

*Required fields are shown with yellow backgrounds and asterisks.*

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

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

<b>Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010</b>	<b>Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934</b>
<b>Section 806(e)(1) *</b>	<b>Section 806(e)(2) *</b>
<input type="checkbox"/>	<input type="checkbox"/>
	<b>Section 3C(b)(2) *</b>
	<input type="checkbox"/>

<b>Exhibit 2 Sent As Paper Document</b>	<b>Exhibit 3 Sent As Paper Document</b>
<input type="checkbox"/>	<input type="checkbox"/>

**Description**

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

A proposed rule change to IM-5900-7 to modify the services offered to certain newly listing companies.

**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 \*  Last Name \*   
 Title \*   
 E-mail \*   
 Telephone \*  Fax

**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    
 By

(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.

Persona Not Validated - 1383935917270,

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 \***

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 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”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> The NASDAQ Stock Market LLC (“Nasdaq”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to IM-5900-7 to modify the services offered to certain newly listing companies.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The Board of Directors of Nasdaq approved the proposed rule change on March 25, 2014, which authorized the filing of the rule change with the Commission. No other action is necessary for the filing of the proposed rule change. Questions and comments on the proposed rule change may be directed to Arnold Golub, Vice President, The NASDAQ OMX Group, Inc., at (301) 978-8075.

Nasdaq will implement the proposed rule upon approval. However, any company that applies to list on Nasdaq before July 31, 2014, and lists before September 30, 2014,

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

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

may elect to instead receive services under the terms of the rule as in effect before this amendment.<sup>3</sup>

Questions regarding this rule filing may be directed to Arnold Golub, Associate General Counsel, Nasdaq, at (301) 978-8075 (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

In December 2011, Nasdaq adopted a rule to provide complimentary services to companies listing on the Nasdaq Global and Global Select Markets in connection with an initial public offering, upon emerging from bankruptcy, or in connection with a spin-off or carve-out from another company ("Eligible New Listings") and to companies that switch their listing from the New York Stock Exchange to the Nasdaq Global or Global Select Markets ("Eligible Switches").<sup>4</sup> Under this rule, Eligible Switches with a market capitalization of \$500 million or more receive complimentary services for four years from the date of their listing. All other Eligible Switches and Eligible New Listings receive complimentary services for two years from the date of their listing. In addition, Eligible Switches and Eligible New Listings with a market capitalization of \$500 million or more receive additional services that companies with a market capitalization below \$500 million do not receive (the "Additional Services").<sup>5</sup>

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<sup>3</sup> Nasdaq will maintain, in its online rule book, a link to the text of the rule as in effect before this amendment.

<sup>4</sup> Exchange Act Release No. 65963 (December 15, 2011), 76 FR 79262 (December 21, 2011) (SR-NASDAQ-2011-122, approving the adoption of IM-5900-7) (the "Prior Filing").

<sup>5</sup> The Additional Services include extra licenses for Directors Desk, additional press release distribution services and market surveillance tools.

Based on Nasdaq's experience with the program, Nasdaq now proposes to modify certain aspects of the program. First, Nasdaq proposes to increase the threshold for an Eligible Switch or Eligible New Listing to receive Additional Services from \$500 million to \$750 million or more in market capitalization. Nasdaq believes that this higher threshold better reflects the level where a company will most benefit from the Additional Services, and will most likely continue to purchase those services after the complimentary period has expired. In addition, Nasdaq believes that the higher threshold will better reflect the type of companies that, when listing on Nasdaq, will assist in Nasdaq's efforts to attract and retain other listings. Nasdaq also proposes to provide three years of services, instead of four, to Eligible Switches with a market capitalization of \$750 million or more.

Next, based on customer usage and demand for services, Nasdaq proposes to remove Directors Desk, an online board portal, from the program and instead offer companies four interactive webcasts, which can be used in connection with a company's quarterly earnings call. A number of companies have expressed interest in interactive webcasts during their discussions with Nasdaq and many purchase this service from NASDAQ OMX Corporate Solutions. Furthermore, Nasdaq has observed that companies offered the complimentary Directors Desk package may decline to use it, or may only use a few of the available seats. As such, Nasdaq believes that while the interactive webcasts may cost less than Directors Desk, the expected increase in utilization by companies could make this substitution more valuable to companies. Nasdaq also proposes to change its offer for market analytic tools from four users to two users. First, the price stated for four users is significantly below the current retail price of that offering, and

companies could not renew the service for four users at that stated price. Nasdaq also has observed that many companies contracted for four users of the market analytic tools just because they were available, and not because they were actually needed by the company, and these companies may not be interested in continuing to pay for those users at the retail price when the package expires.

Nasdaq also proposes to update the retail values for individual components and the total package in the rule text. These prices have changed since the original adoption of the rule based on enhancements to the services and as a result of the competitive environment in which NASDAQ OMX Corporate Solutions operates.

The cumulative effect of these changes would reduce the stated annual value of the package from approximately \$94,000 to approximately \$70,000 for companies with a market capitalization of up to \$750 million and from approximately \$169,000 to approximately \$125,000 for companies with a market capitalization of \$750 million or more.<sup>6</sup> The stated annual value of the package available to Eligible New Listings and Eligible Switches with a market capitalization between \$500 million and \$750 million would change from approximately \$169,000 to approximately \$70,000.

Finally, since adopting this program, companies have needed time after the listing date to complete the contracting process and training for the service, and therefore were unable to start using them until after their listing date. To address these situations, Nasdaq proposes to remove the language in IM-5900-7 that now states the complimentary period starts from the date of listing and add new paragraph (d) to describe the start of the complimentary period. Under the proposed rule, the

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<sup>6</sup> The prior value for each package is the amount currently reflected in the rule text. The value of the proposed package is based on retail prices as of May 2014.

complimentary period generally will begin on the listing date. However, if a company first uses a service within 30 days after the listing date, Nasdaq will use the date the company first uses that particular service as the start of the complimentary period, in order to help insure that eligible companies receive the full intended benefit. If the company does not actually start using a service within 30 days of its listing, the starting date of the period during which the complimentary services could be used would begin on the date of listing.<sup>7</sup>

Nasdaq will implement the proposed rule upon approval. However, companies near a listing or switch may have relied upon the services described in the current rule in making their decision. As such, Nasdaq will allow any company that applies before July 31, 2014, and lists before September 30, 2014, to elect to receive services under the terms of the rule as in effect before this amendment.

b. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>8</sup> in general, and Sections 6(b)(4), 6(b)(5), and 6(b)(8), in particular, in that the proposal is designed, among other things, to provide for the equitable allocation of reasonable dues, fees, and other charges among Exchange members and issuers and other persons using its facilities and to promote just and equitable principles of trade, and is not designed to permit unfair discrimination between issuers, and that the rules of the Exchange do not impose any burden on competition not necessary or

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<sup>7</sup> The proposed rule change would also modify the rule to consistently call the elements of the offering “services” instead of interchangeably using “products” and “services”.

<sup>8</sup> 15 U.S.C. 78f.

appropriate in furtherance of the purposes of the Act. In the Prior Filing, the Commission determined that existing IM-5900-7 is consistent with these provisions of the Act.<sup>9</sup> The proposed rule change, which modifies the packages available to companies and provides some additional flexibility for companies to choose the starting date for the complimentary services available under IM-5900-7, does not change that conclusion.

Nasdaq faces competition in the market for listing services,<sup>10</sup> and it competes, in part, by offering valuable services to companies, including services that ease the companies' transition to being public or listed on a new exchange. Nasdaq believes that the changes to the package, including the proposed substitution of webcasts for board portal tools, and the increased flexibility surrounding the start date of services will result in a more enticing package for potential new listings, even though the individual value of the services offered may be less, and therefore will enhance competition among listing exchanges. Nasdaq also does not believe that any of these changes impose an additional burden not necessary or appropriate in furtherance of the purposes of the Act on the competition between NASDAQ OMX Corporate Solutions and other service providers.

The change to the services in the packages is not designed to permit unfair discrimination. All listed companies receive services from Nasdaq, including Nasdaq Online and the Market Intelligence Desk and Nasdaq has justified why providing services to Eligible New Listings and Eligible Switches is not unfairly discriminatory in the Prior

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<sup>9</sup> Exchange Act Release No. 65963, 76 FR at 79267.

<sup>10</sup> The Justice Department has noted the intense competitive environment for exchange listings. See "NASDAQ OMX Group Inc. and IntercontinentalExchange Inc. Abandon Their Proposed Acquisition Of NYSE Euronext After Justice Department Threatens Lawsuit" (May 16, 2011), available at [http://www.justice.gov/atr/public/press\\_releases/2011/271214.htm](http://www.justice.gov/atr/public/press_releases/2011/271214.htm).

Filing. The proposed rule change would slightly reduce the value of the additional services provided to larger Eligible New Listings and Eligible Switches and therefore would reduce any discrimination between larger and smaller companies.

Nasdaq also believes that the proposed change to allow Additional Services to Eligible New Listings and Eligible Switches with a market capitalization of \$750 million or more, instead of \$500 million or more, is not designed to permit unfair discrimination between issuers. In the Prior Filing, Nasdaq noted that it offers more services to larger companies because they need more and different governance, communication and intelligence services and because attracting these larger companies will likely bring greater future value to Nasdaq. The proposed change from \$500 million to \$750 million reflects Nasdaq's conclusion, based on its experience with the program, that this higher threshold is appropriate to differentiate the companies that will most benefit from the Additional Services and provide the most future value to Nasdaq. As such, Nasdaq does not believe that this change unfairly discriminates between issuers. In addition, the proposed change to reduce the free services available to larger Eligible Switches from four years to three years reduces an existing difference between Eligible Switches and other Eligible New Listings, and therefore also does not unfairly discriminate between issuers.

Allowing companies up to 30 days after their listing to start using the services is a reflection of Nasdaq's experience that it can take companies a period of time to review and complete necessary contracts and training for services following their listing. Allowing this modest 30 day period, if the company needs it, helps ensure that the company will have the benefit of the full period permitted under the rule to actually use

the services, thereby enabling companies to receive the full intended benefit. This change also more closely aligns Nasdaq's treatment of these companies with other customers of NASDAQ OMX Corporate Solutions, who do not receive or pay for services until they are contracted. As such, the proposed change does not permit unfair discrimination or impose a burden on competition.

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

Nasdaq does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. As described in the statutory basis section, above, the proposed rule change responds to competitive pressures in the market for listings. Nasdaq believes that the changes to the package and the increased flexibility surrounding the start date of services will result in a more enticing package for potential new listings, even though the individual value of the services offered may be less, and therefore will enhance competition among listing exchanges.

In addition, the proposed rule change will result in fewer companies receiving the Additional Services and shorten the period for which some companies receive services, which may have the result of enhancing competition with other listing venues and with other service providers.

Nasdaq does not believe that allowing companies up to an additional 30 days to begin their complimentary period will cause any burden on competition. This change would only confer a short period prior to using services for companies that have already determined where to list and which services to use. In fact, a competing service provider could continue to offer its services during that 30 day period, which would enhance competition among service providers.

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

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

Nasdaq does not consent at this time to an extension of the time period for Commission action specified in Section 19(b)(2) of the Act.

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

Not applicable.

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.

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.

5. Text of the proposed rule change.

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-NASDAQ-2014-058)

May \_\_, 2014

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing of Proposed Rule Change to Modify IM-5900-7

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on May 27, 2014, The NASDAQ Stock Market LLC (“Nasdaq”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by Nasdaq. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

Nasdaq proposes to amend IM-5900-7 to modify the services offered to certain newly listing companies. Nasdaq will implement the proposed rule upon approval. However, any company that applies to list on Nasdaq before July 31, 2014, and lists before September 30, 2014, may elect to instead receive services under the terms of the rule as in effect before this amendment.<sup>3</sup>

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

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

<sup>3</sup> Nasdaq will maintain, in its online rule book, a link to the text of the rule as in effect before this amendment.

The text of the proposed rule change is available on the Exchange's Website at <http://nasdaq.cchwallstreet.com>, at the principal office of the Exchange, 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, Nasdaq included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. Nasdaq has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

In December 2011, Nasdaq adopted a rule to provide complimentary services to companies listing on the Nasdaq Global and Global Select Markets in connection with an initial public offering, upon emerging from bankruptcy, or in connection with a spin-off or carve-out from another company ("Eligible New Listings") and to companies that switch their listing from the New York Stock Exchange to the Nasdaq Global or Global Select Markets ("Eligible Switches").<sup>4</sup> Under this rule, Eligible Switches with a market capitalization of \$500 million or more receive complimentary services for four years from the date of their listing. All other Eligible Switches and Eligible New Listings receive complimentary services for two years from the date of their listing. In addition,

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<sup>4</sup> Exchange Act Release No. 65963 (December 15, 2011), 76 FR 79262 (December 21, 2011) (SR-NASDAQ-2011-122, approving the adoption of IM-5900-7) (the "Prior Filing").

Eligible Switches and Eligible New Listings with a market capitalization of \$500 million or more receive additional services that companies with a market capitalization below \$500 million do not receive (the “Additional Services”).<sup>5</sup>

Based on Nasdaq’s experience with the program, Nasdaq now proposes to modify certain aspects of the program. First, Nasdaq proposes to increase the threshold for an Eligible Switch or Eligible New Listing to receive Additional Services from \$500 million to \$750 million or more in market capitalization. Nasdaq believes that this higher threshold better reflects the level where a company will most benefit from the Additional Services, and will most likely continue to purchase those services after the complimentary period has expired. In addition, Nasdaq believes that the higher threshold will better reflect the type of companies that, when listing on Nasdaq, will assist in Nasdaq’s efforts to attract and retain other listings. Nasdaq also proposes to provide three years of services, instead of four, to Eligible Switches with a market capitalization of \$750 million or more.

Next, based on customer usage and demand for services, Nasdaq proposes to remove Directors Desk, an online board portal, from the program and instead offer companies four interactive webcasts, which can be used in connection with a company’s quarterly earnings call. A number of companies have expressed interest in interactive webcasts during their discussions with Nasdaq and many purchase this service from NASDAQ OMX Corporate Solutions. Furthermore, Nasdaq has observed that companies offered the complimentary Directors Desk package may decline to use it, or may only use a few of the available seats. As such, Nasdaq believes that while the interactive webcasts

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<sup>5</sup> The Additional Services include extra licenses for Directors Desk, additional press release distribution services and market surveillance tools.

may cost less than Directors Desk, the expected increase in utilization by companies could make this substitution more valuable to companies. Nasdaq also proposes to change its offer for market analytic tools from four users to two users. First, the price stated for four users is significantly below the current retail price of that offering, and companies could not renew the service for four users at that stated price. Nasdaq also has observed that many companies contracted for four users of the market analytic tools just because they were available, and not because they were actually needed by the company, and these companies may not be interested in continuing to pay for those users at the retail price when the package expires.

Nasdaq also proposes to update the retail values for individual components and the total package in the rule text. These prices have changed since the original adoption of the rule based on enhancements to the services and as a result of the competitive environment in which NASDAQ OMX Corporate Solutions operates.

The cumulative effect of these changes would reduce the stated annual value of the package from approximately \$94,000 to approximately \$70,000 for companies with a market capitalization of up to \$750 million and from approximately \$169,000 to approximately \$125,000 for companies with a market capitalization of \$750 million or more.<sup>6</sup> The stated annual value of the package available to Eligible New Listings and Eligible Switches with a market capitalization between \$500 million and \$750 million would change from approximately \$169,000 to approximately \$70,000.

Finally, since adopting this program, companies have needed time after the listing date to complete the contracting process and training for the service, and therefore were

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<sup>6</sup> The prior value for each package is the amount currently reflected in the rule text. The value of the proposed package is based on retail prices as of May 2014.

unable to start using them until after their listing date. To address these situations, Nasdaq proposes to remove the language in IM-5900-7 that now states the complimentary period starts from the date of listing and add new paragraph (d) to describe the start of the complimentary period. Under the proposed rule, the complimentary period generally will begin on the listing date. However, if a company first uses a service within 30 days after the listing date, Nasdaq will use the date the company first uses that particular service as the start of the complimentary period, in order to help insure that eligible companies receive the full intended benefit. If the company does not actually start using a service within 30 days of its listing, the starting date of the period during which the complimentary services could be used would begin on the date of listing.<sup>7</sup>

Nasdaq will implement the proposed rule upon approval. However, companies near a listing or switch may have relied upon the services described in the current rule in making their decision. As such, Nasdaq will allow any company that applies before July 31, 2014, and lists before September 30, 2014, to elect to receive services under the terms of the rule as in effect before this amendment.

## 2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>8</sup> in general, and Sections 6(b)(4), 6(b)(5), and 6(b)(8), in particular, in that the proposal is designed, among other things, to provide for the equitable

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<sup>7</sup> The proposed rule change would also modify the rule to consistently call the elements of the offering “services” instead of interchangeably using “products” and “services”.

<sup>8</sup> 15 U.S.C. 78f.

allocation of reasonable dues, fees, and other charges among Exchange members and issuers and other persons using its facilities and to promote just and equitable principles of trade, and is not designed to permit unfair discrimination between issuers, and that the rules of the Exchange do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. In the Prior Filing, the Commission determined that existing IM-5900-7 is consistent with these provisions of the Act.<sup>9</sup> The proposed rule change, which modifies the packages available to companies and provides some additional flexibility for companies to choose the starting date for the complimentary services available under IM-5900-7, does not change that conclusion.

Nasdaq faces competition in the market for listing services,<sup>10</sup> and it competes, in part, by offering valuable services to companies, including services that ease the companies' transition to being public or listed on a new exchange. Nasdaq believes that the changes to the package, including the proposed substitution of webcasts for board portal tools, and the increased flexibility surrounding the start date of services will result in a more enticing package for potential new listings, even though the individual value of the services offered may be less, and therefore will enhance competition among listing exchanges. Nasdaq also does not believe that any of these changes impose an additional burden not necessary or appropriate in furtherance of the purposes of the Act on the competition between NASDAQ OMX Corporate Solutions and other service providers.

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<sup>9</sup> Exchange Act Release No. 65963, 76 FR at 79267.

<sup>10</sup> The Justice Department has noted the intense competitive environment for exchange listings. See "NASDAQ OMX Group Inc. and IntercontinentalExchange Inc. Abandon Their Proposed Acquisition Of NYSE Euronext After Justice Department Threatens Lawsuit" (May 16, 2011), available at [http://www.justice.gov/atr/public/press\\_releases/2011/271214.htm](http://www.justice.gov/atr/public/press_releases/2011/271214.htm).

The change to the services in the packages is not designed to permit unfair discrimination. All listed companies receive services from Nasdaq, including Nasdaq Online and the Market Intelligence Desk and Nasdaq has justified why providing services to Eligible New Listings and Eligible Switches is not unfairly discriminatory in the Prior Filing. The proposed rule change would slightly reduce the value of the additional services provided to larger Eligible New Listings and Eligible Switches and therefore would reduce any discrimination between larger and smaller companies.

Nasdaq also believes that the proposed change to allow Additional Services to Eligible New Listings and Eligible Switches with a market capitalization of \$750 million or more, instead of \$500 million or more, is not designed to permit unfair discrimination between issuers. In the Prior Filing, Nasdaq noted that it offers more services to larger companies because they need more and different governance, communication and intelligence services and because attracting these larger companies will likely bring greater future value to Nasdaq. The proposed change from \$500 million to \$750 million reflects Nasdaq's conclusion, based on its experience with the program, that this higher threshold is appropriate to differentiate the companies that will most benefit from the Additional Services and provide the most future value to Nasdaq. As such, Nasdaq does not believe that this change unfairly discriminates between issuers. In addition, the proposed change to reduce the free services available to larger Eligible Switches from four years to three years reduces an existing difference between Eligible Switches and other Eligible New Listings, and therefore also does not unfairly discriminate between issuers.

Allowing companies up to 30 days after their listing to start using the services is a reflection of Nasdaq's experience that it can take companies a period of time to review and complete necessary contracts and training for services following their listing. Allowing this modest 30 day period, if the company needs it, helps ensure that the company will have the benefit of the full period permitted under the rule to actually use the services, thereby enabling companies to receive the full intended benefit. This change also more closely aligns Nasdaq's treatment of these companies with other customers of NASDAQ OMX Corporate Solutions, who do not receive or pay for services until they are contracted. As such, the proposed change does not permit unfair discrimination or impose a burden on competition.

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

Nasdaq does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. As described in the statutory basis section, above, the proposed rule change responds to competitive pressures in the market for listings. Nasdaq believes that the changes to the package and the increased flexibility surrounding the start date of services will result in a more enticing package for potential new listings, even though the individual value of the services offered may be less, and therefore will enhance competition among listing exchanges.

In addition, the proposed rule change will result in fewer companies receiving the Additional Services and shorten the period for which some companies receive services, which may have the result of enhancing competition with other listing venues and with other service providers.

Nasdaq does not believe that allowing companies up to an additional 30 days to begin their complimentary period will cause any burden on competition. This change would only confer a short period prior to using services for companies that have already determined where to list and which services to use. In fact, a competing service provider could continue to offer its services during that 30 day period, which would enhance competition among service providers.

Accordingly, Nasdaq does not believe the proposed rule change will impose 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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- A. by order approve or disapprove such proposed rule change, or
- B. institute proceedings to determine whether the proposed rule change should be 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](mailto:rule-comments@sec.gov). Please include File Number SR-NASDAQ-2014-058 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-2014-058. 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 inspection and copying 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 office of Nasdaq. 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-2014-058 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.<sup>11</sup>

Kevin M O'Neill  
Deputy Secretary

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<sup>11</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

Deleted text is [bracketed]. New text is underlined. Text that is double underlined is underlined in current rule text.

**The NASDAQ Stock Market Rules**

\* \* \* \* \*

**IM-5900-7. [Products] Services Offered to Certain Newly Listing Companies**

*INTRODUCTORY NOTE: Any company that applies to list on NASDAQ before July 31, 2014 may elect to receive services under the terms described in IM-5900-7 as approved on December 15, 2011 (the "Prior Rule") instead of the terms described below, provided the company actually lists before September 30, 2014. The text of the Prior Rule is available at <http://nasdaq.cchwallstreet.com/NASDAQ/pdf/nasdaq-filings/2011/SR-NASDAQ-2011-122.pdf> as Exhibit 5. Companies that listed while the Prior Rule was in effect will continue to receive services under the terms of that rule.*

(a) Nasdaq offers certain newly listing companies complimentary [products and] services to help them satisfy their obligations as public companies related to governance and communications, and to provide intelligence about their securities. These [products and] services are offered to companies listing on the Global or Global Select Market in connection with their initial public offering, upon emerging from bankruptcy, or in connection with a spin-off or carve-out from another company ("Eligible New Listings"). They are also offered to companies switching their listing from the New York Stock Exchange to the NASDAQ Global or Global Select Markets ("Eligible Switches"). The [products and] services are offered through NASDAQ OMX Corporate Solutions, Inc., an affiliate of Nasdaq. If a company does not use any of these services in the applicable time period there shall be no refund or other credit for the unused service.

(b) An Eligible New Listing or Eligible Switch that has a market capitalization of up to ~~[\$500]~~\$750 million will receive the following complimentary services for two years~~[from the date of listing]~~. The total retail value of these services is approximately ~~[\$94,000]~~\$70,000 per year. In addition, one-time development fees of approximately ~~[\$4,000]~~\$3,500 to establish the ~~[products]~~services in the first year will be waived.

**[Governance Services**

Board Tools: Companies will receive use of Directors Desk, a comprehensive solution designed to improve board communications and effectiveness while relieving corporate executives of the paperwork and time involved in keeping boards informed, for up to 10 users. This product has an approximate retail value of \$20,000 per year.]

**Whistleblower Hotline**~~[Whistleblower Hotline]~~: Companies will receive a financial reporting hotline that provides employees and others with a fully-automated, safe and secure means of reporting incidents and concerns. This ~~[product]~~service has an approximate retail value of ~~[\$3,500]~~ \$4,000 per year.

#### [Communications Services ]

**Investor Relations Website**~~[Investor Relations Website]~~: Companies will receive a website with all the necessary content and features to communicate with investors, offering easy access to up-to-date information. Included on this website will be a corporate governance library containing documents such as the Board committees' charters and the Company's code of ethics. These ~~[products]~~services have a retail value of approximately ~~[\$16,000]~~ \$15,000 per year.

**Press Releases**~~[Press Releases]~~: Companies will be provided \$15,000 worth of distribution services for earnings or other press releases, including photographs, and filing of EDGAR and XBRL reports. The actual number of press releases will vary based on their length and the regional distribution network chosen by the company.

**Interactive Webcasting**: Companies will receive four interactive webcasts. These services have a retail value of approximately \$6,500 per year.

#### [Intelligence Services]

**Market Analytic Tools**~~[Market Analytic Tools]~~: Companies will receive a market analytic tool, which integrates corporate shareholder communications, capital market information, investor contact management, and board-level reporting into a unified, easy-to use, workflow environment for ~~[up to four]~~ two users. This tool also provides information about research and earnings estimates on the company and helps companies identify potential purchasers of their stock using quantitative targeting and qualitative insights. This ~~[product]~~service has an approximate retail value of ~~[\$39,000]~~ \$30,000 per year.

(c) An Eligible New Listing or Eligible Switch that has a market capitalization of ~~[\$500]~~ \$750 million or more will receive the ~~[products]~~services described above and the following additional complimentary services. An Eligible New Listing will receive the ~~[products]~~services for two years~~[from the date of listing]~~ and an Eligible Switch will receive the ~~[products]~~services for ~~[four]~~three years~~[from the date of listing]~~. The total

retail value of the services offered to these companies is approximately [\$169,000]\$125,000 per year. In addition, one-time development fees of approximately [\$4,000] \$3,500 to establish the [products]services in the first year will be waived.

### **[Governance Services**

Board Tools: Companies will receive an additional five licences for Directors Desk, with a retail value of approximately \$10,000 per year.

### **Communications Services]**

Press ReleasesPress Releases: Companies will receive an additional \$5,000 worth of distribution services.

### **[Intelligence Services]**

Market Surveillance ToolsMarket Surveillance Tools: Companies will receive a stock surveillance package, under which an analyst will, on a daily basis, utilize a mosaic of public, subscription and issuer-based data sources to monitor the daily movement and settlement activity of the Company's stock, provide alerts on significant increases in trading volume and block trading activity, and offer color to any unusual change in stock price. This [product]service has an approximate retail value of [\$60,000] \$50,000 per year. To fully utilize this service, Companies will have to subscribe to, and separately pay for, certain third party information, which is not included.

(d) If an Eligible New Listing or Eligible Switch begins to use a particular service provided under this IM-5900-7 within 30 days after the date of listing, the complimentary period for that service will begin on the date of first use. In all other cases, the period for each complimentary service shall commence on the listing date.