

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 21	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2014 - * 088 Amendment No. (req. for Amendments *)
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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	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
	Section 3C(b)(2) * <input type="checkbox"/>

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 proposal to amend NASDAQ Rule 4753 to expand the information made available through the Order Imbalance Indicator in connection with the NASDAQ Halt Cross.

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 * John Last Name * Yetter
 Title * Vice President
 E-mail * john.yetter@nasdaqomx.com
 Telephone * (301) 978-8497 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 *)
 Executive Vice President and General Counsel

Date 08/28/2014
 By 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.

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

Add Remove View

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

Partial Amendment

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

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² The NASDAQ Stock Market LLC (“NASDAQ” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposal to amend NASDAQ Rule 4753 to expand the information made available through the Order Imbalance Indicator in connection with the NASDAQ Halt Cross (the “Halt Cross” or the “Cross”).

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 set forth in Exhibit 5 attached hereto.

(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 16, 2014. 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 John M. Yetter, Office of General Counsel, NASDAQ OMX, at (301) 978-8497, or T. Sean Bennett, Office of General Counsel, NASDAQ OMX, at (301) 978-8499.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

(a) Purpose

NASDAQ recently amended the language of Rule 4753 to correct imprecise language with respect to imbalance information disseminated through the Order Imbalance Indicator (also known as the “Net Order Imbalance Indicator” or “NOII”) prior to the execution of the Halt Cross.³ In this new proposed rule change, NASDAQ is proposing to expand the information made available through the NOII to enhance the ability of market participants to understand the interplay of supply and demand of buy and sell orders leading up to the completion of the Cross.

The NASDAQ Halt Cross is designed to provide for an orderly, single-priced opening of securities subject to an intraday halt, including securities that are the subject of an initial public offering (“IPO”). Prior to the Cross execution, market participants enter quotes and orders eligible for participation in the Cross, and NASDAQ disseminates certain information – the NOII – regarding buying and selling interest entered and the indicative execution price.

At the time when the security is released for trading, the Halt Cross will occur at the price that maximizes the number of shares of trading interest eligible for participation in the Cross⁴ to be executed. If there is more than one such price, the Cross will occur at

³ Securities Exchange Act Release No. 72736 (August 1, 2014), 79 FR 45860 (August 6, 2014) (SR-NASDAQ-2014-075).

⁴ “Eligible Interest” is defined as any quotation or any order that may be entered into the system and designated with a time-in-force of SIOC, SDAY, SGTC, MIOC, MDAY, MGTC, SHEX, or GTMC. These respective times-in-force are defined in Rule 4751. NASDAQ is proposing to simplify this rule language by replacing the list of times-in-force with a more general reference to “a time-in-force that would allow the order to be in force at the time of the Halt Cross.” The change is not substantive in effect.

the price that minimizes any Imbalance, which is defined in the rule as “the number of shares of Eligible Interest that may not be matched with other order shares at a particular price at any given time.”⁵ The NOII is disseminated every five seconds during a designated period prior to the completion of the Halt Cross, in order to provide market participants with information regarding the possible price and volume of the Cross. The information includes the Current Reference Price, which is the price at which the Cross would occur if it executed at the time of the NOII’s dissemination, and the number of shares of Eligible Interest that would be paired at that price.

NASDAQ currently disseminates a Market Order Imbalance – defined as “the number of shares of Eligible Interest entered through market orders that would not be matched with other order shares at the time of the dissemination of an Order Imbalance Indicator” – if in fact there are such unexecutable market order shares. Thus, if all market orders would be executed, the field for the Market Order Imbalance is blank. When the field is populated (i.e., when there is a Market Order Imbalance), NASDAQ also disseminates the buy/sell direction of the Market Order Imbalance. Thus, if a buy-direction Market Order Imbalance is disseminated, potential sellers in the Cross would know that buy liquidity is available at a market price, potentially encouraging them to enter additional sell orders to allow the Cross to proceed.

NASDAQ is proposing also to disseminate information about the size and buy/sell direction of an “Imbalance.” As noted above, Imbalance is defined as “the number of shares of Eligible Interest that may not be matched with other order shares at a

⁵ Additional provisions of Rule 4753, not pertinent to this proposed rule change, are used to determine the price in the event that there is more than one price that minimizes any Imbalance.

particular price at any given time.” As noted above, “Eligible Interest” will be defined as “any quotation or any order that may be entered into the system and designated with a time-in-force that would allow the order to be in force at the time of the Halt Cross.” Thus, the provided information would reflect all shares eligible for participation in the Cross, regardless of time-in-force, and would include non-displayed shares and reserve size.⁶

While the current dissemination of the Market Order Imbalance signals to market participants that market orders would not execute in the Cross and therefore the Cross cannot occur until additional liquidity is entered on the other side of the market, the new information would indicate the degree to which available liquidity on one or the other side of the market would not be executed if the Cross were to occur at that time. Because either the Imbalance or the Market Order Imbalance would be disseminated every five seconds with each NOII message,⁷ the modification would provide more continuity with

⁶ Currently, a Market Order Imbalance reflects all shares eligible for participation as noted. The proposed change will result in all shares eligible for participation to be reflected for an Imbalance that is not a Market Order Imbalance. The Exchange notes that, under the current process, non-displayed market orders are potentially disclosed, in aggregate and not individually, through the NOII feed in IPO crosses when there is a Market Order Imbalance. Under the proposal, non-displayed IOC limit orders and hidden/reserve day limit orders (collectively, “non-displayed limit orders”) could also be disclosed, in the aggregate, in the event of an Imbalance once the Reference Price is established. The Exchange notes that this is currently the case for non-displayed limit orders entered for participation in the Opening Cross. As a consequence, the Exchange believes that potential aggregate disclosure of non-displayed limit orders in the IPO Cross is consistent with its current practice and the understanding of market participants.

⁷ In practical terms, if there is a Market Order Imbalance only, the Exchange will disseminate the Market Order Imbalance indicator. Likewise, in the event of an Imbalance only, the Exchange will disseminate the Imbalance indicator. In the event of both a Market Order Imbalance and an Imbalance, the Exchange will disseminate the Market Order Imbalance indicator only. The Exchange notes that under this last scenario, there is no Reference Price calculated because of the

respect to the information about supply and demand made available to market participants in the time leading up to the Cross. Specifically, allowing market participants to see an Imbalance on one side of the market or the other would signal the extent to which orders on the other side might be executable in the Cross if entered thereafter. NASDAQ believes that providing this information will enhance the price discovery process of the Cross and increase the likelihood of order interaction.

Finally, NASDAQ is proposing to add language in the rule to make it clear that the NOII will not include the Current Reference Price if there is a Market Order Imbalance. This is true as a matter of logic: if there is a Market Order Imbalance, not all market orders can be executed in the Cross and therefore there is no price at which the Cross could occur. However, NASDAQ believes that it may promote market participants' understanding of the rule to include this statement explicitly in the rule language.

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act⁸ in general, and furthers the objectives of Section 6(b)(5),⁹ in particular, in that it is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest. The proposal is consistent with these

Market Order Imbalance. A Reference Price is required to calculate the Imbalance indicator, and therefore it cannot be disseminated when there is a Market Order Imbalance.

⁸ 15 U.S.C. 78f (b).

⁹ 15 U.S.C. 78f(b)(5).

purposes because it will expand the information made available through the NOII to enhance the ability of market participants to understand the interplay of supply and demand of buy and sell orders leading up to the completion of the Cross. Specifically, by providing information regarding orders that would not be executed in the Cross if it occurred at the time of dissemination of the NOII, the proposed change may encourage entry of additional orders, thereby enhancing price discovery and increasing the likelihood of order interaction. The change will thereby perfect the mechanisms of a free and open market. Moreover, the change will protect investors and the public interest by providing additional transparency regarding the Cross, helping investors to understand the degree of supply and demand for the security that is the subject of the Cross.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the proposed change serves merely to increase the information provided by NASDAQ regarding supply and demand, thereby assisting market participants in making informed investment decisions regarding participation in the Cross. The change does not restrict the ability of market participants to participate in the Cross in any respect, and therefore does impose any burden on competition.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

6. Extension of Time Period for Commission Action

The Exchange does not consent at this time to an extension of any time period for Commission action.

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)¹⁰ of the Act and Rule 19b-4(f)(6) thereunder¹¹ 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. Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. NASDAQ provided such notice on August 15, 2014.

The proposal is consistent with the requirements of Rule 19b-4(f)(6) because it will expand the information made available through the NOII to enhance the ability of market participants to understand the interplay of supply and demand of buy and sell orders leading up to the completion of the Cross. Specifically, by providing information regarding orders that would not be executed in the Cross if it occurred at the time of dissemination of the NOII, the proposed change may encourage entry of additional orders, thereby enhancing price discovery and increasing the likelihood of order

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

interaction. Moreover, the change will protect investors and the public interest by providing additional transparency regarding the Cross, helping investors to understand the degree of supply and demand for the security that is the subject of the Cross. Moreover, the change does not restrict the ability of market participants to participate in the Cross in any respect, and therefore does not impose any burden on competition. Finally, NASDAQ proposes to make the change operative on or about October 1, 2014, on a date that is at least 30 days after the date of the filing.

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

Exhibit 1 –Form of Notice of Proposed Rule Change for Federal Register

Exhibit 5 –Text of Proposed Changes

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-NASDAQ-2014-088)

September __, 2014

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend NASDAQ Rule 4753 to Expand the Information Made Available Through the Order Imbalance Indicator in Connection with the NASDAQ Halt Cross

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 August 28, 2014 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. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

NASDAQ proposes a rule change to amend NASDAQ Rule 4753 to expand the information made available through the Order Imbalance Indicator in connection with the NASDAQ Halt Cross (the “Halt Cross” or the “Cross”). NASDAQ proposes to make the change operative on or about October 1, 2014, on a date that is at least 30 days after the date of the filing.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 recently amended the language of Rule 4753 to correct imprecise language with respect to imbalance information disseminated through the Order Imbalance Indicator (also known as the "Net Order Imbalance Indicator" or "NOII") prior to the execution of the Halt Cross.³ In this new proposed rule change, NASDAQ is proposing to expand the information made available through the NOII to enhance the ability of market participants to understand the interplay of supply and demand of buy and sell orders leading up to the completion of the Cross.

The NASDAQ Halt Cross is designed to provide for an orderly, single-priced opening of securities subject to an intraday halt, including securities that are the subject of an initial public offering ("IPO"). Prior to the Cross execution, market participants enter quotes and orders eligible for participation in the Cross, and NASDAQ disseminates certain information – the NOII – regarding buying and selling interest entered and the indicative execution price.

³ Securities Exchange Act Release No. 72736 (August 1, 2014), 79 FR 45860 (August 6, 2014) (SR-NASDAQ-2014-075).

At the time when the security is released for trading, the Halt Cross will occur at the price that maximizes the number of shares of trading interest eligible for participation in the Cross⁴ to be executed. If there is more than one such price, the Cross will occur at the price that minimizes any Imbalance, which is defined in the rule as “the number of shares of Eligible Interest that may not be matched with other order shares at a particular price at any given time.”⁵ The NOII is disseminated every five seconds during a designated period prior to the completion of the Halt Cross, in order to provide market participants with information regarding the possible price and volume of the Cross. The information includes the Current Reference Price, which is the price at which the Cross would occur if it executed at the time of the NOII’s dissemination, and the number of shares of Eligible Interest that would be paired at that price.

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⁵ Additional provisions of Rule 4753, not pertinent to this proposed rule change, are used to determine the price in the event that there is more than one price that minimizes any Imbalance.

also disseminates the buy/sell direction of the Market Order Imbalance. Thus, if a buy-direction Market Order Imbalance is disseminated, potential sellers in the Cross would know that buy liquidity is available at a market price, potentially encouraging them to enter additional sell orders to allow the Cross to proceed.

NASDAQ is proposing also to disseminate information about the size and buy/sell direction of an “Imbalance.” As noted above, Imbalance is defined as “the number of shares of Eligible Interest that may not be matched with other order shares at a particular price at any given time.” As noted above, “Eligible Interest” will be defined as “any quotation or any order that may be entered into the system and designated with a time-in-force that would allow the order to be in force at the time of the Halt Cross.” Thus, the provided information would reflect all shares eligible for participation in the Cross, regardless of time-in-force, and would include non-displayed shares and reserve size.⁶

While the current dissemination of the Market Order Imbalance signals to market participants that market orders would not execute in the Cross and therefore the Cross cannot occur until additional liquidity is entered on the other side of the market, the new

⁶ Currently, a Market Order Imbalance reflects all shares eligible for participation as noted. The proposed change will result in all shares eligible for participation to be reflected for an Imbalance that is not a Market Order Imbalance. The Exchange notes that, under the current process, non-displayed market orders are potentially disclosed, in aggregate and not individually, through the NOII feed in IPO crosses when there is a Market Order Imbalance. Under the proposal, non-displayed IOC limit orders and hidden/reserve day limit orders (collectively, “non-displayed limit orders”) could also be disclosed, in the aggregate, in the event of an Imbalance once the Reference Price is established. The Exchange notes that this is currently the case for non-displayed limit orders entered for participation in the Opening Cross. As a consequence, the Exchange believes that potential aggregate disclosure of non-displayed limit orders in the IPO Cross is consistent with its current practice and the understanding of market participants.

information would indicate the degree to which available liquidity on one or the other side of the market would not be executed if the Cross were to occur at that time. Because either the Imbalance or the Market Order Imbalance would be disseminated every five seconds with each NOII message,⁷ the modification would provide more continuity with respect to the information about supply and demand made available to market participants in the time leading up to the Cross. Specifically, allowing market participants to see an Imbalance on one side of the market or the other would signal the extent to which orders on the other side might be executable in the Cross if entered thereafter. NASDAQ believes that providing this information will enhance the price discovery process of the Cross and increase the likelihood of order interaction.

Finally, NASDAQ is proposing to add language in the rule to make it clear that the NOII will not include the Current Reference Price if there is a Market Order Imbalance. This is true as a matter of logic: if there is a Market Order Imbalance, not all market orders can be executed in the Cross and therefore there is no price at which the Cross could occur. However, NASDAQ believes that it may promote market participants' understanding of the rule to include this statement explicitly in the rule language.

⁷ In practical terms, if there is a Market Order Imbalance only, the Exchange will disseminate the Market Order Imbalance indicator. Likewise, in the event of an Imbalance only, the Exchange will disseminate the Imbalance indicator. In the event of both a Market Order Imbalance and an Imbalance, the Exchange will disseminate the Market Order Imbalance indicator only. The Exchange notes that under this last scenario, there is no Reference Price calculated because of the Market Order Imbalance. A Reference Price is required to calculate the Imbalance indicator, and therefore it cannot be disseminated when there is a Market Order Imbalance.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act⁸ in general, and furthers the objectives of Section 6(b)(5),⁹ in particular, in that it is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest. The proposal is consistent with these purposes because it will expand the information made available through the NOII to enhance the ability of market participants to understand the interplay of supply and demand of buy and sell orders leading up to the completion of the Cross. Specifically, by providing information regarding orders that would not be executed in the Cross if it occurred at the time of dissemination of the NOII, the proposed change may encourage entry of additional orders, thereby enhancing price discovery and increasing the likelihood of order interaction. The change will thereby perfect the mechanisms of a free and open market. Moreover, the change will protect investors and the public interest by providing additional transparency regarding the Cross, helping investors to understand the degree of supply and demand for the security that is the subject of the Cross.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the proposed change serves merely to increase the information provided by NASDAQ regarding supply and demand, thereby assisting market

⁸ 15 U.S.C. 78f (b).

⁹ 15 U.S.C. 78f(b)(5).

participants in making informed investment decisions regarding participation in the Cross. The change does not restrict the ability of market participants to participate in the Cross in any respect, and therefore does not impose any burden on competition.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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 if consistent with the protection of investors and the public interest, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁰ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹¹

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.

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

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-2014-088 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-2014-088. 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-2014-088, 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.¹²

Kevin M. O'Neill
Deputy Secretary

¹² 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

4753. Nasdaq Halt Cross

(a) Definitions.

For the purposes of this rule the term:

(1) – (2) No change.

(3) “Order Imbalance Indicator” shall mean a message disseminated by electronic means containing information about Eligible Interest and the price at which such interest would execute at the time of dissemination. The Order Imbalance Indicator shall disseminate the following information:

(A) “Current Reference Price” shall mean:

(i) The single price at which the maximum number of shares of Eligible Interest can be paired.

(ii) If more than one price exists under subparagraph (i), the Current Reference Price shall mean the price that minimizes any Imbalance.

(iii) If more than one price exists under subparagraph (ii), the Current Reference Price shall mean the entered price at which shares will remain unexecuted in the cross.

(iv) If more than one price exists under subparagraph (iii), the Current Reference Price shall mean:

[(a)] a. In the case of an IPO, the price that is closest to the Issuer’s Initial Public Offering Price;

[(b)] b. In the case of another halt type in which the security has already traded during normal market hours on that trading day, the price that is closest to the last Nasdaq execution prior to the trading halt; and

[(c)] c. In the case of another halt type in which the security has not already traded during normal market hours on that trading day, the price that is closest to the previous Nasdaq Official Closing Price.

Notwithstanding the foregoing, the Order Imbalance Indicator will not include the Current Reference Price if there is a Market Order Imbalance.

(B) the number of shares of Eligible Interest that are paired at the Current Reference Price;

(C) the size of any Imbalance or Market Order Imbalance, as applicable;

(D) the buy/sell direction of any Imbalance or Market Order Imbalance, as applicable; and

(E) indicative prices at which the Nasdaq Halt Cross would occur if the Nasdaq Halt Cross were to occur at that time. The indicative prices shall be:

(i) The Far Clearing Price which shall be the same as the Current Reference Price, and

(ii) The Near Clearing Price which shall be the same as the Current Reference Price.

(4) No change.

(5) “Eligible Interest” shall mean any quotation or any order that [may be] has been entered into the system and designated with a time-in-force [of SIOC, SDAY, SGTC, MIOC, MDAY, MGTC, SHEX, or GTMC] that would allow the order to be in force at the time of the Halt Cross.

(6) No change.

(b) – (c) No change.