Filing by  NASDAQ Stock Market
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * Amendment * Withdrawal  Section 19(b)(2) *  Section 19(b)(3)(A) *  Section 19(b)(3)(B) *
☑       ☐      ☐               ☐               ☑          ☐

Pilot ☐        Extension of Time Period for Commission Action *  Date Expires *
☑   ☐

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010
Section 806(e)(1)  Section 806(e)(2)
☑       ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2)
☐

Description
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

A proposal to adopt a new routing option, MOPB, under Rule 4758a1A.

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.

Date 05/15/2013  Executive Vice President and General Counsel
By Edward S. Knight  Edward S Knight,
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.

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.

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).

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.

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.

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.

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.

Required fields are shown with yellow backgrounds and asterisks.
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 amend Rule 4758(a)(1)(A) to add a new routing option, MOPB. NASDAQ plans to offer the proposed routing option on June 3, 2013.

The text of the proposed rule change is below. Proposed new text is underlined.

* * * * *

**4758. Order Routing**

(a) **Order Routing Process**

(I) The Order Routing Process shall be available to Participants from 4:00 a.m. until 8:00 p.m. Eastern Time, 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) – (xiii) No change.

(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

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quantity in the MOPB order to fulfill the displayed size of all Protected Quotations.

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 OMX BX Equities Market or to the NASDAQ OMX PSX facility of NASDAQ OMX PHLX.

(B) No change.

(b) – (d) No change.

* * * * *

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange 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 the Exchange is necessary for the filing of the rule change.

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

NASDAQ is amending Rule 4758, which describes its order routing processes, to add the new MOPB routing option. The proposed MOPB routing option is very similar to the MOPP routing option, in that both order types require the member firm to enter the
size and limit price of the order, which then routes only to protected quotations
(“Protected Quotes”),\(^3\) including the NASDAQ Market Center, but only for displayed
size. Unlike MOPP orders, the MOPB orders will not route if, at the time of entry, the
MOPB order’s quantity is insufficient to clear the entire size of Protected Quotes, which
are better than or equal to the order’s limit price. In such a case, a MOPB order will
instead cancel back immediately thus avoiding any execution. Also unlike MOPP orders,
if shares of a MOPB order remain un-executed after routing they will be immediately
cancelled back to the member rather than posting to the NASDAQ book.

Member firms often use the MOPP routing option to sweep all Protected Quotes,
and then print an internalized crossed execution to the FINRA/NASDAQ Trade
Reporting Facility, which occurs subsequent to the execution of the MOPP order and that
would otherwise, but for the execution of the MOPP order, violate Rule 611 of
Regulation NMS. Such member firms will enter the size of the MOPP order based on
their perception of what the current size of the protected quote is on each of the markets.
In some cases member firms may have incorrect information, which would result in an
order that is not of sufficient size to sweep all Protected Quotes and would lead to a trade
through violation\(^4\) pursuant to Regulation NMS if the internal cross occurs. The MOPB
routing option is designed to cancel any order that does not meet the size necessary to
sweep the Protected Quotes on the various markets, thus allowing the member firm to
avoid the trade through violation of an internally-crossed trade and reenter a MOPB order
with adequate Protected Quote size information. Accordingly, the MOPB routing option

\(^3\) As defined by Rule 600(b)(58) of Regulation NMS.

\(^4\) Rule 611 of Regulation NMS.
provides member firms with an additional check to avoid a trade through violation of Regulation NMS.

NASDAQ notes that the proposed MOPB routing option is very similar to the SWPB routing option of the EDGX Exchange, Inc.\(^5\) The SWPB routing option checks the market’s order book and then is sent to Protected Quotations, only for displayed size. Like the proposed MOPB, an SWPB order must be of sufficient size to execute against all Protected Quotations or the entire SWPB order will be immediately cancelled back to the member firm.

b. **Statutory Basis**

The statutory basis for the proposed rule change is Section 6(b)(5) of the Act,\(^6\) in that the proposal is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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 to introduce the MOPB routing option will provide market participants with a useful order type that will help member firms avoid inadvertent violation of Rule 611 of Regulation NMS in an internally-crossed trade by cancelling an order that, although intended to fully sweep Protected Quotes, will not do so. As noted, the proposed routing option is very similar to

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the SWPB routing option of the EDGX Exchange, Inc., and therefore raises no novel issues.

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. The proposed change is designed to provide a new routing option that will serve as an additional safeguard to prevent the execution of an internally-crossed order that would violate Rule 611 of Regulation NMS. As such, NASDAQ does not believe the proposed change will have any impact whatsoever on competition, but does believe that it is entirely appropriate in furtherance of the purposes of the Act.

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)**

   The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act\(^7\) and Rule 19b-4(f)(6) thereunder\(^8\) 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

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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. NASDAQ believes that it is consistent with the protection of investors and the public interest to grant the waiver because the proposed rule change provides a routing option designed to cancel any order that does not meet the size necessary to sweep the Protected Quotes on the various markets, thus allowing the member firm to avoid the trade through violation of an internally-crossed trade. As such, NASDAQ believes that implementing the change at the earliest juncture it is able to provide the routing option will potentially help prevent inadvertent violation of Rule 611 of Regulation NMS.

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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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

The proposed rule change is based, in part, on the SWPB routing option of EDGX Exchange, Inc. Rule 11.9(b)(2)(p).9

9 Supra note 5.
9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act
   Not applicable.

10. Advanced 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.
Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Adopt a New Routing Option, MOPB, under Rule 4758(a)(1)(A)

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),\textsuperscript{1} and Rule 19b-4 thereunder,\textsuperscript{2} notice is hereby given that on May 15, 2013, The NASDAQ Stock Market LLC ("NASDAQ" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") a 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. \textit{Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change}

NASDAQ proposes to adopt a new routing option, MOPB, under Rule 4758(a)(1)(A). NASDAQ plans to offer the proposed routing option on June 3, 2013. Proposed deletions are in brackets; new language is underlined.

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4758. Order Routing

(a) Order Routing Process


\textsuperscript{2} 17 CFR 240.19b-4.
(I) The Order Routing Process shall be available to Participants from 4:00 a.m. until 8:00 p.m. Eastern Time, and shall route orders as described below. All routing of orders shall comply with Rule 611 of Regulation NMS under the Exchange Act.

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(i) – (xiii) No change.

(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.

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 OMX BX Equities Market or to the NASDAQ OMX PSX facility of NASDAQ OMX PHLX.
(B) No change.

(b) – (d) No change.

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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 those 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 parts of such statements.

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

1. Purpose

NASDAQ is amending Rule 4758, which describes its order routing processes, to add the new MOPB routing option. The proposed MOPB routing option is very similar to the MOPP routing option, in that both order types require the member firm to enter the size and limit price of the order, which then routes only to protected quotations ("Protected Quotes")\(^3\), including the NASDAQ Market Center, but only for displayed size. Unlike MOPP orders, the MOPB orders will not route if, at the time of entry, the MOPB order’s quantity is insufficient to clear the entire size of Protected Quotes, which are better than or equal to the order’s limit price. In such a case, a MOPB order will instead cancel back immediately thus avoiding any execution. Also unlike MOPP orders,

\(^3\) As defined by Rule 600(b)(58) of Regulation NMS.
if shares of a MOPB order remain un-executed after routing they will be immediately
cancelled back to the member rather than posting to the NASDAQ book.

Member firms often use the MOPP routing option to sweep all Protected Quotes,
and then print an internalized crossed execution to the FINRA/NASDAQ Trade
Reporting Facility, which occurs subsequent to the execution of the MOPP order and that
would otherwise, but for the execution of the MOPP order, violate Rule 611 of
Regulation NMS. Such member firms will enter the size of the MOPP order based on
their perception of what the current size of the protected quote is on each of the markets.
In some cases member firms may have incorrect information, which would result in an
order that is not of sufficient size to sweep all Protected Quotes and would lead to a trade
through violation\(^4\) pursuant to Regulation NMS if the internal cross occurs. The MOPB
routing option is designed to cancel any order that does not meet the size necessary to
sweep the Protected Quotes on the various markets, thus allowing the member firm to
avoid the trade through violation of an internally-crossed trade and reenter a MOPB order
with adequate Protected Quote size information. Accordingly, the MOPB routing option
provides member firms with an additional check to avoid a trade through violation of
Regulation NMS.

NASDAQ notes that the proposed MOPB routing option is very similar to the
SWPB routing option of the EDGX Exchange, Inc.\(^5\) The SWPB routing option checks
the market’s order book and then is sent to Protected Quotations, only for displayed size.
Like the proposed MOPB, an SWPB order must be of sufficient size to execute against

\(^4\) Rule 611 of Regulation NMS.

all Protected Quotations or the entire SWPB order will be immediately cancelled back to the member firm.

2. **Statutory Basis**

The statutory basis for the proposed rule change is Section 6(b)(5) of the Act,\(^6\) in that the proposal is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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 to introduce the MOPB routing option will provide market participants with a useful order type that will help member firms avoid inadvertent violation of Rule 611 of Regulation NMS in an internally-crossed trade by cancelling an order that, although intended to fully sweep Protected Quotes, will not do so. As noted, the proposed routing option is very similar to the SWPB routing option of the EDGX Exchange, Inc., and therefore raises no novel issues.

**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. The proposed change is designed to provide a new routing option that will serve as an additional safeguard to prevent the execution of an internally-crossed order that would violate Rule 611 of Regulation NMS. As such, NASDAQ does not believe

the proposed change will have any impact whatsoever on competition, but does believe
that it is entirely appropriate in furtherance of the purposes of the Act.

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

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 Act7 and subparagraph (f)(6) of Rule 19b-4 thereunder.8

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. NASDAQ believes that
it is consistent with the protection of investors and the public interest to grant the waiver
because the proposed rule change provides an routing option is designed to cancel any
order that does not meet the size necessary to sweep the Protected Quotes on the various
markets, thus allowing the member firm to avoid the trade through violation of an
internally-crossed trade. As such, NASDAQ believes that implementing the change at
the earliest juncture it is able to provide the routing option will potentially help prevent
inadvertent violation of Rule 611 of Regulation NMS.

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. 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 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-2013-078 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-2013-078. 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-2013-078, 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