

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="26"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2012"/> - * <input type="text" value="028"/> Amendment No. (req. for Amendments *) <input type="text"/>
Proposed Rule Change by NASDAQ Stock Market Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934		
Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>
Section 19(b)(2) * <input type="checkbox"/>		Section 19(b)(3)(A) * <input checked="" type="checkbox"/>
Section 19(b)(3)(B) * <input type="checkbox"/>		Section 19(b)(3)(B) * <input type="checkbox"/>
Rule		
Pilot <input type="checkbox"/>		<input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4)
Extension of Time Period for Commission Action * <input type="text"/>		<input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5)
Date Expires * <input type="text"/>		<input type="checkbox"/> 19b-4(f)(3) <input checked="" type="checkbox"/> 19b-4(f)(6)
Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>	
Description Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *). <input type="text" value="A Proposed Rule Change to Modify NASDAQ Connectivity Options and Fees"/>		
Contact Information Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change. First Name * <input type="text" value="Arlinda"/> Last Name * <input type="text" value="Clark"/> Title * <input type="text" value="Assistant General Counsel"/> E-mail * <input type="text" value="arlinda.clark@nasdaqomx.com"/> Telephone * <input type="text" value="(301) 978-8317"/> Fax <input type="text" value="(301) 978-8472"/>		
Signature Pursuant to the requirements of the Securities Exchange Act of 1934, has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer. Date <input type="text" value="02/13/2012"/> By <input type="text" value="Edward S. Knight"/> Executive Vice President and General Counsel (Name *) (Title *) NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed. <input type="button" value="Edward S Knight,"/>		

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information (required)

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change (required)

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² The NASDAQ Stock Market LLC (“NASDAQ” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to modify NASDAQ connectivity options and fees.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and a copy of the applicable portion of Rule 7034 is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of NASDAQ pursuant to authority delegated by the Board of Directors of the Exchange on August 19, 2011. NASDAQ staff will advise the Board of Directors of the Exchange of any action taken pursuant to delegated authority. No other action by NASDAQ is necessary for the filing of the rule change.

Questions regarding this rule filing may be directed to Arlinda J. Clark, Assistant General Counsel, The NASDAQ OMX Group, Inc. at (301) 978-8317 (telephone) or (301) 978-8472 (fax).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

a. Purpose

The Exchange proposes to modify Rule 7034(b) regarding connectivity to NASDAQ. Specifically, the Exchange proposes to (i) establish a connectivity fee for a 40Gb enhanced bandwidth option; and (ii) provide a waiver of installation fees for upgrades.

Enhanced Bandwidth Option

The Exchange currently offers various bandwidth options for connectivity to NASDAQ, including a 10Gb fiber connection, a 1Gb copper connection, and a 100 MB connection.³ In keeping with changes in technology, the Exchange now proposes to provide an enhanced bandwidth option to enable its clients a more efficient connection to the Exchange. The Exchange proposes a 40G fiber connection with a one-time installation fee of \$1,500, and a per-month connectivity fee of \$15,000. The growth in the size of consolidated and proprietary data feeds has resulted in demand for higher bandwidth. As the number of feeds available and the size of the feeds increases, the bandwidth required for market data feeds steadily rises. The Exchange's proposal provides the co-located client the option to select the bandwidth that is appropriate for the firm's current needs and enables it to add or change services as its needs change.

Waiver of Installation Fees

The Exchange also proposes to provide a waiver of the installation fees for client orders of 10Gb and 40Gb fiber connectivity to NASDAQ completed between the

³ See Exchange Rule 7034(b), Connectivity to Nasdaq. All co-location services are provided by NASDAQ Technology Services LLC.

effectiveness of this proposal and May 31, 2012. The Exchange is providing the waiver to assist its co-located clients in upgrading to higher bandwidth connections to meet the growing needs of co-located clients' business operations.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁴ in general, and with Section 6(b)(4) of the Act,⁵ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which the Exchange operates or controls. The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act⁶ in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest and are not designed to permit unfair discrimination between customer, issuers, brokers and dealers.

Enhanced Bandwidth Option

The Exchange believes that its proposal is consistent with Section 6(b)(4) of the Act 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 Exchange operates or controls.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(4).

⁶ 15 U.S.C. 78f(b)(5).

Reasonable Fees

The Exchange's proposal for 40Gb fiber connectivity will provide co-location clients the ability to increase data transmission and reduce latency, thereby enhancing their operations. The Exchange believes the proposed fees for 40B fiber connectivity to NASDAQ are reasonable because the fees charged for the higher bandwidth allow the Exchange to cover the hardware, installation, testing and connection costs to maintain and manage the enhanced connection. The proposed fees allow the Exchange to recoup costs associated with providing the 40Gb connection and provide the Exchange a profit while providing customers the possibility of reducing the number of their connections to the Exchange. While no other Exchange currently offers the proposed 40Gb bandwidth connection, the Exchange further believes that the proposed fees are reasonable in that the proposed fees are proportionately less than the fees charged by other trading venues for similar connectivity services.⁷

Equitable Allocation

The Exchange also believes the proposed 40Gb fiber fee for connectivity to NASDAQ is equitably allocated in that all Exchange members that voluntarily select this service option will be charged the same amount to cover the hardware, installation, testing and connection costs to maintain and manage the enhanced connection. The

⁷ NYSE charges \$10,000 per month for 10Gb LCN (Liquidity Center Network) Connection. See https://usequities.nyx.com/sites/usequities.nyx.com/files/nyse_arca_marketplace_fees_1.3.2012.pdf, page 13. Furthermore, ISE charges \$4,000 per month for 10Gb Ethernet network connections. See http://www.ise.com/assets/documents/OptionsExchange/legal/fee/fee_schedule.pdf, page 9. By contrast, NASDAQ is proposing to offer four times the bandwidth for a monthly fee of \$15,000.

proposed fees allow the Exchange to recoup costs associated with providing the 40Gb connection and provide the Exchange a profit while providing customers the possibility of reducing the number of their connections to the Exchange. All Exchange members have the option to select this voluntary co-location service.

The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act⁸ in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest and are not designed to permit unfair discrimination between customer, issuers, brokers and dealers.

Removes Impediments and Perfects Mechanism of a Free and Open Market

Furthermore, the enhanced 40Gb fiber connectivity assists the co-located clients in making their network connectivity more efficient, as clients could consolidate the number of connections to NASDAQ. Due to the continuous growth of the size of consolidated and proprietary market data feeds transmitted over the NASDAQ connections, clients need to monitor their connections for data spikes and data gapping issues which can result in potential trading errors, trading losses and may require network resource intervention to resolve. The Exchange believes the enhanced 40Gb connection will remove impediments to and perfect the mechanism of a free and open market and a national market system because the enhanced connectivity option will remove the

⁸ 15 U.S.C. 78f(b)(5).

potential for data spikes and data gapping issues that result from the transmission of the growing size of the consolidated and proprietary market data feeds.

Protects Investors and the Public Interest

The Exchange also believes that the reduction in latencies attributed to the enhanced 40Gb connection option further serves to protect investors and the public interest. The reduction in latencies will remove the potential for data spikes and data gapping issues that result from the transmission of the growing size of the consolidated and proprietary market data feeds. Such data spiking and data gapping issues have the potential of disrupting the marketplace which could negatively impact the investors as well as the public interest.

Not Unfairly Discriminatory

The Exchange also believes the proposed 40Gb fiber fee for connectivity to NASDAQ is not unfairly discriminatory in that all NASDAQ members have the option of selecting the 40Gb connection to NASDAQ, and there is no differentiation among members with regard to the fees charged for this option. Furthermore, the Exchange believes the providing all NASDAQ Members the proposed connectivity option for the proposed fees, which covers the hardware, installation, testing and connection costs to maintain and manage the enhanced connection, promotes just and equitable principles of trade.

Waiver of Installation Fees

The Exchange believes that its proposal for the waiver of installation fees is consistent with Section 6(b) of the Act⁹ in general, and with Section 6(b)(4) of the Act,¹⁰

⁹ 15 U.S.C. 78f(b).

in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which the Exchange operates or controls.

Reasonable Waiver of Fees

The Exchange believes that its proposal to waive the 10Gb and 40Gb fiber connection installation fees is reasonable because it is being provided to assist its co-located clients in upgrading to higher bandwidth connections to meet the growing needs of the co-located clients' business operations at a time in the industry when the ever-increasing size of consolidated and proprietary data fees are causing higher demand for larger bandwidth options to reduce potential disruption in the marketplace.

Equitably Allocated

The Exchange also believes the proposal to waive the 10Gb and 40Gb fiber connection installation fee is equitably allocated in that all Exchange members that voluntarily select these service options will be afforded the waiver of fees until May 31, 2012. All Exchange members have the option to select these voluntary co-location services.

Not Unfairly Discriminatory

The Exchange also believes the proposal to waive the 10Gb and 40Gb fiber connection installation fee is not unfairly discriminatory in that the waiver of fees is provided to all NASDAQ members that volunteer for these particular service options, and there is no differentiation among members with regard to the waiver of fees for these options.

¹⁰ 15 U.S.C. 78f(b)(4).

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

The Exchange 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. Specifically, the Exchange believes that the changes will promote competition by offering members an additional 40Gb connectivity option that will enhance their trading operations and ultimately trading in the marketplace.

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

Written comments were neither solicited nor received.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6)¹² thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. This proposal provides the members the option to improve their business operations by upgrading to the enhanced connectivity service. Furthermore, the price is transparent not only to the members, but also to all market participants; thus providing the opportunity

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

for others to provide the Exchange member the same service at competitive prices. Since all other telecommunication providers have the same opportunity to provide similar services, the Exchange believes this proposal does not impose any significant burden on competition and further believes the proposal is noncontroversial.

Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement. Furthermore, a proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act¹³ normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)¹⁴ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest.

The Exchange has requested that the Commission waive the 30-day operative delay and designate the proposed rule change to become operative upon filing. The Exchange operates in a highly competitive market in which exchanges offer co-location services as a means to facilitate the trading activities of those members who believe that co-location enhances the efficiency of their trading. The Exchange's proposal provides the members an option to enhance the efficiency of their trading through the 40Gb connectivity. The Exchange is also providing a waiver of the installation fee for the 10Gb and 40Gb connection service to allow the members who select these services to

¹³ 17 CFR 240.19b-4(f)(6).

¹⁴ 17 CFR 240.19b-4(f)(6).

receive the benefits immediately. The Exchange believes that the benefits gained in the facilitation of trading activities warrants the waiver of the 30-day operative delay.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not specifically based upon the rules of any other self-regulatory organization. Companion filings are also submitted for NASDAQ OMX PHLX LLC and NASDAQ OMX BX, Inc.

9. Exhibits

1. Completed notice of proposed rule change for publication in the Federal Register.
2. Exhibit 5.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-NASDAQ-2012-028)

_____, 2012

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

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 13, 2012, The NASDAQ Stock Market LLC (“NASDAQ” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to modify NASDAQ connectivity options and fees. The text of the proposed rule change is available at <http://nasdaq.cchwallstreet.com/>, at the Exchange’s principal office, and at the Commission’s Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to modify Rule 7034(b) regarding connectivity to NASDAQ. Specifically, the Exchange proposes to (i) establish a connectivity fee for a 40Gb enhanced bandwidth option; and (ii) provide a waiver of installation fees for upgrades.

Enhanced Bandwidth Option

The Exchange currently offers various bandwidth options for connectivity to NASDAQ, including a 10Gb fiber connection, a 1Gb copper connection, and a 100 MB connection.³ In keeping with changes in technology, the Exchange now proposes to provide an enhanced bandwidth option to enable its clients a more efficient connection to the Exchange. The Exchange proposes a 40G fiber connection with a one-time installation fee of \$1,500, and a per-month connectivity fee of \$15,000. The growth in the size of consolidated and proprietary data feeds has resulted in demand for higher bandwidth. As the number of feeds available and the size of the feeds increases, the bandwidth required for market data feeds steadily rises. The Exchange's proposal provides the co-located client the option to select the bandwidth that is appropriate for the firm's current needs and enables it to add or change services as its needs change.

Waiver of Installation Fees

³ See Exchange Rule 7034(b), Connectivity to Nasdaq. All co-location services are provided by NASDAQ Technology Services LLC.

The Exchange also proposes to provide a waiver of the installation fees for client orders of 10Gb and 40Gb fiber connectivity to NASDAQ completed between the effectiveness of this proposal and May 31, 2012. The Exchange is providing the waiver to assist its co-located clients in upgrading to higher bandwidth connections to meet the growing needs of co-located clients' business operations.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁴ in general, and with Section 6(b)(4) of the Act,⁵ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which the Exchange operates or controls. The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act⁶ in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest and are not designed to permit unfair discrimination between customer, issuers, brokers and dealers.

Enhanced Bandwidth Option

The Exchange believes that its proposal is consistent with Section 6(b)(4) of the Act in that it provides for the equitable allocation of reasonable dues, fees and other

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(4).

⁶ 15 U.S.C. 78f(b)(5).

charges among members and issuers and other persons using any facility or system which the Exchange operates or controls.

Reasonable Fees

The Exchange's proposal for 40Gb fiber connectivity will provide co-location clients the ability to increase data transmission and reduce latency, thereby enhancing their operations. The Exchange believes the proposed fees for 40B fiber connectivity to NASDAQ are reasonable because the fees charged for the higher bandwidth allow the Exchange to cover the hardware, installation, testing and connection costs to maintain and manage the enhanced connection. The proposed fees allow the Exchange to recoup costs associated with providing the 40Gb connection and provide the Exchange a profit while providing customers the possibility of reducing the number of their connections to the Exchange. While no other Exchange currently offers the proposed 40Gb bandwidth connection, the Exchange further believes that the proposed fees are reasonable in that the proposed fees are proportionately less than the fees charged by other trading venues for similar connectivity services.⁷

Equitable Allocation

The Exchange also believes the proposed 40Gb fiber fee for connectivity to NASDAQ is equitably allocated in that all Exchange members that voluntarily select this

⁷ NYSE charges \$10,000 per month for 10Gb LCN (Liquidity Center Network) Connection. See https://usequities.nyx.com/sites/usequities.nyx.com/files/nyse_arca_marketplace_fees_1.3.2012.pdf, page 13. Furthermore, ISE charges \$4,000 per month for 10Gb Ethernet network connections. See http://www.ise.com/assets/documents/OptionsExchange/legal/fee/fee_schedule.pdf, page 9. By contrast, NASDAQ is proposing to offer four times the bandwidth for a monthly fee of \$15,000.

service option will be charged the same amount to cover the hardware, installation, testing and connection costs to maintain and manage the enhanced connection. The proposed fees allow the Exchange to recoup costs associated with providing the 40Gb connection and provide the Exchange a profit while providing customers the possibility of reducing the number of their connections to the Exchange. All Exchange members have the option to select this voluntary co-location service.

The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act⁸ in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest and are not designed to permit unfair discrimination between customer, issuers, brokers and dealers.

Removes Impediments and Perfects Mechanism of a Free and Open Market

Furthermore, the enhanced 40Gb fiber connectivity assists the co-located clients in making their network connectivity more efficient, as clients could consolidate the number of connections to NASDAQ. Due to the continuous growth of the size of consolidated and proprietary market data feeds transmitted over the NASDAQ connections, clients need to monitor their connections for data spikes and data gapping issues which can result in potential trading errors, trading losses and may require network resource intervention to resolve. The Exchange believes the enhanced 40Gb connection will remove impediments to and perfect the mechanism of a free and open market and a

⁸ 15 U.S.C. 78f(b)(5).

national market system because the enhanced connectivity option will remove the potential for data spikes and data gapping issues that result from the transmission of the growing size of the consolidated and proprietary market data feeds.

Protects Investors and the Public Interest

The Exchange also believes that the reduction in latencies attributed to the enhanced 40Gb connection option further serves to protect investors and the public interest. The reduction in latencies will remove the potential for data spikes and data gapping issues that result from the transmission of the growing size of the consolidated and proprietary market data feeds. Such data spiking and data gapping issues have the potential of disrupting the marketplace which could negatively impact the investors as well as the public interest.

Not Unfairly Discriminatory

The Exchange also believes the proposed 40Gb fiber fee for connectivity to NASDAQ is not unfairly discriminatory in that all NASDAQ members have the option of selecting the 40Gb connection to NASDAQ, and there is no differentiation among members with regard to the fees charged for this option. Furthermore, the Exchange believes the providing all NASDAQ Members the proposed connectivity option for the proposed fees, which covers the hardware, installation, testing and connection costs to maintain and manage the enhanced connection, promotes just and equitable principles of trade.

Waiver of Installation Fees

The Exchange believes that its proposal for the waiver of installation fees is consistent with Section 6(b) of the Act⁹ in general, and with Section 6(b)(4) of the Act,¹⁰ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which the Exchange operates or controls.

Reasonable Waiver of Fees

The Exchange believes that its proposal to waive the 10Gb and 40Gb fiber connection installation fees is reasonable because it is being provided to assist its co-located clients in upgrading to higher bandwidth connections to meet the growing needs of the co-located clients' business operations at a time in the industry when the ever-increasing size of consolidated and proprietary data fees are causing higher demand for larger bandwidth options to reduce potential disruption in the marketplace.

Equitably Allocated

The Exchange also believes the proposal to waive the 10Gb and 40Gb fiber connection installation fee is equitably allocated in that all Exchange members that voluntarily select these service options will be afforded the waiver of fees until May 31, 2012. All Exchange members have the option to select these voluntary co-location services.

Not Unfairly Discriminatory

The Exchange also believes the proposal to waive the 10Gb and 40Gb fiber connection installation fee is not unfairly discriminatory in that the waiver of fees is

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(4).

provided to all NASDAQ members that volunteer for these particular service options, and there is no differentiation among members with regard to the waiver of fees for these options.

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

The Exchange 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 on 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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6)¹² thereunder.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2012-028 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-NASDAQ-2012-028. This file number should be included on the subject line if e-mail is used.

To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than

those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-NASDAQ-2012-028, and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Kevin M. O'Neill
Deputy Secretary

¹³ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Brackets indicate deletions; underlining indicates new text.

* * * * *

7034. Co-Location Services

The following charges are assessed by NASDAQ for co-location services:¹

(a) No change.

(b) Connectivity

**External Telco /Inter-Cabinet
Connectivity**

Description	Installation Fee	Ongoing Monthly Fee
Category 6 Cable patch	\$300	\$300*
DS-3 Connection	\$500	\$300*
Fiber	\$500	\$300*
POTS Line	\$0	\$0
One-Time Telco Connectivity Expedite Fee	\$1,400	\$0
Inter-Cabinet Telco connection outside Nasdaq space		\$1,000
100MB Connectivity - Metro NY/NJ Area Destination	\$1,165**	\$1,650**
1G Connectivity - Metro NY/NJ Area Destination	\$2,150**	\$2,150**
10G Connectivity - Metro NY/NJ Area Destination	\$5,000**	\$5,000**
100MB Connectivity - Toronto Area Destination	\$4,850**	\$4,100**

¹ Co-location services provided by NASDAQ Technology Services LLC.

1G Connectivity - Toronto Area Destination	\$7,700**	\$9,850**
10G Connectivity - Toronto Area Destination	\$14,200**	\$28,400**
100MB Connectivity - Chicago Area Destination	\$3,500**	\$7,350**
1G Connectivity - Chicago Area Destination	\$4,900**	\$12,800**
10G Connectivity - Chicago Area Destination	\$10,650**	\$26,900**

* Requesting party only. Not applicable to inter-cabinet connections among the same customer.

** Includes fiber telco cross connect within NASDAQ OMX data center.

Connectivity to Nasdaq

Description	Installation Fee	Ongoing Monthly Fee
Additional Fiber Connection to Nasdaq (10Gb)	\$1,000**	\$5,000
<u>Fiber Connection to Nasdaq (40Gb)</u>	<u>\$1,500**</u>	<u>\$15,000</u>
Additional Fiber Connection to Nasdaq (1Gb)	\$1,000	\$1,000
Additional 1Gb Copper Connection to Nasdaq	\$1,000	\$1,000
Additional 100Mb Connection to Nasdaq*	\$50	\$100

*One 100Mb connection to Nasdaq is provided as a part of the standard service at no charge.

**These installation fees will be waived for customers that complete new orders for 10Gb or 40Gb connections to Nasdaq during the period commencing

immediately upon the effectiveness of this filing and ending May 31, 2012.

Market Data Connectivity*

Description	Installation Fee	Ongoing Monthly Fee
Nasdaq	\$1,000	\$0
SIAC	\$1,000	
CTS/CQS		\$1,412
OpenBook Realtime		\$2,500
OpenBook Ultra		\$2,500
NYSE Alerts		\$200
NYSE Trades		\$100
Arca Trades		\$100
ArcaBook Multicast		\$1,500
Arca BBO		\$125
AMEX- Ultra/Trades/Alerts/LRP		\$100
OPRA		\$6,000
CME	\$1,000	\$3,500
Access Fee per location device/user		\$65
BATS Multicast PITCH	\$1,000	
BATS		\$4,000
BATS Y		\$1,500
Direct Edge	\$1,000	

EDGA		\$2,500
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EDGX		\$2,500
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TSX/TSXV	\$1,000	
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TSX and TSXV Level 1 Feed		\$300
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TSX and TSXV Level 2 Feed		\$1,000
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TSX Quantum Level 1 Feed		\$100
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TSX Quantum Level 2 Feed		\$300

*Pricing is for telco connectivity only and is similar to connectivity fees imposed by other vendors. The fees are generally based on the amount of bandwidth needed to accommodate a particular feed and Nasdaq is not the exclusive method to get market data connectivity. Market data fees are charged independently by the Nasdaq Stock Market and other exchanges.

(c) – (e) No change.

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