

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 19 SECURITIES AND EXCHANGE COMMISSION File No.* SR - 2013 - * 024
 WASHINGTON, D.C. 20549 Form 19b-4 Amendment No. (req. for Amendments *)

Filing 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"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) <input type="checkbox"/>	Section 806(e)(2) <input type="checkbox"/>	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) <input type="checkbox"/>
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Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
 Provide a brief description of the action (limit 250 characters, required when Initial is checked *).
 A rule change to clarify the measure used to determine whether the price of a stock is equal to or greater than \$1 dollar under Rule 4120(a)(11).

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 action.

First Name * Sean Last Name * Bennett
 Title * Associate General Counsel
 E-mail * sean.bennett@nasdaqomx.com
 Telephone * (301) 978-8499 Fax (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.
 (Title *)
 Date 01/31/2013 Executive Vice President and General Counsel
 By Edward S. Knight Edward S Knight,
 (Name *)

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.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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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 *

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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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies

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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, security-based swap submission, or advance notice 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

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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

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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 rule change to clarify the measure used to determine whether the price of a stock is equal to or greater than \$1 dollar under Rule 4120(a)(11).

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

* * * * *

4120. Trading Halts

(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) – (10) No change.

(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, 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 NMS stocks not subject to section (a)(11)(A) of this Rule with a price equal to or greater than \$1; and

(C) The price move shall be 50% or more with respect to all NMS stocks not subject to section (a)(11)(A) of this Rule with a price less than \$1.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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[the previous trading day, or, if no closing price exists, the last sale reported to the Consolidated Tape on the previous trading day].

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 February 4, 2013.

* * * * *

(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 NASDAQ on July 10, 2012. NASDAQ staff will advise the Board of Directors of NASDAQ of any action taken pursuant to delegated authority. No other action by NASDAQ is necessary for the filing

of the rule change. NASDAQ is proposing to make the changes proposed herein effective and operative as of the date it is filed with the Commission.

Questions regarding this rule filing may be directed to T. Sean Bennett, Associate General Counsel, The NASDAQ OMX Group, Inc. at (301) 978-8499 (telephone) or (301) 978-8472 (fax).

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

a. Purpose

The purpose of this rule change is to clarify the source of the price used in determining whether the price of a stock is equal to or greater than \$1, or less than \$1, for purposes of applying Rule 4120(a)(11)(B) or (C). Rule 4120(a)(11) states that the determination that the price of a stock is equal to or greater than \$1 under paragraph Rule 4120(a)(11)(B) or less than \$1 under paragraph Rule 4120(a)(11)(C) shall be based on the closing price on the previous trading day, or, if no closing price exists, the last sale reported to the Consolidated Tape on the previous trading day. As a practical matter, it is only in a rare circumstance that the last sale reported to the Consolidated Tape is used as the measure for determining the \$1 threshold. This occurs when a security is thinly-traded and no trades have occurred on the Exchange on the previous trading day. The Exchange believes that using the last reported NASDAQ closing price as the measure for determining the \$1 threshold is a more reliable and accurate means of measuring the price of a low-priced security.³ In low-priced thinly-traded securities, the Exchange believes

³ The Exchange notes that the changes proposed herein are reflective of its current practice, in that it has used the last reported closing price on NASDAQ as the measure for determining the \$1 threshold price since adopting Rules 4120(a)(11)(B) and (C).

that an off-exchange transaction in an Exchange-listed security reported to the Consolidated Tape is less reflective of the security's price than a transaction occurring on the Exchange resulting in a closing price, even if that closing price precedes an off-exchange transaction.

This rule change makes the pricing measure consistent with that used to determine price decline for the short sale-related circuit breaker. In discussing the reason it elected to use a covered security's listing market at the end of regular trading hours on the prior day as an appropriate measure of price decline for the short sale-related circuit breaker, the Commission stated:

The last price reported in the consolidated system is more likely to reflect an anomalous trade, *e.g.*, a trade that is not consistent with the current market due to, for example, the 90 second reporting window, or an uncorrected error. Listing markets generally have in place specific procedures designed to ensure the accuracy and reliability of their closing prices. Thus, we believe it is appropriate to use the more accurate closing price as determined by the covered security's listing market rather than the last price reported in the consolidated system.⁴

NASDAQ agrees and believes that the Commission's analysis is particularly true in the case of thinly-traded securities.

In addition to being consistent with the short sale-related circuit breaker, the proposed change will make the \$1 threshold determination methodology under Rule

⁴ Securities Exchange Act Release No. 61595 (February 26, 2010), 75 FR 11232 at 11255 (March 10, 2010) (adopting a short sale-related circuit breaker that, if triggered, will impose a restriction on the prices at which securities may be sold short). Rule 201 of Regulation SHO requires that a trading center establish, maintain, and enforce written policies and procedures reasonably designed to prevent the execution or display of a short sale order of a covered security at a price that is less than or equal to the current national best bid if the price of that covered security decreases by 10% or more from the covered security's closing price as determined by the listing market for the covered security as of the end of regular trading hours on the prior day. See 17 CFR 242.201.

4120(a)(11) consistent with the Limit up-Limit down plan process to determine the percentage parameter applicable during a trading day, under which the reference price is based on the prior day's closing price on the primary listing market or the last sale on the primary listing market if no such closing price exists.⁵

b. Statutory Basis

The statutory basis for the proposed rule change is Section 6(b)(5) of the Securities Exchange Act of 1934 (the "Act"),⁶ which requires the rules of an exchange 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. The proposed rule change is designed to promote more accurate determinations of the price of securities under the trading pause provided by Rule 4120(a)(11), thus promoting just and equitable principles of trade, removing impediments to, and perfecting the mechanism of, a free and open market and a national market system. The proposed rule change also is designed to support the principles of Section 11A(a)(1)⁷ of the Act in that it seeks to assure fair competition among brokers and dealers and among exchange markets. The Exchange believes that the proposed rule meets these requirements in that it promotes more accurate trading

⁵ In the Order Approving, on a Pilot Basis, the National Market System Plan to Address Extraordinary Market Volatility, the reference price used for determining which percentage parameter shall be applicable during a trading day shall be based on the closing price of the NMS stock on the primary listing exchange on the previous trading day, or if no closing price exists, the last sale on the primary listing exchange reported by the Processor. See Securities Exchange Act Release No. 34-67091 (May 31, 2012), 77 FR 33498 (June 6, 2012).

⁶ 15 U.S.C. 78f(b)(5).

⁷ 15 U.S.C. 78k-1(a)(1).

pause triggers, as well as transparency and uniformity across markets concerning decisions to pause trading in a security when there are significant price movements. Moreover, the Exchange believes that other listing markets with functionally identical rules are concurrently adopting the changes proposed herein.

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. The proposed rule change merely modifies how the value of a low-priced security is measured, replacing the current method with what the Exchange believes to be a more reliable and accurate measure. The proposed change will enhance the operation of the trading pause process by making the determination of the \$1 threshold more accurate and reflective of the current value of a low-priced security, which in turn contributes to the protection of investors and the public interest. Accordingly, the proposed changes will not impose any burden on competition while providing more accurate trading pause determinations under Rule 4120(a)(11).

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

Not applicable.

6. Extension of Time Period for Commission Action

The Exchange does not consent to an extension of time.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁸ and Rule 19b-4(f)(6)⁹ thereunder in that it 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. The Exchange has provided the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule.

The Exchange requests that the Commission waive the 30-day pre-operative waiting period contained in Rule 19b-4(f)(6)(iii) under the Act.¹⁰ The Exchange requests this waiver because it will allow the current rule text reflect the operation of the rule, which the Exchange believes is a better means of making the \$1 threshold determination under Rule 4120(a)(11).

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

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

⁸ 15 U.S.C. 78s(b)(3)(A).

⁹ 17 CFR 240.19b-4(f)(6).

¹⁰ 17 CFR 240.19b-4(f)(6)(iii).

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

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

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-NASDAQ-2013-024)

February __, 2013

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Clarify the Measure Used to Determine Whether the Price of a Stock is Equal To or Greater Than One Dollar Under Rule 4120(a)(11)

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 January 31, 2013 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 clarify the measure used to determine whether the price of a stock is equal to or greater than \$1 dollar under Rule 4120(a)(11).

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

* * * * *

4120. Trading Halts

(a) Authority to Initiate Trading Halts or Pauses

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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) – (10) No change.

(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, 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 NMS stocks not subject to section (a)(11)(A) of this Rule with a price equal to or greater than \$1; and

(C) The price move shall be 50% or more with respect to all NMS stocks not subject to section (a)(11)(A) of this Rule 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[the previous trading day, or, if no closing price exists, the last sale reported to the Consolidated Tape on the previous trading day].

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 February 4, 2013.

* * * * *

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

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

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

1. Purpose

The purpose of this rule change is to clarify the source of the price used in determining whether the price of a stock is equal to or greater than \$1, or less than \$1, for purposes of applying Rule 4120(a)(11)(B) or (C). Rule 4120(a)(11) states that the determination that the price of a stock is equal to or greater than \$1 under paragraph Rule 4120(a)(11)(B) or less than \$1 under paragraph Rule 4120(a)(11)(C) shall be based on the closing price on the previous trading day, or, if no closing price exists, the last sale reported to the Consolidated Tape on the previous trading day. As a practical matter, it is only in a rare circumstance that the last sale reported to the Consolidated Tape is used as the measure for determining the \$1 threshold. This occurs when a security is thinly-traded and no trades have occurred on the Exchange on the previous trading day. The

Exchange believes that using the last reported NASDAQ closing price as the measure for determining the \$1 threshold is a more reliable and accurate means of measuring the price of a low-priced security.³ In low-priced thinly-traded securities, the Exchange believes that an off-exchange transaction in an Exchange-listed security reported to the Consolidated Tape is less reflective of the security's price than a transaction occurring on the Exchange resulting in a closing price, even if that closing price precedes an off-exchange transaction.

This rule change makes the pricing measure consistent with that used to determine price decline for the short sale-related circuit breaker. In discussing the reason it elected to use a covered security's listing market at the end of regular trading hours on the prior day as an appropriate measure of price decline for the short sale-related circuit breaker, the Commission stated:

The last price reported in the consolidated system is more likely to reflect an anomalous trade, *e.g.*, a trade that is not consistent with the current market due to, for example, the 90 second reporting window, or an uncorrected error. Listing markets generally have in place specific procedures designed to ensure the accuracy and reliability of their closing prices. Thus, we believe it is appropriate to use the more accurate closing price as determined by the covered security's listing market rather than the last price reported in the consolidated system.⁴

³ The Exchange notes that the changes proposed herein are reflective of its current practice, in that it has used the last reported closing price on NASDAQ as the measure for determining the \$1 threshold price since adopting Rules 4120(a)(11)(B) and (C).

⁴ Securities Exchange Act Release No. 61595 (February 26, 2010), 75 FR 11232 at 11255 (March 10, 2010) (adopting a short sale-related circuit breaker that, if triggered, will impose a restriction on the prices at which securities may be sold short). Rule 201 of Regulation SHO requires that a trading center establish, maintain, and enforce written policies and procedures reasonably designed to prevent the execution or display of a short sale order of a covered security at a

NASDAQ agrees and believes that the Commission's analysis is particularly true in the case of thinly-traded securities.

In addition to being consistent with the short sale-related circuit breaker, the proposed change will make the \$1 threshold determination methodology under Rule 4120(a)(11) consistent with the Limit up-Limit down plan process to determine the percentage parameter applicable during a trading day, under which the reference price is based on the prior day's closing price on the primary listing market or the last sale on the primary listing market if no such closing price exists.⁵

2. Statutory Basis

The statutory basis for the proposed rule change is Section 6(b)(5) of the Securities Exchange Act of 1934 (the "Act"),⁶ which requires the rules of an exchange 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. The proposed rule change is designed to promote more accurate determinations of the price of securities under the trading pause

price that is less than or equal to the current national best bid if the price of that covered security decreases by 10% or more from the covered security's closing price as determined by the listing market for the covered security as of the end of regular trading hours on the prior day. See 17 CFR 242.201.

⁵ In the Order Approving, on a Pilot Basis, the National Market System Plan to Address Extraordinary Market Volatility, the reference price used for determining which percentage parameter shall be applicable during a trading day shall be based on the closing price of the NMS stock on the primary listing exchange on the previous trading day, or if no closing price exists, the last sale on the primary listing exchange reported by the Processor. See Securities Exchange Act Release No. 34-67091 (May 31, 2012), 77 FR 33498 (June 6, 2012).

⁶ 15 U.S.C. 78f(b)(5).

provided by Rule 4120(a)(11), thus promoting just and equitable principles of trade, removing impediments to, and perfecting the mechanism of, a free and open market and a national market system. The proposed rule change also is designed to support the principles of Section 11A(a)(1)⁷ of the Act in that it seeks to assure fair competition among brokers and dealers and among exchange markets. The Exchange believes that the proposed rule meets these requirements in that it promotes more accurate trading pause triggers, as well as transparency and uniformity across markets concerning decisions to pause trading in a security when there are significant price movements. Moreover, the Exchange believes that other listing markets with functionally identical rules are concurrently adopting the changes proposed herein.

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. The proposed rule change merely modifies how the value of a low-priced security is measured, replacing the current method with what the Exchange believes to be a more reliable and accurate measure. The proposed change will enhance the operation of the trading pause process by making the determination of the \$1 threshold more accurate and reflective of the current value of a low-priced security, which in turn contributes to the protection of investors and the public interest. Accordingly, the proposed changes will not impose any burden on competition while providing more accurate trading pause determinations under Rule 4120(a)(11).

⁷ 15 U.S.C. 78k-1(a)(1).

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 from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act⁸ and subparagraph (f)(6) of Rule 19b-4 thereunder.⁹

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. The Exchange has provided the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change.

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:

⁸ 15 U.S.C. 78s(b)(3)(a)(ii).

⁹ 17 CFR 240.19b-4(f)(6).

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-2013-024 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-2013-024. 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-2013-024, 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.¹⁰

Kevin M. O'Neill
Deputy Secretary

¹⁰ 17 CFR 200.30-3(a)(12).