OMB APPROVAL
OMB Number:.... 3235-0045
Estimated average burden hours per response:.....38

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 19

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2026 - * 082
Amendment No. (req. for Amendments *)

Filing by The Nasdaq Stock Market LLC

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 *

Rule

☐ 19b-4(f)(1) ☐ 19b-4(f)(4)
☐ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☑ 19b-4(f)(6)

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) * ☐

Exhibit 2 Sent As Paper Document ☐ Exhibit 3 Sent As Paper Document ☐

Description

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

A proposal to amend Listing Rule 5505 to require a minimum $4 price in all instances for initial listing on the Nasdaq Capital Market.

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.

[redacted]

Signature

Pursuant to the requirements of the Securities Exchange of 1934, The Nasdaq Stock Market LLC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 09/30/2026

By John A. Zecca
(Name *)

(Title *)
EVP and Chief Legal Officer

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

John A. Zecca Date: 2026.09.30 12:35:29 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

Add | Remove | View

SR-NASDAQ-2026-082 19b-4.docx

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

SR-NASDAQ-2026-082 Exhibit 1.docx

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 Advanced Notice by Clearing Agencies *

Add | Remove | View

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

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

Add | Remove | View

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 Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

Add | Remove | View

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 Sent As Paper Document

Exhibit 4 - Marked Copies

Add | Remove | View

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

SR-NASDAQ-2026-082 Exhibit 5.docx

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

Add | Remove | View

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 the Proposed Rule Change

(a) The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] is filing with the Securities and Exchange Commission ("SEC" or "Commission") a proposal to amend Listing Rule 5505 to require a minimum $4 price in all instances for initial listing on the Nasdaq Capital Market.

A notice of the proposed rule change for publication in the Federal Register is attached 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 proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors ("Board"). Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to:

[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

Currently, the Exchange allows for companies seeking to list on the Nasdaq Capital Market ("NCM") to list securities priced between $2 and $4 if the security also meets additional requirements that result in the security satisfying an exclusion from the definition of "penny stock" contained in Exchange Act Rule 3a51-1(g).[3] Pursuant to Listing Rule 5505(a)(1)(B), a company applying to list its securities on the NCM may meet the initial listing requirement by having a minimum closing price of $3 per share, if the company meets the requirements of the Equity or Net Income Standards under Listing Rules 5505(b)(1) or (b)(3), or of $2 per share, if the company meets the requirements of the Market Value of Listed Securities Standard under Listing Rule 5505(b)(2), provided that in either case the company demonstrates that it has either: net tangible assets (i.e., total assets less intangible assets and liabilities) in excess of $2 million, if the issuer has been in continuous operation for at least three years; or net tangible assets in excess of $5 million, if the issuer has been in continuous operation for less than three years; or average revenue of at least $6 million for the last three years (the "Alternative Price Requirement").

Nasdaq initially adopted the Alternative Price Requirement to enhance the competition among exchanges – particularly NYSE American LLC ("NYSE American"), which was the only other exchange allowed to list companies with a price below $4.[4] However, NYSE American

---

3 17 CFR 240.3a51-1(g).

4 See Securities Exchange Act Release No. 51983 (July 7, 2005), 70 FR 40614 (July 13, 2005) (Penny Stock Rule Amendments Adopting Release).

recently amended its rule to remove the ability to list securities priced below $4.[5] Similarly, Nasdaq is proposing to remove Listing Rule 5505(a)(1)(B), and, as a result, require all companies seeking to list under the Initial Listing Standards to have a minimum stock price of $4.00. The $4.00 standard is consistent with the initial listing requirements of other national securities exchanges, whereas the current Alternative Price Requirement is generally lower than the minimum price required for listing on other national securities exchanges.

Because companies that originally listed under the Alternative Price Requirement remain listed, the Exchange is proposing to keep Listing Rule IM-5505-2. The rule requires Nasdaq to publish on its website a list of any company that initially listed under the Alternative Price Requirement, which no longer satisfies the net tangible assets or revenue test contained in former Rule 5505(a)(1)(B), and which does not satisfy any of the other exclusions from being a penny stock contained in Rule 3a51-1 under the Act. Nasdaq will maintain this list on its website for as long as any companies remain listed that could be subject to that condition.[6] The Exchange is also proposing to include a summary description of former Listing Rule 5505(a)(1)(B) within Listing Rule IM-5505-2, which describes the price requirement that companies that initially list under the Alternative Price Requirement must satisfy and Nasdaq's ongoing monitoring of such companies for compliance with the penny stock rules. The proposed summary is intended to provide clarification for the references to the former rule that remain in Listing Rule IM-5505-2. Lastly, the Exchange is proposing to make conforming changes to Listing Rule IM-5505-2 to clarify that Listing Rule 5505(a)(1)(B) is a "former" rule.

---

5 See Securities Exchange Act Release No. 105105 (March 27, 2026), 91 FR 16262 (April 1, 2026) (Order approving SR-NYSEAMER-2026-02).

6 Pursuant to IM-5505-2, if a company initially listed under the Alternative Price Requirement but subsequently achieved a $4 closing price for at least five consecutive business days and, at the same time, satisfied all other initial listing criteria, the company will no longer be considered as having listed under the Alternative Price Requirement.

Nasdaq intends to make the proposed rule change operative 30 days after the date of the filing. This period will allow companies that have taken substantial steps to list under the current rules to complete the process.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[7] in general, and furthers the objectives of Section 6(b)(5) of the Act,[8] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by eliminating initial listing requirements that may cause securities to become susceptible to manipulation. More specifically, Nasdaq believes that removing the initial listing requirement that enables companies to list securities below $4 will decrease the likelihood that a company will trade at low price levels, which will protect investors and the public interest. Additionally, the Exchange believes that maintaining a summary of former Rule 5505(a)(1)(B) will provide clarification to the references to the former rule that are maintained in IM-5505-2.

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 not necessary or appropriate in furtherance of the purposes of the Act. Any company that desires to list on the NCM can do so on a non-discriminatory basis as long as the company complies with all the applicable Exchange initial listing requirements. Additionally, there is no burden to intra-market competition because the proposed change will apply to all

---

7 15 U.S.C. 78f(b).

8 15 U.S.C. 78f(b)(5).

companies that apply to list on the NCM. There is no inter-market burden on competition because the proposed amendment is aligned with the rule on other exchanges that do not allow for listing of companies below $4 and the proposal does not impose any burden on the ability for other exchanges to compete.[9] Additionally, Rule IM-5505-2will remain applicable to companies previously listed under the rule.

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

No written comments were either solicited or 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)(iii)[10] of the Act and Rule 19b-4(f)(6) thereunder[11] 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.

Nasdaq does not believe that this proposal significantly affects the protection of investors or the public interest or imposes any significant burden on competition. As discussed above, the proposal eliminates the listing standards permitting companies to list on the NCM with a $2 or $3 and establishes $4 as the minimum price for listing on the NCM. The proposed change will

---

9 See NYSE American Listed Company Guide Sections 101(a) – 101(d).

10 15 U.S.C. 78s(b)(3)(A)(iii).

11 17 CFR 240.19b-4(f)(6).

also decrease the likelihood that a company's stock price will become susceptible to manipulation. Additionally, the $4.00 standard is consistent with the initial listing requirements of other national securities exchanges, whereas the current Alternative Price Requirement was designed to enhance competition with NYSE American, which was the only market that had a similar requirement, and which recently eliminated their alternative price requirement.[12]

Furthermore, Rule 19b-4(f)(6)(iii)[13] 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. The Exchange has provided such notice.

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

Not applicable.

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

Not applicable.

---

[12] See Securities Exchange Act Release No. 105105(Aug. 28, 2026), 91 FR 16262 (April 1, 2026) (Order Approving NYSE American LLC's rules to amend Sections 101 and 103 of the NYSE Company Guide initial listing standards).

[13] 17 CFR 240.19b-4(f)(6)(iii).

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

Not applicable.

11. Exhibits

1. 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-2026-082]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Listing Rule 5505

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 September 30, 2026, The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to a proposal to amend Listing Rule 5505 to require a minimum $4 price in all instances for initial listing on the Nasdaq Capital Market.

The text of the proposed rule change is available on the Exchange's Website at https://listingcenter.nasdaq.com/rulebook/nasdaq/rulefilings, and at the principal office of the Exchange.

---

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

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

1. Purpose

Currently, the Exchange allows for companies seeking to list on the Nasdaq Capital Market ("NCM") to list securities priced between $2 and $4 if the security also meets additional requirements that result in the security satisfying an exclusion from the definition of "penny stock" contained in Exchange Act Rule 3a51-1(g).[3] Pursuant to Listing Rule 5505(a)(1)(B), a company applying to list its securities on the NCM may meet the initial listing requirement by having a minimum closing price of $3 per share, if the company meets the requirements of the Equity or Net Income Standards under Listing Rules 5505(b)(1) or (b)(3), or of $2 per share, if the company meets the requirements of the Market Value of Listed Securities Standard under Listing Rule 5505(b)(2), provided that in either case the company demonstrates that it has either: net tangible assets (i.e., total assets less intangible assets and liabilities) in excess of $2 million, if the issuer has been in continuous operation for at least three years; or net tangible assets in excess of $5 million, if the issuer has been in continuous operation for less than three years; or

[3] 17 CFR 240.3a51-1(g).

average revenue of at least $6 million for the last three years (the "Alternative Price Requirement").

Nasdaq initially adopted the Alternative Price Requirement to enhance the competition among exchanges – particularly NYSE American LLC ("NYSE American"), which was the only other exchange allowed to list companies with a price below $4.[4] However, NYSE American recently amended its rule to remove the ability to list securities priced below $4.[5] Similarly, Nasdaq is proposing to remove Listing Rule 5505(a)(1)(B), and, as a result, require all companies seeking to list under the Initial Listing Standards to have a minimum stock price of $4.00. The $4.00 standard is consistent with the initial listing requirements of other national securities exchanges, whereas the current Alternative Price Requirement is generally lower than the minimum price required for listing on other national securities exchanges.

Because companies that originally listed under the Alternative Price Requirement remain listed, the Exchange is proposing to keep Listing Rule IM-5505-2. The rule requires Nasdaq to publish on its website a list of any company that initially listed under the Alternative Price Requirement, which no longer satisfies the net tangible assets or revenue test contained in former Rule 5505(a)(1)(B), and which does not satisfy any of the other exclusions from being a penny stock contained in Rule 3a51-1 under the Act. Nasdaq will maintain this list on its website for as long as any companies remain listed that could be subject to that condition.[6] The Exchange is

---

4 See Securities Exchange Act Release No. 51983 (July 7, 2005), 70 FR 40614 (July 13, 2005) (Penny Stock Rule Amendments Adopting Release).

5 See Securities Exchange Act Release No. 105105 (March 27, 2026), 91 FR 16262 (April 1, 2026) (Order approving SR-NYSEAMER-2026-02).

6 Pursuant to IM-5505-2, if a company initially listed under the Alternative Price Requirement but subsequently achieved a $4 closing price for at least five consecutive business days and, at the same time, satisfied all other initial listing criteria, the company will no longer be considered as having listed under the Alternative Price Requirement.

also proposing to include a summary description of former Listing Rule 5505(a)(1)(B) within Listing Rule IM-5505-2, which describes the price requirement that companies that initially list under the Alternative Price Requirement must satisfy and Nasdaq's ongoing monitoring of such companies for compliance with the penny stock rules. The proposed summary is intended to provide clarification for the references to the former rule that remain in Listing Rule IM-5505-2. Lastly, the Exchange is proposing to make conforming changes to Listing Rule IM-5505-2 to clarify that Listing Rule 5505(a)(1)(B) is a "former" rule. Nasdaq intends to make the proposed rule change operative 30 days after the date of the filing. This period will allow companies that have taken substantial steps to list under the current rules to complete the process.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[7] in general, and furthers the objectives of Section 6(b)(5) of the Act,[8] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by eliminating initial listing requirements that may cause securities to become susceptible to manipulation. More specifically, Nasdaq believes that removing the initial listing requirement that enables companies to list securities below $4 will decrease the likelihood that a company will trade at low price levels, which will protect investors and the public interest. Additionally, the Exchange believes that maintaining a summary of former Rule 5505(a)(1)(B) will provide clarification to the references to the former rule that are maintained in IM-5505-2.

---

7 15 U.S.C. 78f(b).

8 15 U.S.C. 78f(b)(5).

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 not necessary or appropriate in furtherance of the purposes of the Act. Any company that desires to list on the NCM can do so on a non-discriminatory basis as long as the company complies with all the applicable Exchange initial listing requirements. Additionally, there is no burden to intra-market competition because the proposed change will apply to all companies that apply to list on the NCM. There is no inter-market burden on competition because the proposed amendment is aligned with the rule on other exchanges that do not allow for listing of companies below $4 and the proposal does not impose any burden on the ability for other exchanges to compete.[9] Additionally, Rule IM-5505-2 will remain applicable to companies previously listed under the rule.

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

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act[10] and subparagraph (f)(6) of Rule 19b-4 thereunder.[11]

---

9 See NYSE American Listed Company Guide Sections 101(a) – 101(d).

10 15 U.S.C. 78s(b)(3)(A)(iii).

11 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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 (https://www.sec.gov/rules/sro.shtml); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NASDAQ-2026-082 on the subject line.

Paper Comments:

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

All submissions should refer to file number SR-NASDAQ-2026-082. This file number should be included on the subject line if email 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 website (https://www.sec.gov/rules/sro.shtml). Copies of the filing will be available for inspection and copying at the principal office of the

Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NASDAQ-2026-082 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[12]

Sherry R. Haywood,

Assistant Secretary.

[12] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

The text of the proposed rule change is detailed below; proposed deletions are in brackets.

THE NASDAQ STOCK MARKET LLC RULES

* * * * *

5500. THE NASDAQ CAPITAL MARKET

* * * * *

5505. Initial Listing of Primary Equity Securities

A Company applying to list its Primary Equity Security on the Capital Market must meet all of the requirements set forth in Rule 5505(a) and at least one of the Standards in Rule 5505(b).

(a) **Initial Listing Requirements for Primary Equity Securities:**

(1) [(A)]Minimum bid price of $4 per share;[or]

[(B) Minimum closing price of $3 per share, if the Company meets the requirements of the Equity or Net Income Standards under Rules 5505(b)(1) or (b)(3), or of $2 per share, if the Company meets the requirements of the Market Value of Listed Securities Standard under Rule 5505(b)(2), provided that in either case the Company must also demonstrate that it has net tangible assets (i.e., total assets less intangible assets and liabilities) in excess of $2 million, if the issuer has been in continuous operation for at least three years; or net tangible assets in excess of $5 million, if the issuer has been in continuous operation for less than three years; or average revenue of at least $6 million for the last three years. A security must meet the applicable closing price requirement for at least five consecutive business days prior to approval.]

[For purposes of this paragraph (B), net tangible assets or average revenues must be demonstrated on the Company's most recently filed audited financial statements filed with, and satisfying the requirements of, the Commission or Other Regulatory Authority, and which are dated less than 15 months prior to the date of listing.]

(2) - (6) No change.

(b) No change.

* * * * *

IM-5505-2. Initial Listing for Securities below $4

[(a) Penny Stock Provisions.] Previously, Rule 5505(a)(1)(B) provide[s]d an alternative initial listing requirement for certain companies with a minimum bid price below $4. A company that qualifie[s]d for initial listing only under this alternative could become a "penny stock" if it later fails the net tangible assets and revenue tests after listing and does not satisfy any of the other exclusions from being a penny stock contained in Rule 3a51-1 under the Act. In order to assist brokers' and dealers' compliance with the requirements of the Penny Stock Rules, Nasdaq will continue to monitor companies listed under the alternative requirement and publish on its website on a daily basis a list of any company that initially listed under the alternative requirement, which no longer satisfies the net tangible assets or revenue test contained in former Rule 5505(a)(1)(B), and which does not satisfy any of the other exclusions from being a penny stock contained in Rule 3a51-1 under the Act. If a company initially list[s]ed with a bid price below $4 under the alternative requirement contained in former Rule 5505(a)(1)(B), but subsequently achieves a $4 closing price for at least five consecutive business days and, at the same time, satisfies all other initial listing criteria, it will no longer be considered as having listed under the alternative requirement and Nasdaq will notify the Company that it has qualified for listing under the price requirement contained in Rule 5505(a)(1)(A).

Brokers and dealers are reminded that the list published by Nasdaq is only an aid and that the Penny Stock Rules impose specific obligations on brokers and dealers with respect to transactions in penny stocks.

[(b)] Determination of closing price. For purposes of former Rule 5505(a)(1)(B) and this IM-5505-2, the closing price will be the Nasdaq Official Closing Price, if there is one, or the consolidated closing price distributed under the applicable National Market System Plan if there is no Nasdaq Official Closing Price. Nasdaq will require that a security maintain the necessary closing price for five consecutive business days, but may extend this five day period, based on any fact or circumstance, including the margin of compliance, the trading volume, the Market Maker montage, the trend of the security's price, or information or concerns raised by other regulators concerning the trading of the security.

The text of former Rule 5505(a)(1)(B), which provided an alternative to the $4 price requirement for new listing in former Rule 5505(a)(1)(A), but which is no longer applicable to new listings, read as follows:

"(B) Minimum closing price of $3 per share, if the Company meets the requirements of the Equity or Net Income Standards under Rules 5505(b)(1) or (b)(3), or of $2 per share, if the Company meets the requirements of the Market Value of Listed Securities Standard under Rule 5505(b)(2), provided that in either case the Company must also demonstrate that it has net tangible assets (i.e., total assets less intangible assets and liabilities) in excess of $2 million, if the issuer has been in continuous operation for at least three years; or net tangible assets in excess of $5 million, if the issuer has been in continuous operation for less than three years; or average revenue of at least $6 million for the last three years. A security must meet the applicable closing price requirement for at least five consecutive business days prior to approval.

For purposes of this paragraph (B), net tangible assets or average revenues must be demonstrated on the Company's most recently filed audited financial statements filed with, and satisfying the requirements of, the Commission or Other Regulatory Authority, and which are dated less than 15 months prior to the date of listing."

* * * * *