon, his time, two business days preceding the execution of the proposed "buy-in."

(2) For purposes of this Rule written notice shall include an electronic notice through a medium that provides for an immediate return receipt capability. Such electronic media shall include but not be limited to facsimile transmission, a computerized network facility, etc.

(b) Information Contained in "Buy-in" Notice

(1) Every notice of "buy-in" shall state the date of the contract to be closed, the quantity and contract price of the securities covered by said contract, the settlement date of said contract and any other information deemed necessary to properly identify the contract to be closed. Such notice shall state further that unless delivery is effected at or before a certain specified time, which may not be prior to 11:30 a.m. local time in the community where the buyer maintains his office, the security may be "bought-in" on the date specified for the account of the seller. If the originator of a "buy-in" in a depository eligible security is a participant in a registered securities depository, the specified delivery time may not be prior to 3:00 p.m. Eastern Time and the "buy-in" may not be executed prior to 3:00 p.m., Eastern Time. Each "buy-in" notice shall also state the name and telephone number of the individual authorized to pursue further discussions concerning the buy-in.

(2) Notice may be redelivered immediately to another broker/dealer from whom the securities involved are due in the form of a re-transmitted notice (re-transmit). A re-transmitted notice of buy-in must be delivered to subsequent broker/dealers not later than 12 noon, recipient's local time, on the business day preceding the time and date of execution of the proposed buy-in, and the time specified for delivery may not be prior to the time specified in the original notice.


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Nasdaq Stock Market Rules, Regulation, IM-11810., Nasdaq, Sample Buy-In Forms

Click to open document in a browser

(a) Notice of Buy-In

.....................................................................................................................................................
(Member's Name)
.....................................................................................................................................................
(Locality and Date)
TO .....................................................................................................................................................
RE: .....................................................................................................................................................

(Quantity and description of Security)
which is due from you to the undersigned on a contract made on
..........................................................................................................................................................
at
..........................................................................................................................................................
for settlement

(Date of Contract) (Contract Price)
.....................................................................................................................................................
(Settlement Date)
***
We hereby notify you that unless you make delivery of the foregoing security at or before ..... (Time and Date) the security will be bought in for your account and risk pursuant to Rule 11810 in the Uniform Practice Code.

Note: If some or all of the foregoing securities are due you by another member of Nasdaq Rule 11810(b) permits the use of the re-transmitted buy-in.

Buy-In Dept.
By:
Phone:

(b) Notice of Re-transmitted Buy-In

.....................................................................................................................................................
(Member's Name)
.....................................................................................................................................................
(Locality and Date)
TO .....................................................................................................................................................
RE: .....................................................................................................................................................

(Quantity and Description of Security)
which is due from you to the undersigned on a contract made on ................................. at settlement on
(Date of Contract) (Contract Price)
.....................................................................................................................................................
(Settlement Date)
***

We hereby inform you that a notice of buy-in has been issued with respect to the aforesaid securities and stated that unless delivery was made at or before .............................................................. (Time and date on original buy-in) the securities may be bought in pursuant to Rule 11810 in the Uniform Practice Code.

**Note:** If some or all of the foregoing securities are due you by another member of Nasdaq Rule 11810(b) permits the use of the re-transmitted buy-in.

Buy-In Dept.

By:

Phone:

(c) **Seller's Failure to Deliver After Receipt of Notice**

(1)

(A) On failure of the seller to effect delivery in accordance with the "buy-in" notice, or to obtain a stay as hereinafter provided, the buyer may close the contract by purchasing all or part of the securities necessary to satisfy the amount requested in the "buy-in" notice. Securities delivered subsequent to the receipt of the "buy-in" notice should be considered as delivered pursuant to the "buy-in" notice. Delivery of the requisite number of shares, as stated in the "buy-in" notice, or execution will also operate to close-out all contracts covered under re-transmitted notices of buy-ins issued pursuant to the original notice of buy-in. A "buy-in" may be executed by a member from its long position and/or from customers' accounts maintained with such member.

(B) For transactions where the buyer is a customer (other than another member), upon failure of a clearing corporation to effect delivery in accordance with a buy-in notice, the contract must be closed by purchasing for "cash" in the best available market, or at the option of the buyer for guaranteed delivery, for the account and liability of the party in default all or any part of the securities necessary to complete the contract.

(C) As provided in paragraph (c)(1)(A) and (B) hereof, members must be prepared to defend the price at which the "buy-in" is executed relative to the current market at the time of the "buy-in."

(2) **Buy-in for unit investment trust securities.** Buy-in execution options, in addition to those contained in paragraph (c)(1), may be available when the purchaser wishes to buy-in contracts made for unit investment trust securities. The purchaser may:

(A) by mutual agreement, accept from the seller in lieu of the seller's obligation under the original contract (which shall be concurrently canceled) the delivery of unit investment trust securities which are comparable to those originally bought in quantity, quality, yield or price and maturity, with any additional expenses or any additional cost of acquiring such substituted securities being borne by the seller;

(B) if the purchaser's options in paragraph (c)(1) are not available and the purchaser and seller cannot agree upon option (A), above, require the seller, for the account and liability of the seller, to repurchase the unit investment trust securities on terms which provide that the seller pay an amount which requires the seller to bear the burden of any change in the market price from the original contract price, with accrued interest. Bearing the burden of any change in the market price from the original contract price means that if the current market price is higher than the original contract price, the purchaser may require the seller to repurchase the unit investment trust securities at the current market price and conversely means that if the current market price is lower than the original contract price, the purchaser may require the seller to repurchase the unit investment trust securities at the original contract price, with accrued interest.
(d) "Buy-in" Not Completed

(1) In the event that a "buy-in" is not completed pursuant to the provisions of paragraph (b) hereof on the day specified in the notice of "buy-in," or as such date may be extended pursuant to the provisions of paragraph (f) or (g) hereof, said notice shall expire at the close of business on the day specified in the notice of "buy-in.

(2) When a "buy-in" notice is pending during a reconfirmation and pricing period and one or more members are participating in a reconfirmation and pricing service, such "buy-in" notice shall be canceled. Written notice of cancellation must be received by the non-participating member prior to the original or extended date of execution. Failure to provide such notification may result in an execution. New notice of "buy-in" may be issued no earlier than the first business day following the final reconfirmation and pricing settlement date.

(e) Partial Delivery by Seller

Prior to the closing of a contract on which a "buy-in" notice has been given, the buyer shall accept any portion of the securities called for by the contract, provided the portion remaining undelivered at the time the buyer proposes to execute the "buy-in" is not an amount which includes an odd-lot which was not part of the original transaction.

(f) Securities in Transit

If prior to the closing of a contract on which a "buy-in" notice has been given, the buyer receives from the seller written or comparable electronic notice stating that the securities are (1) in transfer; (2) in transit; (3) are being shipped that day; or (4) are due from a depository and giving the certificate numbers, except for those securities due from a depository, then the buyer must extend the execution date of the "buy-in" for a period of seven (7) calendar days from the date delivery was due under the "buy-in." Upon request of the seller, an additional extension of seven (7) calendar days may be granted by Nasdaq Regulation due to the circumstances involved.

(g) Notice of Executed "Buy-In"

The party executing the "buy-in" shall immediately upon execution, but no later than the close of business, local time, where the seller maintains his office, notify the broker/dealer for whose account the securities were bought as to the quantity purchased and the price paid. Such notification should be in written or electronic form having immediate receipt capabilities. If this written media is not available the telephone shall be used for the purpose of same day notification, and written or similar electronic notification having next day receipt capabilities must also be sent out simultaneously. In either case formal confirmation of purchase along with a billing or payment, (depending upon which is applicable), should be forwarded as promptly as possible after the execution of the "buy-in." Notification of the execution of a "buy-in" shall be given to succeeding broker/dealers to whom a re-transmitted notice was issued pursuant to paragraph (b) using the same procedures stated herein. If a re-transmitted "buy-in" is executed, it will operate to close out all contracts covered under the re-transmitted notice.

(h) "Close-Out" Under Nasdaq Regulation, Securities Association or Other Exchange Rulings

(1) When a national securities association or another exchange makes a ruling that all open contracts with a particular member, who is also a member of Nasdaq, should be closed-out immediately (or any similar ruling), members may close-out contracts as directed by the securities association or exchange.

(2) Whenever Nasdaq Regulation ascertains that a court has appointed a receiver for any member because of its insolvency or failure to meet its obligations, or whenever Nasdaq Regulation ascertains, based upon evidence before it, that a member cannot meet its obligations as they become due and that such action will be in the public interest, Nasdaq Regulation may, in its discretion, issue notification that all open contracts with the member in question may be closed-out immediately.
(3) Within the meaning of this paragraph (b), to close-out immediately shall mean that (A) "buy-ins" may be executed without prior notice of intent to "buy-in" and (B) "sell-outs" may be executed without making prior delivery of the securities called for.

(4) All close-outs executed pursuant to the provisions of this paragraph shall be executed for the account and liability of the member in question. Notification of all close-outs shall immediately be sent to such member pursuant to the confirmation provisions of the Rule 11200 Series.

(i) Failure to Deliver and Liability Notice Procedures

(1) If a contract is for warrants, rights, convertible securities or other securities which (i) have been called for redemption; (ii) are due to expire by their terms; (iii) are the subject of a tender or exchange offer; or (iv) are subject to other expiring events such as a record date for the underlying security and the last day on which the securities must be delivered or surrendered (the expiration date) is the settlement date of the contract or later the receiving member may deliver a Liability Notice to the delivering member as an alternative to the close-out procedures set forth in paragraphs (a) through (g). When the parties to a contract are both participants in a registered clearing agency that has an automated service for notifying a failing party of the liability that will be attendant to a failure to deliver, the transmission of the liability notice must be accomplished through the use of said automated notification service. When the parties to a contract are not both participants in a registered clearing agency that has an automated service for notifying a failing party of the liability that will be attendant to a failure to deliver, such notice must be issued using written or comparable electronic media having immediate receipt capabilities and must be sent as soon as practicable but not later than two hours prior to the cutoff time set forth in the instructions on a specific offer or other event to obtain the protection provided by this Rule.

(B) If the contract is for a deliverable instrument with an exercise provision and the exercise may be accomplished on a daily basis, and the settlement date of the contract to purchase the instrument is on or before the requested exercise date, the receiving member may deliver a Liability Notice to the delivering member no later than 11:00 a.m. on the day the exercise is to be effected. Notice may be reDelivered immediately to another member but no later than noon on the same day. When the parties to a contract are both participants in a registered clearing agency that has an automated service for notifying a failing party of the liability that will be attendant to a failure to deliver, the transmission of the liability notice must be accomplished through the use of said automated notification service. When the parties to a contract are not both participants in a registered clearing agency that has an automated service for notifying a failing party of the liability that will be attendant to a failure to deliver, such notice must be issued using written or comparable electronic media having immediate receipt capabilities. If the contract remains undelivered at expiration, and has not been canceled by mutual consent, the receiving member shall notify the defaulting member of the exact amount of the liability on the next business day.

(C) In all cases, members must be prepared to document requests for which a Liability Notice is initiated.

(2) If the delivering member fails to deliver the securities on the expiration date, the delivering member shall be liable for any damages which may accrue thereby. A Liability Notice delivered in accordance with the provisions of this Rule shall serve as notification by the receiving member of the existence of a claim for damages. All claims for such damages shall be made promptly.

(3) For the purposes of this Rule, the term "expiration date" shall be defined as the latest time and date on which securities must be delivered or surrendered, up to and including the last day of the protect
(4) If the above procedures are not utilized as provided under this Rule, contracts may be "bought-in" without prior notice, after normal delivery hours established in the community where the buyer maintains his office, on the expiration date. Such buy-in execution shall be for the account and risk of the defaulting member.

(j) Contracts Made for Cash
Contracts made for "cash," or made for or amended to include guaranteed delivery on a specified date may be "bought-in" without notice during the normal trading hours on the day following the date delivery is due on the contract; otherwise, the procedures set forth in paragraphs (a) through (f) of this Rule shall apply. In all cases, notification of executed "buy-in" must be provided pursuant to paragraph (g) of this Rule. "Buy-ins" executed in accordance with this paragraph shall be for the account and risk of the defaulting broker/dealer.

(k) Information on Notices
Notices of "buy-in" and "re-transmitted buy-in" shall include all information contained in the sample forms prescribed by Nasdaq.

(l) "Buy-In" Desk Required
Members shall have a "buy-in" section or desk adequately staffed to process and research all "buy-ins" during normal business hours.

(m) Buy-In of Accrued Securities
Securities in the form of stock, rights or warrants which accrue to a purchaser shall be deemed due and deliverable to the purchaser on the payable date. Any such securities remaining undelivered at that time shall be subject to the "buy-in" procedures as provided under this Rule.

Conditions Permitting "Sell-Out"

Upon failure of the buyer to accept delivery in accordance with the terms of the contract, and lacking a properly executed Uniform Reclamation Form or the equivalent depository generated advice for depository eligible securities meeting the requirements prescribed in Rule 11710(b), the seller may, without notice, "sell-out" in the best available market and for the account and liability of the party in default all or any part of the securities due or deliverable under the contract.

Notice of "Sell-Out"

The party executing a "sell-out" as prescribed above shall, as promptly as possible on the day of execution, but no later than the close of business, local time, where the buyer maintains his office, notify the broker/dealer for whose account and risk such securities were sold of the quantity sold and the price received. Such notification should be in written or electronic form having immediate receipt capabilities. A formal confirmation of such sale should be forwarded as promptly as possible after the execution of the "sell-out."

Nasdaq Stock Market Rules, Regulation, 11840., Nasdaq, Rights and Warrants

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(a) Definition — "Rights"
The term "rights" or "rights to subscribe," as used in this Rule is the privilege offered to holders of record of issued securities to subscribe (usually on a pro rata basis) for additional securities of the same class, of a different class, or of a different issuer as the case may be.

(b) Definition — "Warrants"
The term "warrants" or "stock purchase warrants" as used in this Rule is an instrument issued separately or accompanying other securities, but not necessarily issued to stockholders of record as of a specific date; i.e., warrants issued with or attached to bonds, common stock, preferred stocks, etc. The instrument represents the privilege to purchase securities at a stipulated price or prices and is usually valid for several years.

(c) Basis and Unit of Trading — Rights
Except as otherwise designated by Nasdaq Regulation, transactions in rights to subscribe shall be on the basis of one right accruing to each share of issued stock and the unit of trading in rights shall be 100 rights (unless otherwise specified).

(d) Basis and Unit of Trading — Warrants
Except as otherwise agreed or designated by Nasdaq Regulation, transactions in stock purchase warrants shall be on the basis of one warrant representing the right of the purchaser to receive one warrant in settlement of such transaction and the unit of trading shall be 100 warrants. Members must ascertain how many warrants they have to sell, what each warrant entitles the holder to purchase, the purchase price, and the current price of the warrant relative to the price of the underlying security which may be purchased. Trades in warrants should be properly described on comparisons and confirmations.

(e) Securities Which Have Expired by Their Terms

1. In contracts for warrants, rights or other securities which have expired by their terms, deliveries effected more than thirty (30) days after expiration shall consist of (A) the expired securities; or (B) a Letter of Indemnity in lieu of the expired instrument.

2. In the case of units or other securities of which one or more of the integral parts of the instrument has expired by its terms, after expiration, the instrument shall cease to be a unit as originally contemplated in the contract. Deliveries effected after expiration shall consist of the unexpired security and (A) the expired instrument; or (B) a Letter of Indemnity in lieu of the expired instrument.

3. Deliveries effected pursuant to paragraphs (e)(1) and (2) of this Rule shall be settled at the existing contract price.


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DATE

TO:

RE:

(Quantity and Description)

CUSIP #

For value received the undersigned hereby assigns, transfers and sets over to you all rights and privileges which may accrue on the above contract made on (Date of Contract)

at (Contract Price)

for settlement (Settlement Date).

Upon acceptance of this delivery in lieu of physical certificates, we agree, for ourselves, our successors, assigns, heirs, executors and administrators, to at all times indemnify and hold harmless from and against any and all claims, liabilities, damages, taxes, charges and expense sustained or incurred by reason of this action. Acceptance of this delivery shall operate to close-out the above stated contract in accordance with the provisions of Nasdaq's Uniform Practice Code.

............................................................................

(Member Firm)
............................................................................

(Official Signature)

If any questions, please contact

..........................................................................................................................................................

at (telephone Number)

..........................................................................................................................................................


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Nasdaq Stock Market Rules, Regulation, 11850., Nasdaq, Reserved

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Nasdaq Stock Market Rules, Regulation, 11860., Nasdaq, Acceptance and Settlement of COD Orders

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(a) Nasdaq members shall comply with NASD Rule 11860 as if such Rule were part of Nasdaq's rules.

(b) Nasdaq and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. Therefore, Nasdaq members are complying with Nasdaq Rule 11860 by complying with NASD Rule 11860 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Nasdaq Rule 11860 are being performed by FINRA on behalf of Nasdaq.


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Nasdaq Stock Market Rules, Regulation, 11870., Nasdaq, Customer Account Transfer Contracts

(a) Nasdaq members shall comply with NASD Rule 11870 as if such Rule were part of Nasdaq's rules.

(b) Nasdaq and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. Therefore, Nasdaq members are complying with Nasdaq Rule 11870 by complying with NASD Rule 11870 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Nasdaq Rule 11870 are being performed by FINRA on behalf of Nasdaq.

(c) Pursuant to the Rule 9600 Series, Nasdaq may exempt from the provisions of this Rule, either unconditionally or on specified terms and conditions, (A) any member, or (B) any type of account, security or financial instrument.


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Nasdaq Stock Market Rules, Regulation, IM-11870., Nasdaq, Sample Transfer Instruction Forms

Click to open document in a browser

(a) Customer Account Transfer

CUSTOMER SECURITIES ACCOUNT TRANSFER INSTRUCTION

..............................................................................................................................
(Date)

RECEIVING FIRM

..............................................................................................................................

CARRYING FIRM

..............................................................................................................................

RECEIVING FIRM ACCOUNT NUMBER

..............................................................................................................................

CARRYING FIRM ACCOUNT NUMBER

..............................................................................................................................

ACCOUNT TITLE

..............................................................................................................................

..............................................................................................................................

ACCOUNT TYPE

..............................................................................................................................

..............................................................................................................................

(C = CASH, M = MARGIN)

TAX ID OR SS NUMBER

..............................................................................................................................

..............................................................................................................................

TO

..............................................................................................................................

(Receiving Firm Name and Address)

Please receive my entire securities account from the below indicated carrying firm and remit to it the debit balance or accept from it the credit balance in my securities account.

TO

..............................................................................................................................

(Carrying Firm Name and Address)

Please transfer my entire securities account to the above indicated receiving firm, which has been authorized by me to make payment to you of the debit balance or to receive payment of the credit balance in my securities account. I understand that to the extent any assets or instruments in my securities account are not readily transferable, with or without penalties, such assets or instruments may not be transferred within the time frames required by Rule 11870 of Nasdaq's Uniform Practice Code.

I understand that you will contact me with respect to the disposition of any assets in my securities account that are nontransferable. If certificates or other instruments in my securities account are in your physical possession, I instruct you to transfer them in good deliverable form, including affixing any necessary tax waivers, to enable such receiving firm to transfer them in its name for the purpose of sale, when and as directed by me. I further instruct you to cancel all open orders for my securities account on your books.

I affirm that I have destroyed or returned to you any credit/debit cards and/or unused checks issued to me in connection with my securities account.

..............................................................................................................................

(Customer's Signature)

..............................................................................................................................

(Customer's Signature)

..............................................................................................................................

(Customer's Signature if Joint Account)

..............................................................................................................................

[It is suggested that a copy of the customer's most recent account statement be attached.]

Receiving Firm Contact:
Name .............................................................................
.............................................................................
Phone Number .............................................................................
.............................................................................

For Broker Use Only:

Mutual Fund Registration Instructions:
Registration Name .............................................................................
Address .............................................................................
Tax ID # .............................................................................

Dividend and Capital Gains Options:
Reinvest ( ) Dividend Cash/Capital Gains Reinvest ( )
All Cash ( ) Deposit to New Plan ( )
Issue Certificate ( ) Deposit to Existing Plan ( )

Broker Instructions (if broker agreement exists):
Name .............................................................................
Address .............................................................................
RR Name/Number/Branch .............................................................................

(b) Customer Retirement Account Transfer

CUSTOMER RETIREMENT PLAN SECURITIES ACCOUNT TRANSFER INSTRUCTION
RECEIVING FIRM .............................................................................
CARRYING FIRM .............................................................................
RECEIVING FIRM ACCOUNT NUMBER ..........................................................
CARRYING FIRM ACCOUNT NUMBER ..........................................................
ACCOUNT TITLE .............................................................................
ACCOUNT TYPE (I = IRA, Q = QUALIFIED) ..........................................................
TAX ID OR SS NUMBER .............................................................................
TO .............................................................................
(Prior Custodian/Trustee Name, Address and Tax ID Number)

You are the custodian/trustee for my retirement plan securities account with
.............................................................................
as my broker. Please be advised that I have amended my retirement plan and have adopted a new retirement plan with the below indicated as successor custodian/trustee and ...........................................................................................................................................

as broker

(Receiving Firm Name and Address)

Pursuant to said amendment, please transfer all assets in my securities account to such successor custodian/trustee. I understand that to the extent any assets in my account are not readily transferable, with or without penalties, such assets may not be transferred within the time frames required by Rule 11870 of Nasdaq's Uniform Practice Code.

I understand that the above indicated carrying firm will contact me with respect to the disposition of any assets in my account that are nontransferable. I authorize you to deduct any outstanding fees due you from the credit balance in my account. If my account does not contain a credit balance, or if the credit balance in the account is insufficient to satisfy any outstanding fees due you, I authorize you to liquidate the assets in my account to the extent necessary to satisfy any outstanding fees due you. If certificates or other instruments in my account are in your physical possession, I instruct you to transfer them in good deliverable form, including affixing any necessary tax waivers, to enable the successor custodian/trustee to transfer them in its name for the purpose of sale, when and as directed by me. Upon receiving a copy of this transfer instruction, the carrying firm will cancel all open orders for my account on its books.

...........................................................................................................................................................................

(Customer's Signature) (Date)

Please be advised that

(Successor Custodian/Trustee Name, Address and Tax ID Number)

will accept the above captioned account as successor custodian/trustee.

Please send all checks to

...........................................................................................................................................................................

(Successor Custodian/Trustee Authorized Signature) (Date)

(Tax ID Number) (Date of Trust)

[It is suggested that a copy of the customer's most recent account statement be attached.] Receiving Firm Contact:

Name                      Phone Number

For Broker Use Only:

Mutual Fund Registration Instructions:

Registration Name

...........................................................................................................................................................................

Address

...........................................................................................................................................................................

Tax ID #

...........................................................................................................................................................................

Dividend and Capital Gains Options:

Reinvest (    Dividend Cash/Capital Gains Reinvest (    

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Subject to Terms & Conditions: http://researchhelp.cch.com/License_Agreement.htm
) All Cash ( Deposit to New Plan ( )
) Issue Certificate ( Deposit to Existing Plan ( )

Broker Instructions (if broker agreement exists):
Name ............................................................................
Address ..........................................................................
RR Name/Number/Branch ......................................................

(c) Mutual Fund Re-Registration

MUTUAL FUND RE-REGISTRATION INSTRUCTIONS USED FOR BROKER-TO-BROKER TRANSFERS

(1) TO: .............................................................................. Date: ............................

Transfer Agent: .................................................................
Address: ...........................................................................
Name of Fund: .................................................................
Fund A/C #: .................................................................
Certificate # (if in physical form)

(2) Present Account Information
[Certificate attached must be in negotiable form.]
Account Registration: .............................................................

(3) Broker Identification
Old Firm Name and In-house A/C#

(3) New Firm Name and In-house A/C#

Registration Instructions
Please transfer ................................................................
shares from the above-referenced account and register as follows:

Name ..............................................................................
Address .............................................................................
Tax ID # ...........................................................................
(4) Dividend and Capital Gains Option:

Reinvest ( )

Dividend Cash/Capital Gains Reinvest ( )

All Cash ( )

Deposit to New Plan ( )

Issue Certificate ( )

Deposit to Existing Plan ( )

If a Broker/Dealer Agreement exists:

Name ................................................................

Address ................................................................

(5) Broker/Dealer Instructions

RR Name/Number/Branch ..................................................

In consideration for your complying with the above request, we hereby agree to indemnify the:

...........................................................................................

(fund)

and

...........................................................................................

(agent)

(6) Release

against any and all losses incurred hereof.

Thank you in advance for your cooperation in this matter.

Sincerely,

(Signature Guarantee Stamp)

Authorized Signature

If there are any questions call:

.............................................................................................

(Signature of Delivering Broker) ..........................................

(Phone Number)

(Signature of Receiving Broker) ..........................................

(Phone Number)

Items 1, 2, 3a are completed by the delivering broker.
Items 3b, 4 and 5 are completed by the receiving broker.


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Nasdaq Stock Market Rules, Regulation, 11880., Nasdaq, Settlement of Syndicate Accounts

(a) Definitions

(1) "Selling syndicate" means any syndicate formed in connection with a public offering to distribute all or part of an issue of corporate securities by sales made directly to the public by or through participants in such syndicate.

(2) "Syndicate account" means an account formed by members of the selling syndicate for the purpose of purchasing and distributing the corporate securities of a public offering.

(3) "Syndicate manager" means the member of the selling syndicate that is responsible for maintenance of syndicate account records.

(4) "Syndicate settlement date" means the date upon which corporate securities of a public offering are delivered by the issuer to or for the account of the syndicate members.

(b) Final settlement of syndicate accounts shall be effected by the syndicate manager within 90 days following the syndicate settlement date.

(c) No later than the date of final settlement of the syndicate account, the syndicate manager shall provide to each member of the selling syndicate an itemized statement of syndicate expenses that shall include, where applicable, the following categories of expenses: legal fees; advertising; travel and entertainment; closing expenses; loss on oversales; telephone; postage; communications; co-manager's expenses; computer, data processing charges; interest expense; and miscellaneous. The amount under "miscellaneous" should not be disproportionately large in relation to other items and should include only minor items that cannot be easily categorized elsewhere in the statement. Any other major items not included in the above categories shall be itemized separately.

(d) Settlement of Underwritten Public Offerings

The syndicate manager of a public offering underwritten on a "firm-commitment" basis shall, immediately, but in no event later than the scheduled closing date, notify Nasdaq's Uniform Practice Department of any anticipated delay in the closing of such offering beyond the closing date in the offering document or any subsequent delays in the closing date previously reported pursuant to this Rule.


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Nasdaq Stock Market Rules, Regulation, 11890., Nasdaq, Clearly Erroneous Transactions

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The provisions of paragraphs (a)(2)(C), (c)(1), (b)(i), and (b)(ii) of this Rule, as amended on September 10, 2010, and the provisions of paragraphs (g) through (i) of this Rule, shall be in effect during a pilot period that expires at the close of business on October 18, 2019. If the pilot period is not either extended or approved as permanent, the prior versions of paragraphs (a)(2)(C), (c)(1), and (b) shall be in effect, and the provisions of paragraphs (g) through (i) shall be null and void.

(a) Authority to Review Transactions Pursuant to Complaint of Market Participant

(1) Definition.
For purposes of this rule, the terms of a transaction executed on Nasdaq are "clearly erroneous" when there is an obvious error in any term, such as price, number of shares or other unit of trading, or identification of the security. A transaction made in clearly erroneous error and cancelled by both parties or determined by Nasdaq to be clearly erroneous will be removed from the consolidated tape. Executions as a result of a Halt Auction under Rule 4120(c)(10) are not eligible for a request for review as clearly erroneous under this Rule.

(2) Requests and Timing of Review.
A member that receives an execution on an order that was submitted erroneously to Nasdaq for its own or customer account may request that Nasdaq review the transaction under this rule. An official of Nasdaq shall review the transaction under dispute and determine whether it is clearly erroneous, with a view toward maintaining a fair and orderly market and the protection of investors and the public interest. Such requests for review shall be made in writing via electronic complaint or other means specified from time to time by Nasdaq as announced in a Notice to Members or Head Trader Alert. A request for review shall include information concerning the time of the transaction(s), security symbol(s), number of shares, or other unit of trading, price(s), side (bought or sold), and factual basis for believing that the trade is clearly erroneous. Upon receipt of a timely filed request that satisfies the guidelines set forth in paragraph (a)(2)(C) the counterparty to the trade shall be notified by Nasdaq as soon as practicable, but generally within 30 minutes. A Nasdaq official may request additional supporting written information to aid in the resolution of the matter. If requested, each party to the transaction shall provide, within 30 minutes of the request, any supporting written information. Either party to the disputed trade may request the supporting written information provided by the other party on the matter.

(A) Filing Time Periods
(i) Except as provided in paragraph (a)(2)(A)(ii) and (a)(2)(A)(iii), any member or person associated with a member that seeks to have a transaction reviewed pursuant to paragraph (a) hereof shall submit a written complaint to Nasdaq MarketWatch within 30 minutes of the execution time.

(ii) Routed executions to other market centers will generally have an additional 30 minutes from receipt of their participant’s timely filing, but no longer than 60 minutes from the time of the execution at issue, to file with Nasdaq for review of transactions routed to Nasdaq from that market center and executed on Nasdaq.

(iii) In the case of an Outlier Transaction, a Nasdaq official may at its sole discretion, and on a case-by-case basis, consider requests received pursuant to this rule after 30 minutes, but not longer than 60 minutes after the transaction in question, depending on the facts and circumstances surrounding such request. "Outlier Transaction" means a transaction where:

(21) the execution price of the security is greater than three times the current Numerical Guidelines set forth in paragraph (a)(2)(C), or
(22) the execution price of the security in question is not within the Outlier Transaction parameters set forth in subparagraph (iii)(A) above, but the execution price breaches the 52-week high or 52-week low. In such cases, Nasdaq may consider Additional Factors as outlined in paragraph (a)(2)(C)(3), in determining if the transaction qualifies for further review or if Nasdaq shall decline to act.

(B) Once a party has applied to Nasdaq for review and the transaction has been determined to be eligible for review, the transaction shall be reviewed and a determination rendered, unless (i) both parties (or the party in the case of a cross order entered into one of Nasdaq’s crossing networks) to the transaction agree to withdraw the application for review prior to the time a decision is rendered by the Nasdaq official, or (ii) the complainant withdraws its application for review prior to the notification of counterparties. In the event that the Nasdaq official determines that the transaction in dispute is clearly erroneous, the official shall declare the transaction null and void. A determination shall be made generally within 30 minutes of receipt of the complaint, but in no case later than the start of Regular Trading Hours (9:30:00 to 4:00:00) or, for the Nasdaq Bond Exchange, no later than the start of the Bond Trading Session (8:30:00 to 4:00:00), on the following trading day. The parties shall be promptly notified of the determination.

(C) Determinations of a clearly erroneous execution will be made as follows:

(P) Numerical Guidelines. Subject to the provisions of paragraph (C)(3) below, a transaction executed shall be found to be clearly erroneous only if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the Reference Price by an amount that equals or exceeds the Numerical Guidelines set forth below. The execution time of the transaction under review determines whether the threshold is Regular Trading Hours or Pre-opening and After Hours Trading Hours (which occurs before and after the Regular Trading Hours). The Reference Price will be equal to the consolidated last sale immediately prior to the execution(s) under review except for: (A) Multi-Stock Events involving twenty or more securities, as described in subparagraph (C)(2) below; and (B) in other circumstances, such as, for example, relevant news impacting a security or securities, periods of extreme market volatility, sustained illiquidity, or widespread system issues, where use of a different Reference Price is necessary for the maintenance of a fair and orderly market and the protection of investors and the public interest.

<table>
<thead>
<tr>
<th>Reference Price, Circumstance or Product</th>
<th>Regular Trading Hours Numerical Guidelines (Subject transaction’s % difference from the Reference Price):</th>
<th>Pre-Opening and After Hours Trading Session Numerical Guidelines (Subject transaction’s % difference from the Reference Price):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than $0.00 up to and including $25.00</td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td>Greater than $25.00 up to and including $50.00</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>Greater than $50.00</td>
<td>3%</td>
<td>6%</td>
</tr>
<tr>
<td>Multi-Stock Event – Filings involving five or more, but less than twenty, securities whose executions occurred within a period of five minutes or less</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Multi-Stock Event – Filings involving twenty or more securities whose</td>
<td>30%, subject to the terms of paragraph (C)(2) below</td>
<td>30%, subject to the terms of paragraph (C)(2) below</td>
</tr>
</tbody>
</table>
executions occurred within a period of five minutes or less

<table>
<thead>
<tr>
<th>Leveraged ETF/ETN securities</th>
<th>Regular Trading Hours Numerical Guidelines multiplied by the leverage multiplier (ie. 2x)</th>
<th>Regular Trading Hours Numerical Guidelines multiplied by the leverage multiplier (ie. 2x)</th>
</tr>
</thead>
</table>

(Q) **Multi-Stock Events Involving Twenty or More Securities.** During Multi-Stock Events involving twenty or more securities the number of affected transactions is such that immediate finality may be necessary to maintain a fair and orderly market and to protect investors and the public interest. In such circumstances, Nasdaq may use a Reference Price other than consolidated last sale. To ensure consistent application across market centers when this paragraph is invoked, Nasdaq will promptly coordinate with the other market centers to determine the appropriate review period, which may be greater than the period of five minutes or less that triggered application of this paragraph, as well as select one or more specific points in time prior to the transactions in question and use transaction prices at or immediately prior to the one or more specific points in time selected as the Reference Price. Nasdaq will nullify as clearly erroneous all transactions that are at prices equal to or greater than 30% away from the Reference Price in each affected security during the review period selected by Nasdaq and other markets consistent with this paragraph.

(R) **Additional Factors.** Except in the context of a Multi-Stock Event involving five or more securities, a Nasdaq official may also consider additional factors to determine whether an execution is clearly erroneous, including but not limited to, system malfunctions or disruptions, volume and volatility for the security, derivative securities products that correspond to greater than 100% in the direction of a tracking index, news released for the security, whether trading in the security was recently halted/resumed, whether the security is an IPO, whether the security was subject to a stock-split, reorganization, or other corporate action, overall market conditions, Pre-Opening and After Hours Trading Session executions, validity of the consolidated tapes trades and quotes, consideration of primary market indications, and executions inconsistent with the trading pattern in the stock. Each additional factor shall be considered with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.

(S) **Erroneous Trades on the Nasdaq Bond Exchange.** In lieu of paragraphs (C)(1)- (C)(3) above, when determining whether a trade in non-convertible bonds listed on the Nasdaq Bond Exchange is clearly erroneous, a Nasdaq official may consider any and all relevant factors of an execution on a case by case basis including, but not limited to, the following: (i) execution price; (ii) volume and volatility of a nonconvertible bond; (iii) news released for the issuer or the non-convertible bond and/or the related equity security; (iv) trading halts; (v) corporate actions; (vi) general market conditions; (vii) the rating of the non-convertible bond; (viii) interest and/or coupon rate; (ix) maturity date; (x) yield curves; (xi) prior print, if available within a reasonable time frame; (xii) executions inconsistent with the trading pattern of a non-convertible bond; (xiii) current day’s trading high/low; (xiv) recent day’s and week’s trading high/low; (xv) executions outside the 52 week high/low; (xvi) effect of a single large order creating several prints at various prices; and (xvii) quotes and executions of other market centers.

(b) **Procedures for Reviewing Transactions on Nasdaq's Own Motion**

(11) **System Disruption or Malfunctions.** In the event of any disruption or a malfunction in the operation of any electronic communications and trading facilities of Nasdaq in which the nullification of transactions may be necessary for the maintenance of a fair and orderly market or the protection of
investors and the public interest exist, the President of Nasdaq or any designated officer or senior level employee ("Senior Official") of Nasdaq, on his or her own motion, may review such transactions and declare such transactions arising out of the operation of such facilities during such period null and void. In such events, the Senior Official will rely on the provisions of paragraph (a)(2)(C)(1)-(4) of this Rule, but in extraordinary circumstances may also use a lower Numerical Guideline if necessary to maintain a fair and orderly market, protect investors and the public interest. Absent extraordinary circumstances, any such action of the Senior Official pursuant to this paragraph (i) shall be taken within thirty (30) minutes of detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Senior Official must be taken by no later than the start of Regular Trading Hours (or the start of the Bond Trading Session, in the case of an action arising from a disruption or malfunction on the Nasdaq Bond Exchange) on the trading day following the date of execution(s) under review. Each Member involved in the transaction shall be notified as soon as practicable by Nasdaq, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (c)(1) below.

(12) Senior Official Acting on Own Motion. A Senior Official, acting on his or her own motion, may review potentially erroneous executions and declare trades null and void or shall decline to take any action in connection with the completed trade(s). In such events, the Senior Official will rely on the provisions of paragraph (a)(2)(C)(1)-(4) of this Rule. Absent extraordinary circumstances, any such action of the Senior Official shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Senior Official must be taken by no later than the start of Regular Trading Hours (or the start of the Bond Trading Session, in the case of a potentially erroneous execution on the Nasdaq Bond Exchange) on the trading day following the date of execution(s) under review. When such action is taken independently, each party involved in the transaction shall be notified as soon as practicable by Nasdaq, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (c)(1) below.

(c) Review by the Nasdaq Review Council

(1) A member or person associated with any such member may appeal a determination made under paragraph (a) to the Nasdaq Review Council. A member or person associated with a member may appeal a determination made under paragraph (b) to the Nasdaq Review Council unless the Senior Official making the determination also determines that the number of the affected transactions is such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest, and further provided that with respect to rulings made by Nasdaq in conjunction with one or more additional market centers, the number of affected transactions is similarly such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest and, hence, are also non-appealable. An appeal must be made in writing, and must be received by Nasdaq within thirty (30) minutes after the person making the appeal is given the notification of the determination being appealed. Once a written appeal has been received, the counterparty to the trade that is the subject of the appeal will be notified of the appeal and both parties shall be able to submit any additional supporting written information up until the time the appeal is considered by the Nasdaq Review Council. Either party to a disputed trade may request the written information provided by the other party during the appeal process. An appeal to the Nasdaq Review Council shall not operate as a stay of the determination being appealed, and the scope of the appeal shall be limited to trades to which the person making the appeal is a party.

Once a party has appealed a determination to the Nasdaq Review Council, the determination shall be reviewed and a decision rendered, unless (i) both parties to the transaction agree to withdraw the appeal prior to the time a decision is rendered by the Nasdaq Review Council, or (ii) the party filing the appeal withdraws its appeal prior to the notification of counterparties. The Nasdaq Review Council panel shall review the facts and render a decision as soon as practicable, but generally on the same trading day as the execution(s) under review. On requests for appeal received between 3:00 ET and the close of trading
in the Late Trading Session or the Bond Trading Session, as applicable, a decision will be rendered as soon as practicable, but in no case later than the trading day following the date of the execution under review. Upon consideration of the record, and after such hearings as it may in its discretion order, the Nasdaq Review Council, pursuant to the standards set forth in this rule, shall affirm, modify, reverse, or remand the determination.

(2) The panel shall consist of three or more members of the Nasdaq Review Council, provided that no more than 50 percent of the members of any panel are directly engaged in market making activity or employed by a member firm whose revenues from market making activity exceed ten percent of its total revenues. In no case shall a Nasdaq Review Council Panel include a person affiliated with a party to the trade in question.

(3) The decision of the Nasdaq Review Council pursuant to an appeal, or a determination by a Nasdaq official that is not appealed, shall be final and binding upon all parties and shall constitute final Nasdaq action on the matter in issue. Any determination by a Nasdaq official pursuant to paragraph (a) or (b) or any decision by the Nasdaq Review Council pursuant to paragraph (c) shall be rendered without prejudice as to the rights of the parties to the transaction to submit their dispute to arbitration.

(d) Communications

(1) All materials submitted to Nasdaq or the Nasdaq Review Council pursuant to this Rule shall be submitted in writing within the time parameters specified herein via the online complaint form available at www.NasdaqTrader.com, facsimile, or such other telecommunications procedures as Nasdaq may announce from time to time in a Notice to Members or Head Trader Alert. Materials shall be deemed received at the time indicated by the telecommunications equipment (e.g., facsimile machine or computer) receiving the materials. Nasdaq, in its sole and absolute discretion, reserves the right to reject or accept any material that is not received within the time parameters specified herein. All times stated in this rule are Eastern Time.

(2) Nasdaq shall provide affected parties with prompt notice of filings and determinations under this Rule via facsimile machine, electronic mail, telephone (including voicemail), press release, system status, web posting or any other method reasonably expected to provide rapid notice to many market participants. During periods of high volatility and large numbers of requests for clearly erroneous review, Nasdaq may streamline the notification process to expedite the adjudicatory review in such manner as Nasdaq may announce from time to time by a Notice to Members or Head Trader Alert.

(e) Fees

(1) Filing Fees

No fee shall be assessed to a member for filing two or fewer unsuccessful clearly erroneous complaints pursuant to paragraph (a)(2) during a calendar month. A member shall be assessed a fee of $250.00 for each additional unsuccessful complaint filed thereafter during the calendar month. An unsuccessful complaint is one in which Nasdaq does not break any of the trades included in the complaint. Each security filed on is considered a separate complaint. In cases where the member files on multiple securities at the same time, Nasdaq calculates the fee separately for each security depending upon whether Nasdaq breaks any trades filed on by the member in that security. Adjustments or voluntary breaks negotiated by Nasdaq to trades executed at prices that meet the Numerical Guidelines set forth in (a)(2)(C)(1) count as breaks by Nasdaq for purposes of this paragraph. A member for purposes of this paragraph (e)(1) is defined by each unique broker Web CRD Number. All MPIDs associated with that Web CRD Number shall be included when calculating the number of unsuccessful clearly erroneous complaints for that member during the calendar month. No fee pursuant to this paragraph (e)(1) shall be assessed for a complaint that is (A) successful, where the final decision by Nasdaq (including after appeal, if any) is to
break at least one of the trades filed on by the member, (B) not timely filed under the parameters in paragraph (a)(2)(A), (C) withdrawn by the complainant within five (5) minutes of filing and before Nasdaq has performed any substantial work on the complaint, or (D) adjudicated by Nasdaq on its own motion under Rule 11890(b).

(2) Appeal Fees
The party initiating an appeal shall be assessed a $500.00 fee if the Nasdaq Review Council upholds the decision of the Nasdaq official.

(3) Fees Charged By Another Market Center
In instances where Nasdaq, on behalf of a member, requests a determination by another market center that a transaction is clearly erroneous, Nasdaq will pass any resulting charges through to the relevant member.

(f) Refusal to Abide by Rulings of a Nasdaq Official or the Nasdaq Review Council
It shall be considered conduct inconsistent with just and equitable principles of trade for any member to refuse to take any action that is necessary to effectuate a final decision of a Nasdaq official or the Nasdaq Review Council under Rule 11890.

(g) Securities Subject to Limit Up-Limit Down Plan. For purposes of this paragraph, the phrase “Limit Up-Limit Down Plan” or “Plan” shall mean the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act. The provisions of paragraphs (a) through (f) above and (h) through (i) below shall govern all Exchange transactions, including transactions in securities subject to the Plan, other than as set forth in this paragraph (g). If as a result of an Exchange technology or systems issue any transaction occurs outside of the applicable price bands disseminated pursuant to the Plan, a Senior Official of the Exchange, acting on his or her own motion or at the request of a third party, shall review and declare any such trades null and void. Absent extraordinary circumstances, any such action of the Senior Official of the Exchange shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Senior Official of the Exchange must be taken by no later than the start of Regular Trading Hours on the trading day following the date on which the execution(s) under review occurred. Each Member involved in the transaction shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (c) above. In the event that a single plan processor experiences a technology or systems issue that prevents the dissemination of price bands, the Exchange will make the determination of whether to nullify transactions based on paragraphs (a) through (f) above and (h) through (i) below.

(h) Multi-Day Event. A series of transactions in a particular security on one or more trading days may be viewed as one event if all such transactions were effected based on the same fundamentally incorrect or grossly misinterpreted issuance information resulting in a severe valuation error for all such transactions (the “Event”). An Officer of the Exchange or senior level employee designee, acting on his or her own motion, shall take action to declare all transactions that occurred during the Event null and void not later than the start of trading on the day following the last transaction in the Event. If trading in the security is halted before the valuation error is corrected, an Officer of the Exchange or senior level employee designee shall take action to declare all transactions that occurred during the Event null and void prior to the resumption of trading. Notwithstanding the foregoing, no action can be taken pursuant to this paragraph with respect to any transactions that have reached settlement date or that result from an initial public offering of a security. To the extent transactions related to an Event occur on one or more other market centers, the Exchange will promptly coordinate with such other market center(s) to ensure consistent treatment of the transactions related to the Event, if practicable. Any action taken in connection with this paragraph will be taken without regard to the Numerical Guidelines set forth in this Rule. Each Member involved in a transaction subject to this paragraph shall be notified as soon as practicable by the Exchange, and the party aggrieved by the
action may appeal such action in accordance with the provisions of paragraph (c) above.

(i) Trading Halts. In the event of any disruption or malfunction in the operation of the electronic communications and trading facilities of the Exchange, another market center or responsible single plan processor in connection with the transmittal or receipt of a regulatory trading halt, suspension or pause, an Officer of the Exchange or senior level employee designee, acting on his or her own motion, shall nullify any transaction in a security that occurs after the primary listing market for such security declares a regulatory trading halt, suspension or pause with respect to such security and before such regulatory trading halt, suspension or pause with respect to such security has officially ended according to the primary listing market. In addition, in the event a regulatory trading halt, suspension or pause is declared, then prematurely lifted in error and is then re-instituted, an Officer of the Exchange or senior level employee designee shall nullify transactions that occur before the official, final end of the halt, suspension or pause according to the primary listing market. Any action taken in connection with this paragraph shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction and in no circumstances later than the start of the Regular Market Session (or the Bond Trading Session, as applicable) on the trading day following the date of execution(s) under review. Any action taken in connection with this paragraph will be taken without regard to the Numerical Guidelines set forth in this Rule. Each Member involved in a transaction subject to this paragraph shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (c) above.