Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 22

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

File No.* SR - 2015 - * 079

Amendment No. (req. for Amendments *)

Filing by   NASDAQ Stock Market

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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

Rule

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

Relating to Order Routing

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 * Angela   Last Name * Dunn

Title * Associate General Counsel

E-mail * angela.dunn@nasdaqomx.com

Telephone * (215) 496-5692   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 07/13/2015   Executive Vice President and General Counsel

By Edward S. Knight

(Name *)

edward.knight@nasdaq.com

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

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

Add   Remove   View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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

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

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

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

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Exhibit Sent As Paper Document
☐

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

Add   Remove   View

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

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 ("Commission") a proposal to amend Chapter VI (Trading Systems) at Section 11 (Order Routing), of the rules governing the NASDAQ Options Market ("NOM" or "Exchange"), to clarify the manner in which a SEEK Order will route again after an initial routing attempt to another market center.

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 proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange (the "Board") on July 16, 2014. 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 regarding this rule filing may be directed to Angela Saccomandi Dunn, Associate General Counsel, The NASDAQ OMX Group at (215) 496-5692.

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[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

The Exchange's rules at Chapter VI, Section 11 provide for the manner in which orders submitted to the System[3] will route to other market centers.[4] The System provides two routing options pursuant to which orders are sent to other available market centers for potential execution, per the entering firm's instructions. The routing options are SEEK and SRCH. Routing options may be combined with all available order types and times-in-force, with the exception of order types and times-in-force whose terms are inconsistent with the terms of a particular routing option. The Exchange is seeking to clarify the manner in which a SEEK order will route again, after it is initially routed ("re-route").[5]

SEEK is a routing option pursuant to which an order will first check the System for available contracts for execution. After checking the System for available contracts, orders are sent to other available market centers for potential execution, per the entering firm's instructions. When checking the book, the System will seek to execute at the price at which it would send the order to a destination market center.

SRCH is a routing option pursuant to which an order will first check the System for available contracts for execution. After checking the System for available contracts, orders are sent to other available market centers for potential execution, per the entering

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[3]   The term "System" is defined in NOM Rules at Chapter VI, Section 1(a).

[4]   Participants can designate orders as either available for routing or not available for routing. See Chapter VI, Sec. 11(a).

[5]   If an order is only partially routed the portion that was not routed will be posted to the book.

firm's instructions. When checking the book, the System will seek to execute at the price at which it would send the order to a destination market center.

Both SEEK and SRCH eligible unexecuted orders will continue to be routed utilizing a route timer. The SEEK or SRCH order will post to the book and will be routed after a time period ("Route Timer") not to exceed one second as specified by the Exchange on its website provided that the order's limit price would lock or cross other market center(s).[6] If, during the Route Timer, any new interest arrives opposite the order that is equal to or better than the ABBO[7] price, the order will trade against such new interest at the ABBO price. Eligible unexecuted orders will be routed at the end of the Route Timer provided the order was not filled and the order's limit price would continue to lock or cross the ABBO. If an order was routed with either the SEEK or SRCH routing option, and has size after such routing, it will execute against contra side interest in the book, post in the book, and route again pursuant to the process described above, if applicable, if the order's limit price would lock or cross another market center(s).

With respect to SRCH Orders, if contracts remain un-executed after routing, they are posted on the book. Once on the book, should the order subsequently be locked or crossed by another market center, it will re-route. With SEEK orders, the rule currently states, if contracts remain un-executed after routing, they are posted on the book. Once on the book at the limit price, should the order subsequently be locked or crossed by

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[6]   Pursuant to Section 11(c) of Chapter VI, orders sent by the System pursuant to the SEEK and SRCH routing options to other markets would not retain time priority with respect to other orders in the System. If an order routed pursuant to SEEK or SRCH is subsequently returned, in whole or in part, that order, or its remainder, will receive a new time stamp reflecting the time of its return to the System.

[7]   ABBO is the away market's best bid or offer.

another market center, the System will not route the order to the locking or crossing

market center.

The Exchange seeks to amend the rule text in Chapter VI, Section 11(a)(1)(A) to

state, *while*, on the book at the limit price, should the order subsequently be locked or

crossed by another market center, the System will not route the order to the locking or

crossing market center. The purpose of this change is to make clear that the SEEK order

will not re-route as long as that order is at the limit price. The SEEK order may re-route,

after it has initially routed, when such order reprices.

Example #1: By way of example, if an order is subject to Acceptable Trade Range[8]
("ATR") with a price band of 0.80 and the order book is as follows:

- o Order 1: Buy SEEK order 27(10)
- o Order 2: Sell SEEK order 31 (10)
- o Order 3: Sell DNR order 29 (10)

Further, if NASDAQ's BBO is 27(10) x 29(10) and the away market is 27(10) x 33 (10)
with an NBBO of 27(20) x 29(10); then

An incoming Order 4: Buy DNR 30 (100) triggers ATR and the following takes
place within the order book:

- Order 4 first executes with Order 3 at 29(10)
- ATR timer starts, with Order 4 re-priced and displayed at 29.80 (90)
- Exchange BBO becomes 29.80 (90) x 31 (10), offer 31 is non-firm
- Assume, during ATR timer, away market moves such that new away market is
  31.10(10) x 33(10)

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[8]   The System will calculate an Acceptable Trade Range to limit the range of prices
        at which an order will be allowed to execute. The Acceptable Trade Range is
        calculated by taking the reference price, plus or minus a value to be determined
        by the Exchange. (i.e., the reference price - (x) for sell orders and the reference
        price + (x) for buy orders). Upon receipt of a new order, the reference price is the
        national best bid (NBB) for sell orders and the national best offer (NBO) for buy
        orders or the last price at which the order is posted whichever is higher for a buy
        order or lower for a sell order. See NASDAQ Rules at Chapter VI, Section 10(7).

- After ATR processing concludes, Order 2 is repriced to be offered at 31.10 and displayed tick away at 31.20 to avoid locking/crossing the market
- Exchange BBO becomes 30(90) x 31.20(10)
- After route timer, Order 2 routes to away market at 31.10.

The Exchange proposes to add the following new sentence, "SEEK orders will not be eligible for routing until the next time the option series is subject to a new opening or reopening." The purpose of this new sentence is to make clear that an opening and reopening will cause an order to be eligible for routing. The SEEK order will be treated as a new order and therefore will become subject to the routing process anew with an opening or reopening process, provided the order locks or crosses another market.

Example #2: By way of example, presume a halt occurred on NOM with the following order book:

▪ Order 1: Buy SEEK Order is on the book at its limit price, 2.00 (15).

▪ The related underlying is halted.

▪ Immediately following the halt, before NOM has re-opened the issue, the away market quotes at 1.95 (100) x 1.99 (100).

▪ Upon re-opening the issue on NOM, the SEEK order routes at 1.99 (15). The System comes out of a halt with a new opening process and treats all orders as if they were new orders thus the SEEK order will re-route.

The Exchange proposes to modify the existing sentence which states, "[o]nce on the book at the limit price, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center" to "[w]hile on the book at the limit price, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center." The Exchange believes that this modification reflects more accurate rule text. The Exchange believes that market participants are aware of the

manner in which the SEEK order operates as there has been no System change with respect to the function of the SEEK order. The proposed language serves to make clear that a SEEK order will not re-route while at its limit price, but once that order is re-priced, it may route again.[9]

   b.   Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act[10] in general, and furthers the objectives of Section 6(b)(5) of the Act[11] in particular, in that it is designed 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 amending the rule text to clarify the existing rule text and provide the circumstances when a SEEK order would be eligible to route, such as (1) when the order is repriced, after it is posted to the order book, at a price not at its limit price; and (2) when an opening or reopening (after a halt) occurs such that the System views these orders as new orders and they become subject to routing anew. The Exchange believes that these amendments provide transparency and specificity to the Rules and the corrected rule text protects investors and the public interest by reducing the potential for investor confusion.

The Exchange believes the additional language benefits other market participants who may not be currently familiar with the routing options on NOM to understand the difference between the two routing options offered by the Exchange. While the

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[9]   See Example # 1.

[10]   15 U.S.C. 78f(b).

[11]   15 U.S.C. 78f(b)(5).

Exchange is modifying the rule text, it notes that the System will continue to operate as it does today. Rather, the proposed rule text seeks to bring additional clarity to the current rule text to clarify when a SEEK order will re-route to another market center after it has initially routed. The Exchange believes this language corrects the current rule text and more clearly differentiates an order routed pursuant to the SEEK routing option as compared to the SRCH routing option.

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. The proposed rule change does not create an undue burden on competition as the proposed rule change is not a substantive change in that the System will continue to operate as it does today. The Exchange desires to amend the current rule text to provide two circumstances when the SEEK order would re-route after it has initially routed to an away market center. The Exchange believes that this proposed rule text will clarify the current rule which states that SEEK order will not re-route once it is on the book at the limit price. The Exchange is seeking to provide greater transparency in its rules. The amendments would apply to all market participants in the same manner.

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)[12]

of the Act and Rule 19b-4(f)(6) thereunder[13] in that it effects a change that: (i) does not

significantly affect the protection of investors or the public interest; (ii) does not impose

any significant burden on competition; and (iii) by its terms, does not become operative

for 30 days after the date of the filing, or such shorter time as the Commission may

designate if consistent with the protection of investors and the public interest.

The proposed rule change does not significantly affect the protection of investors

or the public interest because the rule change is similar to the function of the SRCH order

which re-routes after an initial route to an away market center.   Further, the proposed

rule change does not impose any significant burden on competition because the proposed

rule change provides clarity to the function of the SEEK order and explains the manner in

which such order will reroute after it has been reprice and is no longer at its limit price

and once an opening or reopening process has occurred and the order is considered a new

order by the System. Today, SRCH orders on NOM are subject to a re-route.

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. 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

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[12]   15 U.S.C. 78s(b)(3)(A).

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

Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for

the protection of investors; or (iii) 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.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become

operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits

the Commission to designate a shorter time if such action is consistent with the protection

of investors and the public interest. The Exchange requests that the Commission waive

the 30-day pre-operative waiting period contained in Rule 19b-4(f)(6)(iii) so that the rule

text may be amended to clearly provide the circumstances of when a re-route could occur

with a SEEK order, after the order has been initially routed. The amendments would

apply to all market participants in the same manner. Participants will benefit from this

additional clarity to the NOM Rules.

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

The proposed rule change is not based on the rules of another self-regulatory

organization or of the Commission.

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.   Notice of proposed rule for publication in the Federal Register.

      5.   Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No.   ; File No. SR-NASDAQ-2015-079)

July __, 2015

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to NOM Order Routing

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 July 13, 2015, 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 amend Chapter VI (Trading Systems) at Section 11 (Order Routing), of the rules governing the NASDAQ Options Market ("NOM" or "Exchange"), to clarify the manner in which a SEEK Order will route again after an initial routing attempt to another market center.

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.

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[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

The Exchange's rules at Chapter VI, Section 11 provide for the manner in which orders submitted to the System[3] will route to other market centers.[4] The System provides two routing options pursuant to which orders are sent to other available market centers for potential execution, per the entering firm's instructions. The routing options are SEEK and SRCH. Routing options may be combined with all available order types and times-in-force, with the exception of order types and times-in-force whose terms are inconsistent with the terms of a particular routing option. The Exchange is seeking to clarify the manner in which a SEEK order will route again, after it is initially routed ("re-route").[5]

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[3]   The term "System" is defined in NOM Rules at Chapter VI, Section 1(a).

[4]   Participants can designate orders as either available for routing or not available for routing. See Chapter VI, Sec. 11(a).

[5]   If an order is only partially routed the portion that was not routed will be posted to the book.

SEEK is a routing option pursuant to which an order will first check the System for available contracts for execution. After checking the System for available contracts, orders are sent to other available market centers for potential execution, per the entering firm's instructions. When checking the book, the System will seek to execute at the price at which it would send the order to a destination market center.

SRCH is a routing option pursuant to which an order will first check the System for available contracts for execution. After checking the System for available contracts, orders are sent to other available market centers for potential execution, per the entering firm's instructions. When checking the book, the System will seek to execute at the price at which it would send the order to a destination market center.

Both SEEK and SRCH eligible unexecuted orders will continue to be routed utilizing a route timer. The SEEK or SRCH order will post to the book and will be routed after a time period ("Route Timer") not to exceed one second as specified by the Exchange on its website provided that the order's limit price would lock or cross other market center(s).[6] If, during the Route Timer, any new interest arrives opposite the order that is equal to or better than the ABBO[7] price, the order will trade against such new interest at the ABBO price. Eligible unexecuted orders will be routed at the end of the Route Timer provided the order was not filled and the order's limit price would continue to lock or cross the ABBO. If an order was routed with either the SEEK or SRCH

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[6]   Pursuant to Section 11(c) of Chapter VI, orders sent by the System pursuant to the SEEK and SRCH routing options to other markets would not retain time priority with respect to other orders in the System. If an order routed pursuant to SEEK or SRCH is subsequently returned, in whole or in part, that order, or its remainder, will receive a new time stamp reflecting the time of its return to the System.

[7]   ABBO is the away market's best bid or offer.

routing option, and has size after such routing, it will execute against contra side interest in the book, post in the book, and route again pursuant to the process described above, if applicable, if the order's limit price would lock or cross another market center(s).

With respect to SRCH Orders, if contracts remain un-executed after routing, they are posted on the book. Once on the book, should the order subsequently be locked or crossed by another market center, it will re-route. With SEEK orders, the rule currently states, if contracts remain un-executed after routing, they are posted on the book. Once on the book at the limit price, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center.

The Exchange seeks to amend the rule text in Chapter VI, Section 11(a)(1)(A) to state, *while*, on the book at the limit price, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center. The purpose of this change is to make clear that the SEEK order will not re-route as long as that order is at the limit price. The SEEK order may re-route, after it has initially routed, when such order reprices.

Example #1: By way of example, if an order is subject to Acceptable Trade Range[8] ("ATR") with a price band of 0.80 and the order book is as follows:

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[8]   The System will calculate an Acceptable Trade Range to limit the range of prices at which an order will be allowed to execute. The Acceptable Trade Range is calculated by taking the reference price, plus or minus a value to be determined by the Exchange. (i.e., the reference price - (x) for sell orders and the reference price + (x) for buy orders). Upon receipt of a new order, the reference price is the national best bid (NBB) for sell orders and the national best offer (NBO) for buy orders or the last price at which the order is posted whichever is higher for a buy order or lower for a sell order. See NASDAQ Rules at Chapter VI, Section 10(7).

- o Order 1: Buy SEEK order 27(10)
- o Order 2: Sell SEEK order 31 (10)
- o Order 3: Sell DNR order 29 (10)

Further, if NASDAQ's BBO is 27(10) x 29(10) and the away market is 27(10) x 33 (10) with an NBBO of 27(20) x 29(10); then

An incoming Order 4: Buy DNR 30 (100) triggers ATR and the following takes place within the order book:

- Order 4 first executes with Order 3 at 29(10)
- ATR timer starts, with Order 4 re-priced and displayed at 29.80 (90)
- Exchange BBO becomes 29.80 (90) x 31 (10), offer 31 is non-firm
- Assume, during ATR timer, away market moves such that new away market is 31.10(10) x 33(10)
- After ATR processing concludes, Order 2 is repriced to be offered at 31.10 and displayed tick away at 31.20 to avoid locking/crossing the market
- Exchange BBO becomes 30(90) x 31.20(10)
- After route timer, Order 2 routes to away market at 31.10.

The Exchange proposes to add the following new sentence, "SEEK orders will not be eligible for routing until the next time the option series is subject to a new opening or reopening." The purpose of this new sentence is to make clear that an opening and reopening will cause an order to be eligible for routing. The SEEK order will be treated as a new order and therefore will become subject to the routing process anew with an opening or reopening process, provided the order locks or crosses another market.

Example #2: By way of example, presume a halt occurred on NOM with the following order book:

▪ Order 1: Buy SEEK Order is on the book at its limit price, 2.00 (15).

▪ The related underlying is halted.

▪ Immediately following the halt, before NOM has re-opened the issue, the away market quotes at 1.95 (100) x 1.99 (100).

▪ Upon re-opening the issue on NOM, the SEEK order routes at 1.99 (15). The System comes out of a halt with a new opening process and treats all orders as if they were new orders thus the SEEK order will re-route.

The Exchange proposes to modify the existing sentence which states, "[o]nce on the book at the limit price, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center" to "[w]hile on the book at the limit price, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center." The Exchange believes that this modification reflects more accurate rule text. The Exchange believes that market participants are aware of the manner in which the SEEK order operates as there has been no System change with respect to the function of the SEEK order. The proposed language serves to make clear that a SEEK order will not re-route while at its limit price, but once that order is re-priced, it may route again.[9]

2.   Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act[10] in general, and furthers the objectives of Section 6(b)(5) of the Act[11] in particular, in that it is designed 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 amending the rule text to clarify the existing rule text and provide the circumstances when a SEEK order would be eligible to route, such as (1) when the order is repriced, after it is posted to the order book, at a price not at its limit price; and (2) when an opening or reopening

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[9]   See Example # 1.

[10]   15 U.S.C. 78f(b).

[11]   15 U.S.C. 78f(b)(5).

(after a halt) occurs such that the System views these orders as new orders and they become subject to routing anew. The Exchange believes that these amendments provide transparency and specificity to the Rules and the corrected rule text protects investors and the public interest by reducing the potential for investor confusion.

The Exchange believes the additional language benefits other market participants who may not be currently familiar with the routing options on NOM to understand the difference between the two routing options offered by the Exchange. While the Exchange is modifying the rule text, it notes that the System will continue to operate as it does today. Rather, the proposed rule text seeks to bring additional clarity to the current rule text to clarify when a SEEK order will re-route to another market center after it has initially routed. The Exchange believes this language corrects the current rule text and more clearly differentiates an order routed pursuant to the SEEK routing option as compared to the SRCH routing option.

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. The proposed rule change does not create an undue burden on competition as the proposed rule change is not a substantive change in that the System will continue to operate as it does today. The Exchange desires to amend the current rule text to provide two circumstances when the SEEK order would re-route after it has initially routed to an away market center. The Exchange believes that this proposed rule text will clarify the current rule which states that SEEK order will not re-route once it is on the book at the

limit price. The Exchange is seeking to provide greater transparency in its rules. The amendments would apply to all market participants in the same manner.

      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 from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act[12] and subparagraph (f)(6) of Rule 19b-4 thereunder.[13]

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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.

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[12]   15 U.S.C. 78s(b)(3)(a)(iii).

[13]   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.

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-2015-079 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-NASDAQ-2015-079. 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, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing

also will be available for inspection and copying at the principal office 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-2015-079 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.[14]

> Robert W. Errett
> Deputy Secretary

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[14]   17 CFR 200.30-3(a)(12).

New text is underlined and deleted text is in bracket.

NASDAQ Stock Market Rules

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Chapter VI Trading Systems

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Sec. 11 Order Routing
(a) For System securities, the order routing process shall be available to Participants from 9:30 a.m. Eastern Time until market close and shall route orders as described below. Participants can designate orders as either available for routing or not available for routing. All routing of orders shall comply with Chapter XII, Options Order Protection and Locked and Crossed Market Rules.

   (1) The system provides a number of routing options pursuant to which orders are sent to other available market centers for potential execution, per the entering firm's instructions. Routing options may be combined with all available order types and times-in-force, with the exception of order types and times-inforce whose terms are inconsistent with the terms of a particular routing option. The term "System routing table" refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. The Exchange reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The system routing options are:

   (A) SEEK is a routing option pursuant to which an order will first check the System for available contracts for execution. After checking the System for available contracts, orders are sent to other available market centers for potential execution, per the entering firm's instructions. When checking the book, the System will seek to execute at the price at which it would send the order to a destination market center. Eligible unexecuted orders will continue to be routed as described in paragraph (a)(1)(C). If contracts remain un-executed after routing, they are posted on the book at its limit price. [Once]While on the book at the limit price, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center. SEEK orders will not be eligible for routing until the next time the option series is subject to a new opening or reopening.

(B) and (C) No Change

(b) –(g) No Change

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