

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63258; File No. SR-NASDAQ-2010-145]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Fees Assessed for Use of the Testing Facility

November 5, 2010.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 29, 2010, The NASDAQ Stock Market LLC ("NASDAQ"), filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NASDAQ. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of the Substance of the Proposed Rule Change

NASDAQ proposes to amend the fees assessed for use of the Testing Facility. NASDAQ will implement the proposed rule change on November 1, 2010.

The text of the proposed rule change is below. Proposed new language is italicized; proposed deletions are in brackets.

##### 7030. Other Services

(a)–(c) No change.

(d) Nasdaq Testing Facility

(1) *The following fees are assessed for access to the Nasdaq Testing Facility:*

(A) Subscribers that conduct tests of the[ir] [Nasdaq access protocols connection (which includes) computer-to-computer interface (CTCI)[,] and the Financial Information Exchange (FIX) interface to ACT and ACES access protocols[, and Nasdaq Information Exchange (QIX) interface) or market data vendor feeds] through the Nasdaq Testing Facility (NTF) shall pay the following charges:

\$285/hour—For Active Connection testing [using current Nasdaq access protocols] during the normal operating hours of the NTF;

No Charge—For Idle Connection testing [using current Nasdaq access protocols];

\$333/hour—For Active Connection testing [using current Nasdaq access

protocols] at all times other than the normal operating hours of the NTF.

(B) *Subscribers that conduct tests of all Nasdaq access protocol connections not included in paragraph (A) above or of market data vendor feeds through the Nasdaq Testing Facility shall pay \$300 per port, per month.*

(2) No change.

(3) The foregoing [hourly] fees shall not apply to [market data vendor feed testing, or] testing occasioned by:

(A) New or enhanced services and/or software provided by Nasdaq;

(B) Modifications to software and/or services initiated by Nasdaq in response to a contingency; or

(C) Testing by a subscriber of a Nasdaq service that the subscriber has not used previously, except if more than 30 days have elapsed since the subscriber commenced the testing of such Nasdaq service.

(4)–(6) No change.

\* \* \* \* \*

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

In its filing with the Commission, NASDAQ included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NASDAQ has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

###### 1. Purpose

NASDAQ proposes to amend the fees assessed for use of the Testing Facility.<sup>3</sup> The Testing Facility provides subscribers with a virtual NASDAQ System test environment that closely approximates the production environment, on which they may test their automated systems that integrate with NASDAQ. Subscribers may test upcoming NASDAQ releases and product enhancements, as well as test software prior to implementation. Currently, NASDAQ assesses a fee of \$285 per hour for active connection testing using current NASDAQ access protocols during the normal operating

hours, and \$333 per hour for such testing after hours.

NASDAQ does not currently assess a fee for idle test ports. Subscribers often have test ports assigned to them through which no testing is conducted for extended periods, yet NASDAQ must maintain and constantly monitor these idle testing ports for purposes of billing under the current rule. For all but CTCI and FIX connections to ACT and ACES, which are structurally different than other connections, such monitoring represents a cost to NASDAQ with no off-setting fee. Further, subscribers have no incentive to notify NASDAQ when they have completed testing and no longer require a test port. Accordingly, NASDAQ is proposing to eliminate the current hourly fee structure and assess a flat fee of \$300 per test port, per month for all but CTCI and FIX connections to ACT and ACES. This fee will cover the cost of maintaining these test ports and provide an incentive to firms to cancel test ports when they have completed testing.

NASDAQ notes that it will continue to allow new subscribers and existing subscribers to test new services and modifications initiated by NASDAQ, and to test new services not previously accessed for the first 30 days at no cost pursuant to Rule 7030(d)(3). This 30-day fee waiver includes testing for subscribers that are accessing NASDAQ through a service bureau for the first time. Subscribers must cancel the test port prior to the expiration of the 30-day free period in order to avoid future charges for test ports under the new rule. In addition, current subscribers will be able to cancel their idle ports at no cost at any point during the first month that the fee is effective. Further, NASDAQ is eliminating the word "hourly" from Rule 7030(d)(3), since the fees for the Testing Facility include both hourly and monthly fees. Last, NASDAQ is eliminating from Rule 7030(d)(3) language concerning market data feed testing, since it is superfluous given that the rule already references fees that include such testing.

###### 2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with Section 6(b)(4) of the Act<sup>4</sup> in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which the NASDAQ operates or controls, and it does not unfairly discriminate between customers, issuers, brokers or dealers. The amended fee schedule applies to all

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

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

<sup>3</sup> See <http://www.nasdaqtrader.com/Trader.aspx?id=TestingFacility> for a description of the Testing Facility.

<sup>4</sup> 15 U.S.C. 78f(b)(4).

subscribers equally based on the number of test ports subscribed. This proposed charge would apply to both members that obtain test ports for direct access and non-member service bureaus that act as a conduit for orders entered by NASDAQ members that are their customers. The proposed fees will cover the costs associated with separately offering the service, responding to customer requests, configuring NASDAQ's systems, programming to user specifications, and administering the service, among other things, and may provide NASDAQ with a profit to the extent costs are covered. NASDAQ believes that the proposed fee structure strikes a balance between covering these costs, and providing incentives to subscribers to make efficient use of Test Facility ports.

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

Nasdaq does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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

Written comments were neither solicited nor received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>5</sup> and subparagraph (f)(2) of Rule 19b-4 thereunder.<sup>6</sup> At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

#### *Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NASDAQ-2010-145 on the subject line.

#### *Paper Comments*

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

All submissions should refer to File Number SR-NASDAQ-2010-145. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make publicly available. All submissions should refer to File Number SR-NASDAQ-2010-145 and should be submitted on or before December 3, 2010.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Florence E. Harmon,**  
Deputy Secretary.

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**BILLING CODE 8011-01-P**

### **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-63256; File No. SR-FINRA-2010-055]

#### **Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of Proposed Rule Change To Amend FINRA Rule 6140 (Other Trading Practices)**

November 5, 2010.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 29, 2010, Financial Industry Regulatory Authority, Inc. ("FINRA") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### **I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change**

FINRA is proposing to amend FINRA Rule 6140 to eliminate the provisions regarding the handling of stop orders, delete definitions relating to stop stock transactions and to relocate the definition of "initial public offering."

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

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

In its filing with the Commission, FINRA included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

##### **1. Purpose**

FINRA Rule 6140(h) (the "Rule") addresses the handling of stop orders in

<sup>5</sup> 15 U.S.C. 78s(b)(3)(a)(iii).

<sup>6</sup> 17 CFR 240.19b-4(f)(2).

<sup>7</sup> 17 CFR 200.30-3(a)(12).

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

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