

Required fields are shown with yellow backgrounds and asterisks.

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

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 3C(b)(2) * <input type="checkbox"/>
Section 806(e)(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 *).
 Proposal to adopt initial and continued listing standards for the listing of Equity Investment Tracking Stocks.

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 * Nikolai Last Name * Utochkin
 Title * Counsel - Listing and Governance
 E-mail * Nikolai.Utochkin@nasdaq.com
 Telephone * (301) 978-8029 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 06/08/2017 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 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 *

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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

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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

Partial Amendment

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

1. Text of 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 adopt initial and continued listing standards for the listing of Equity Investment Tracking Stocks.

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 (the “Board”) on August 15, 2016. 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:

Nikolai Utochkin
Counsel
Listing and Governance
Nasdaq, Inc.
(301) 978-8029

or

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Arnold Golub
Deputy General Counsel
Nasdaq, Inc.
(301) 978-8075

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

a. Purpose

Nasdaq proposes to adopt initial and continued listing standards for the listing of Equity Investment Tracking Stocks. An Equity Investment Tracking Stock is defined as a class of common equity securities that tracks on an unleveraged basis the performance of an investment by the issuer in the common equity securities of a single other company listed on the Exchange.³ An Equity Investment Tracking Stock may track multiple classes of common equity securities of a single issuer, so long as all of those classes have identical economic rights and at least one of those classes is listed on the Exchange.

An Equity Investment Tracking Stock may be listed on the Nasdaq Global Select, Global, or Capital Markets under the Rule 5300, 5400 or 5500 Series, as applicable, provided it also meets the additional requirements set forth in the proposed Rule 5222. An Equity Investment Tracking Stock is only eligible to be listed on the same tier of Nasdaq (Global Select, Global or Capital) as the equity security it tracks.

Proposed Rule 5222(a) provides that, prior to the commencement of trading of any Equity Investment Tracking Stock, Nasdaq will distribute an information circular to

³ Nasdaq will determine whether a security tracks the performance of a single other company based on the facts and circumstances of the particular matter, including whether the security tracks substantial assets in addition to the other listed company. Nasdaq encourages any company considering listing a security that tracks the performance of another listed company, in whole or in part, to contact Nasdaq staff as early as possible to discuss.

its members that describes any special characteristics and risks of trading the Equity Investment Tracking Stock, and lists Exchange Rules that will apply to the Equity Investment Tracking Stock including rules that require members: (A) to use reasonable diligence in regard to the opening and maintenance of every account, to know (and retain) the essential facts concerning every customer and concerning the authority of each person acting on behalf of such customer; and (B) in recommending transactions in the Equity Investment Tracking Stock to have a reasonable basis to believe that (i) the recommendation is suitable for a customer given reasonable inquiry concerning the customer's investment objectives, financial situation, needs, and any other information known by such members, and (ii) the customer can evaluate the special characteristics, and is able to bear the financial risks, of an investment in the Equity Investment Tracking Stock.

Proposed Rule 5222(b) provides that in addition to the initial listing requirements of the Rule 5300 Series⁴, the Rule 5400 Series⁵, or the Rule 5500 Series⁶ applicable to all

⁴ The Rule 5300 Series generally requires that for initial listing on the Nasdaq Global Select Market a security must satisfy a price, publicly held shares, market maker, ownership, market value and valuation requirement.

⁵ The Rule 5400 Series generally requires that for initial listing on the Nasdaq Global Market a security must satisfy a price, publicly held shares, round lot holder, market maker, and either an income, an equity, a market value of listed securities, or a total assets and total revenue requirement.

⁶ The Rule 5500 Series generally requires that for initial listing on the Nasdaq Capital Market a security must satisfy a price, publicly held shares, round lot holder, market maker, and either an equity, a market value of listed securities, or a net income requirement.

securities,⁷ the issuer of the Equity Investment Tracking Stock must own (directly or indirectly⁸) at least 50% of both the economic interest and the voting power of all of the outstanding classes of common equity of the issuer whose equity is tracked by the Equity Investment Tracking Stock. Further, Nasdaq will not list an Equity Investment Tracking Stock if, at the time of the proposed listing, the issuer of the equity tracked by the Equity Investment Tracking Stock has received a Staff Delisting Determination or been notified about a deficiency, except for a corporate governance deficiency with a grace period provided under Rule 5810(c)(3)(E),⁹ with respect to such security.

Proposed Rule 5222(c) provides that in addition to the continued listing requirements of the Rule 5400 Series¹⁰ or the Rule 5500 Series,¹¹ as applicable, Nasdaq

⁷ In addition to meeting the quantitative requirements of the Rule 5300 Series, the Rule 5400 Series, or the Rule 5500 Series, the issuer of Equity Investment Tracking Stock must meet the requirements of the Rule 5100 Series, the disclosure obligations set forth in the Rule 5200 Series, the Corporate Governance requirements set forth in the Rule 5600 Series, and pay any applicable fees in the Rule 5900 Series.

⁸ An example of an indirect ownership would be where the listed company has a 100%-owned subsidiary and that subsidiary in turn owns the stock of the company whose performance is being tracked. Another example would be where the listed company owns 100% of each of two subsidiaries, each of which owns stock in the company whose performance is being tracked.

⁹ Rule 5810(c)(3)(E) provides that if a company fails to meet the majority board independence or the audit committee composition requirements due to one vacancy, or fails to meet the audit committee composition requirements because an audit committee member ceases to be independent for reasons outside her control, Nasdaq will provide the company with an automatic grace period for up to one year to regain compliance with the rule.

¹⁰ The Rule 5400 Series generally requires that for continued listing on the Nasdaq Global Market, including the Nasdaq Global Select Market, a security must satisfy a price, publicly held shares, total holders, market maker, and either an equity, a market value of listed securities, or a total assets and total revenue requirement.

will also apply additional continued listing requirements. Specifically, if the listed equity security or securities whose value is tracked by the Equity Investment Tracking Stock is transferred to a different tier of Nasdaq (Global Select, Global or Capital), the Equity Investment Tracking Stock that tracks such security will be automatically transferred to the same tier of Nasdaq, provided the Equity Investment Tracking Stock meets the applicable listing standards for that tier. However, if the Equity Investment Tracking Stock does not meet the applicable listing standards for that tier, Nasdaq will determine whether the Equity Investment Tracking Stock meets an applicable initial listing standard in place at that time and will halt trading in the Equity Investment Tracking Stock and issue a Staff Delisting Determination pursuant to Rule 5810(c)(1) if it does not.

Similarly, if the listed equity security or securities whose value is tracked by the Equity Investment Tracking Stock ceases to be listed on Nasdaq or is suspended pending delisting, the issuer of the Equity Investment Tracking Stock owns less than 50% of the issuer whose equity is tracked by the Equity Investment Tracking Stock, or the Equity Investment Tracking Stock ceases to track the performance of the listed equity security or securities that was tracked at the time of initial listing, Nasdaq will determine whether the Equity Investment Tracking Stock meets an applicable initial listing standard in place at that time and will halt trading in the Equity Investment Tracking Stock and issue a Staff Delisting Determination pursuant to Rule 5810(c)(1) if it does not.

¹¹ The Rule 5500 Series generally requires that for continued listing on the Nasdaq Capital Market a security must satisfy a price, publicly held shares, public holders, market maker, and either an equity, a market value of listed securities, or a net income requirement.

Nasdaq also proposes to amend Rule 5810(c)(1) to provide that an Equity Investment Tracking Stock's failure to comply with the additional continued listing requirements in Rule 5222(c) or the issuance of a Staff Delisting Determination with respect to the security such Equity Investment Tracking Stock tracks will constitute a deficiency that will immediately result in Nasdaq issuing a Delisting Determination with regard to the Equity Investment Tracking Stock.

Proposed Rule 5222(d) imposes additional disclosure and procedural requirements on the Equity Investment Tracking Stock when a listed equity security whose value is tracked by the Equity Investment Tracking Stock is subject to deficiency procedures. These requirements are designed to provide investors in the Equity Investment Tracking Stock with notice about the potential delisting of the listed equity security or securities whose value is tracked by the Equity Investment Tracking Stock and to assure that the Equity Investment Tracking Stock is treated in the same manner as the equity security whose value it tracks during the deficiency administration process. Specifically, if the issuer of the security that the Equity Investment Tracking Stock tracks announces that it has received a deficiency notification then the issuer of the Equity Investment Tracking Stock must promptly publicly announce (either by filing a Form 8-K, where required by SEC rules, or by issuing a press release) that fact.¹²

In addition, proposed Rule 5222(d) provides that notwithstanding any provisions to the contrary, if the Staff Delisting Determination issued to the security such Equity Investment Tracking Stock tracks is stayed pursuant to the Rule 5800 Series, the

¹² In addition, the issuer of the Equity Investment Tracking Stock that receives a notification of deficiency or Staff Delisting Determination is required by Rule 5810(b) to make a public announcement disclosing receipt of the notification.

suspension of the Equity Investment Tracking Stock also will be stayed and will remain stayed on the same terms that apply to the security such Equity Investment Tracking Stock tracks.

Nasdaq proposes to amend Rule 4120(a) governing Nasdaq's authority to initiate trading halts or pauses and Rule IM-5250-1 providing interpretive material regarding trading halts to provide that, in the event that the issuer of the common equity security tracked by an Equity Investment Tracking Stock intends to issue a material news release during the trading day and Nasdaq determines that a regulatory trading halt should be implemented, including a trading halt pending dissemination of the news, Nasdaq will also halt trading in the Equity Investment Tracking Stock simultaneously with the halt in the security it tracks and will also recommence trading at the same time. In addition, Nasdaq will halt trading in the Equity Investment Tracking Stock if the security it tracks is suspended from trading, such as while the security is pending delisting.¹³

Nasdaq proposes to amend Rules 5401 and 5501 to update the preamble to these rules and Rule 5305 to provide that an Equity Investment Tracking Stock may be listed as a primary equity security or as a secondary class of common stock, as applicable, provided it must also meet the requirements set forth in Rule 5222.

Nasdaq represents that it will monitor activity in Equity Investment Tracking Stocks to identify and deter any potential improper trading activity in such securities.

¹³ If the security that an Equity Investment Tracking Stock tracks is suspended pending delisting Nasdaq would also follow the procedures in Rule 5222(c) and initiate delisting proceedings for the Equity Investment Tracking Stock unless it meets another applicable listing standard. The trading halt in the Equity Investment Tracking Stock would remain in place until the Equity Investment Tracking Stock is requalified or is suspended pending its delisting pursuant to the procedural requirements of the Rule 5800 Series.

The Exchange will adopt surveillance procedures, and make any enhancements necessary, sufficient to enable it to monitor Equity Investment Tracking Stocks alongside the securities whose value they track. Additionally, the Exchange will rely on its existing trading surveillances, administered by the Exchange, or the Financial Industry Regulatory Authority (“FINRA”) on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.¹⁴

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

Given the novel investment characteristics of Equity Investment Tracking Stocks, the Exchange will conduct a review of the trading and compliance with continued listing standards of Equity Investment Tracking Stocks and their issuers over the initial two year period for which the proposed listing standard is in operation.

The Exchange will furnish two reports to the SEC based on this review, one to be provided no later than sixty days after the first anniversary of the adoption of the proposed rule, which will cover the first year, and the second to be provided one year later, which will cover the second year. At a minimum, the reports will address the relationship between the trading prices of listed Equity Investment Tracking Stocks and those of the securities whose values they track, the liquidity of the market for the two

¹⁴ FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA’s performance under this regulatory services agreement.

securities, and any manipulation concerns arising in connection with the trading of securities listed under the standard and the securities whose values are being tracked. The reports will also discuss any recommendations the Exchange may have for enhancements to the listing standard based on its review.

Nasdaq proposes to make a conforming change to Rule 5950(e)(3) to allow for the renumbering of the defined terms in Rule 5005(a).

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁵ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁶ 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, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed listing standards are designed to protect investors and the public interest by ensuring that Equity Investment Tracking Stocks listed on the Exchange meet stringent quantitative and qualitative listing standards to qualify for initial and continued listing. The Exchange notes that trading in an Equity Investment Tracking Stock will be halted and subject to delisting if it does not meet another applicable initial listing standard and (i) the equity security or securities whose value is tracked by the Equity Investment Tracking Stock ceases to be listed on the Exchange or is suspended pending delisting; (ii) the issuer of the Equity Investment Tracking Stock owns (directly

¹⁵ 15 U.S.C. 78f(b).

¹⁶ 15 U.S.C. 78f(b)(5).

or indirectly) less than 50% of either the economic interest or the voting power of all of the outstanding classes of common equity of the issuer whose equity is tracked by the Equity Investment Tracking Stock; or (iii) the Equity Investment Tracking Stock ceases to track the performance of the listed equity security that was tracked at the time of initial listing. If the security whose value is tracked by an Equity Investment Tracking Stock changes tiers (e.g., from Capital Market to Global Market), Nasdaq will halt trading and initiate delisting of the Equity Investment Tracking Stock unless the Equity Investment Tracking Stock meets the applicable listing requirements for the new tier or qualifies for listing under another applicable initial listing standard.

The Equity Investment Tracking Stocks will have to meet the requirements of the proposed Listing Rule 5222 in addition to the other listing requirement applicable to equity securities. The issuer of an Equity Investment Tracking Stock must fully comply with the requirements of the Rule 5100 Series, the disclosure obligations set forth in the Rule 5200 Series, the quantitative requirements set forth in the Rule 5300 Series, the Rule 5400 Series or the Rule 5500 Series, and the Corporate Governance requirements set forth in the Rule 5600 Series, subject to applicable exemptions such as those for controlled companies.

The proposed rule change is designed to provide equivalent treatment to an Equity Investment Tracking Stock as is provided to the security or securities it tracks, and therefore it will not permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange notes that it is proposing to amend Rule 4120(a) governing Nasdaq's authority to initiate trading halts or pauses and Rule IM-5250-1 providing

interpretive material regarding trading halts to provide that, in the event that the issuer of the common equity security tracked by an Equity Investment Tracking Stock intends to issue a material news release during the trading day and Nasdaq determines that a regulatory trading halt should be implemented pending dissemination of the news or if Nasdaq determines that any other required regulatory trading halt should be implemented, the Exchange will also halt trading in the Equity Investment Tracking Stock simultaneously with the halt in the security whose values is being tracked and will also recommence trading at the same time. The Exchange believes that this proposed amendment will protect investors and the public interest by preventing market participants from gaining an advantage in trading in an Equity Investment Tracking Stock based on their possession of material nonpublic information with respect to the company whose value is being tracked by the Equity Investment Tracking Stock. In addition, Nasdaq will halt trading in the Equity Investment Tracking Stock if the security whose value is being tracked is suspended from trading, such as while the security is pending delisting.

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 is designed to provide listing standards for Equity Investment Tracking Stocks that are appropriately protective of investors and is not designed to limit the ability of the issuers of those securities to list them on any other

national securities exchange. The market for listing services is extremely competitive.¹⁷ Because issuers have a choice to list their securities on a different national securities exchange, the Exchange does not believe that the proposed listing standards impose a burden on competition.

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)¹⁸ of the Act and Rule 19b-4(f)(6) thereunder¹⁹ 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 believes that the proposed rule change does not significantly affect the protection of investors or the public interest because the proposed listing standards are designed to ensure that Equity Investment Tracking Stocks listed on the Exchange meet

¹⁷ See Securities Exchange Act Release No. 78153 (June 24, 2016), 81 FR 42762 (June 30, 2016) (SR-NYSE-2016-22) (adopting listing standards for Equity Investment Tracking Stocks).

¹⁸ 15 U.S.C. 78s(b)(3)(A).

¹⁹ 17 CFR 240.19b-4(f)(6).

stringent quantitative and qualitative listing standards to qualify for initial and continued listing. The Exchange will issue an information circular that will describe any special characteristics and risks of trading the Equity Investment Tracking Stock and will also adopt surveillance procedures, and make any enhancements necessary, sufficient to enable it to monitor Equity Investment Tracking Stocks alongside the securities whose value they track.

Nasdaq does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. The proposed rule change is designed to provide listing standards for Equity Investment Tracking Stocks that are appropriately protective of investors and is not designed to limit the ability of the issuers of those securities to list them on any other national securities exchange. The market for listing services is extremely competitive and the proposed standards are substantially similar to the standards for listing Equity Investment Tracking Stocks on the New York Stock Exchange which were approved by the Commission following notice and comment period.²⁰ Because issuers have a choice to list their securities on a different national securities exchange, the Exchange does not believe that the proposed listing standards impose a burden on competition.

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.

²⁰ See Exchange Act Release No. 78153, supra.

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.

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

The New York Stock Exchange adopted a rule that adopted initial and continued listing standards for the listing of Equity Investment Tracking Stocks.²¹ The eligibility requirements, and additional initial and continued listing requirements of this proposed rule are substantially similar to the standards for the listing of Equity Investment Tracking Stocks under the NYSE's rule.

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 Change for publication in the Federal Register.

5. Text of the proposed rule change.

²¹ See Exchange Act Release No. 78153, supra. See also Sections 102.07 and 802.00 of the NYSE Listed Company Manual.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. _____ ; File No. SR-NASDAQ-2017-058)

June __, 2017

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Adopt Initial and Continued Listing Standards for the Listing of Equity Investment Tracking Stocks

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 June 8, 2017, 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 adopt initial and continued listing standards for the listing of Equity Investment Tracking Stocks.

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.

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

Nasdaq proposes to adopt initial and continued listing standards for the listing of Equity Investment Tracking Stocks. An Equity Investment Tracking Stock is defined as a class of common equity securities that tracks on an unleveraged basis the performance of an investment by the issuer in the common equity securities of a single other company listed on the Exchange.³ An Equity Investment Tracking Stock may track multiple classes of common equity securities of a single issuer, so long as all of those classes have identical economic rights and at least one of those classes is listed on the Exchange.

An Equity Investment Tracking Stock may be listed on the Nasdaq Global Select, Global, or Capital Markets under the Rule 5300, 5400 or 5500 Series, as applicable, provided it also meets the additional requirements set forth in the proposed Rule 5222.

³ Nasdaq will determine whether a security tracks the performance of a single other company based on the facts and circumstances of the particular matter, including whether the security tracks substantial assets in addition to the other listed company. Nasdaq encourages any company considering listing a security that tracks the performance of another listed company, in whole or in part, to contact Nasdaq staff as early as possible to discuss.

An Equity Investment Tracking Stock is only eligible to be listed on the same tier of Nasdaq (Global Select, Global or Capital) as the equity security it tracks.

Proposed Rule 5222(a) provides that, prior to the commencement of trading of any Equity Investment Tracking Stock, Nasdaq will distribute an information circular to its members that describes any special characteristics and risks of trading the Equity Investment Tracking Stock, and lists Exchange Rules that will apply to the Equity Investment Tracking Stock including rules that require members: (A) to use reasonable diligence in regard to the opening and maintenance of every account, to know (and retain) the essential facts concerning every customer and concerning the authority of each person acting on behalf of such customer; and (B) in recommending transactions in the Equity Investment Tracking Stock to have a reasonable basis to believe that (i) the recommendation is suitable for a customer given reasonable inquiry concerning the customer's investment objectives, financial situation, needs, and any other information known by such members, and (ii) the customer can evaluate the special characteristics, and is able to bear the financial risks, of an investment in the Equity Investment Tracking Stock.

Proposed Rule 5222(b) provides that in addition to the initial listing requirements of the Rule 5300 Series⁴, the Rule 5400 Series⁵, or the Rule 5500 Series⁶ applicable to all

⁴ The Rule 5300 Series generally requires that for initial listing on the Nasdaq Global Select Market a security must satisfy a price, publicly held shares, market maker, ownership, market value and valuation requirement.

⁵ The Rule 5400 Series generally requires that for initial listing on the Nasdaq Global Market a security must satisfy a price, publicly held shares, round lot holder, market maker, and either an income, an equity, a market value of listed securities, or a total assets and total revenue requirement.

securities,⁷ the issuer of the Equity Investment Tracking Stock must own (directly or indirectly⁸) at least 50% of both the economic interest and the voting power of all of the outstanding classes of common equity of the issuer whose equity is tracked by the Equity Investment Tracking Stock. Further, Nasdaq will not list an Equity Investment Tracking Stock if, at the time of the proposed listing, the issuer of the equity tracked by the Equity Investment Tracking Stock has received a Staff Delisting Determination or been notified about a deficiency, except for a corporate governance deficiency with a grace period provided under Rule 5810(c)(3)(E),⁹ with respect to such security.

⁶ The Rule 5500 Series generally requires that for initial listing on the Nasdaq Capital Market a security must satisfy a price, publicly held shares, round lot holder, market maker, and either an equity, a market value of listed securities, or a net income requirement.

⁷ In addition to meeting the quantitative requirements of the Rule 5300 Series, the Rule 5400 Series, or the Rule 5500 Series, the issuer of Equity Investment Tracking Stock must meet the requirements of the Rule 5100 Series, the disclosure obligations set forth in the Rule 5200 Series, the Corporate Governance requirements set forth in the Rule 5600 Series, and pay any applicable fees in the Rule 5900 Series.

⁸ An example of an indirect ownership would be where the listed company has a 100%-owned subsidiary and that subsidiary in turn owns the stock of the company whose performance is being tracked. Another example would be where the listed company owns 100% of each of two subsidiaries, each of which owns stock in the company whose performance is being tracked.

⁹ Rule 5810(c)(3)(E) provides that if a company fails to meet the majority board independence or the audit committee composition requirements due to one vacancy, or fails to meet the audit committee composition requirements because an audit committee member ceases to be independent for reasons outside her control, Nasdaq will provide the company with an automatic grace period for up to one year to regain compliance with the rule.

Proposed Rule 5222(c) provides that in addition to the continued listing requirements of the Rule 5400 Series¹⁰ or the Rule 5500 Series,¹¹ as applicable, Nasdaq will also apply additional continued listing requirements. Specifically, if the listed equity security or securities whose value is tracked by the Equity Investment Tracking Stock is transferred to a different tier of Nasdaq (Global Select, Global or Capital), the Equity Investment Tracking Stock that tracks such security will be automatically transferred to the same tier of Nasdaq, provided the Equity Investment Tracking Stock meets the applicable listing standards for that tier. However, if the Equity Investment Tracking Stock does not meet the applicable listing standards for that tier, Nasdaq will determine whether the Equity Investment Tracking Stock meets an applicable initial listing standard in place at that time and will halt trading in the Equity Investment Tracking Stock and issue a Staff Delisting Determination pursuant to Rule 5810(c)(1) if it does not.

Similarly, if the listed equity security or securities whose value is tracked by the Equity Investment Tracking Stock ceases to be listed on Nasdaq or is suspended pending delisting, the issuer of the Equity Investment Tracking Stock owns less than 50% of the issuer whose equity is tracked by the Equity Investment Tracking Stock, or the Equity Investment Tracking Stock ceases to track the performance of the listed equity security or securities that was tracked at the time of initial listing, Nasdaq will determine whether the

¹⁰ The Rule 5400 Series generally requires that for continued listing on the Nasdaq Global Market, including the Nasdaq Global Select Market, a security must satisfy a price, publicly held shares, total holders, market maker, and either an equity, a market value of listed securities, or a total assets and total revenue requirement.

¹¹ The Rule 5500 Series generally requires that for continued listing on the Nasdaq Capital Market a security must satisfy a price, publicly held shares, public holders, market maker, and either an equity, a market value of listed securities, or a net income requirement.

Equity Investment Tracking Stock meets an applicable initial listing standard in place at that time and will halt trading in the Equity Investment Tracking Stock and issue a Staff Delisting Determination pursuant to Rule 5810(c)(1) if it does not.

Nasdaq also proposes to amend Rule 5810(c)(1) to provide that an Equity Investment Tracking Stock's failure to comply with the additional continued listing requirements in Rule 5222(c) or the issuance of a Staff Delisting Determination with respect to the security such Equity Investment Tracking Stock tracks will constitute a deficiency that will immediately result in Nasdaq issuing a Delisting Determination with regard to the Equity Investment Tracking Stock.

Proposed Rule 5222(d) imposes additional disclosure and procedural requirements on the Equity Investment Tracking Stock when a listed equity security whose value is tracked by the Equity Investment Tracking Stock is subject to deficiency procedures. These requirements are designed to provide investors in the Equity Investment Tracking Stock with notice about the potential delisting of the listed equity security or securities whose value is tracked by the Equity Investment Tracking Stock and to assure that the Equity Investment Tracking Stock is treated in the same manner as the equity security whose value it tracks during the deficiency administration process. Specifically, if the issuer of the security that the Equity Investment Tracking Stock tracks announces that it has received a deficiency notification then the issuer of the Equity Investment Tracking Stock must promptly publicly announce (either by filing a Form 8-K, where required by SEC rules, or by issuing a press release) that fact.¹²

¹² In addition, the issuer of the Equity Investment Tracking Stock that receives a notification of deficiency or Staff Delisting Determination is required by Rule 5810(b) to make a public announcement disclosing receipt of the notification.

In addition, proposed Rule 5222(d) provides that notwithstanding any provisions to the contrary, if the Staff Delisting Determination issued to the security such Equity Investment Tracking Stock tracks is stayed pursuant to the Rule 5800 Series, the suspension of the Equity Investment Tracking Stock also will be stayed and will remain stayed on the same terms that apply to the security such Equity Investment Tracking Stock tracks.

Nasdaq proposes to amend Rule 4120(a) governing Nasdaq's authority to initiate trading halts or pauses and Rule IM-5250-1 providing interpretive material regarding trading halts to provide that, in the event that the issuer of the common equity security tracked by an Equity Investment Tracking Stock intends to issue a material news release during the trading day and Nasdaq determines that a regulatory trading halt should be implemented, including a trading halt pending dissemination of the news, Nasdaq will also halt trading in the Equity Investment Tracking Stock simultaneously with the halt in the security it tracks and will also recommence trading at the same time. In addition, Nasdaq will halt trading in the Equity Investment Tracking Stock if the security it tracks is suspended from trading, such as while the security is pending delisting.¹³

Nasdaq proposes to amend Rules 5401 and 5501 to update the preamble to these rules and Rule 5305 to provide that an Equity Investment Tracking Stock may be listed as

¹³ If the security that an Equity Investment Tracking Stock tracks is suspended pending delisting Nasdaq would also follow the procedures in Rule 5222(c) and initiate delisting proceedings for the Equity Investment Tracking Stock unless it meets another applicable listing standard. The trading halt in the Equity Investment Tracking Stock would remain in place until the Equity Investment Tracking Stock is requalified or is suspended pending its delisting pursuant to the procedural requirements of the Rule 5800 Series.

a primary equity security or as a secondary class of common stock, as applicable, provided it must also meet the requirements set forth in Rule 5222.

Nasdaq represents that it will monitor activity in Equity Investment Tracking Stocks to identify and deter any potential improper trading activity in such securities. The Exchange will adopt surveillance procedures, and make any enhancements necessary, sufficient to enable it to monitor Equity Investment Tracking Stocks alongside the securities whose value they track. Additionally, the Exchange will rely on its existing trading surveillances, administered by the Exchange, or the Financial Industry Regulatory Authority (“FINRA”) on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.¹⁴

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

Given the novel investment characteristics of Equity Investment Tracking Stocks, the Exchange will conduct a review of the trading and compliance with continued listing standards of Equity Investment Tracking Stocks and their issuers over the initial two year period for which the proposed listing standard is in operation.

The Exchange will furnish two reports to the SEC based on this review, one to be provided no later than sixty days after the first anniversary of the adoption of the

¹⁴ FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA’s performance under this regulatory services agreement.

proposed rule, which will cover the first year, and the second to be provided one year later, which will cover the second year. At a minimum, the reports will address the relationship between the trading prices of listed Equity Investment Tracking Stocks and those of the securities whose values they track, the liquidity of the market for the two securities, and any manipulation concerns arising in connection with the trading of securities listed under the standard and the securities whose values are being tracked. The reports will also discuss any recommendations the Exchange may have for enhancements to the listing standard based on its review.

Nasdaq proposes to make a conforming change to Rule 5950(e)(3) to allow for the renumbering of the defined terms in Rule 5005(a).

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁵ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁶ 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, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed listing standards are designed to protect investors and the public interest by ensuring that Equity Investment Tracking Stocks listed on the Exchange meet stringent quantitative and qualitative listing standards to qualify for initial and continued listing. The Exchange notes that trading in an Equity Investment Tracking

¹⁵ 15 U.S.C. 78f(b).

¹⁶ 15 U.S.C. 78f(b)(5).

Stock will be halted and subject to delisting if it does not meet another applicable initial listing standard and (i) the equity security or securities whose value is tracked by the Equity Investment Tracking Stock ceases to be listed on the Exchange or is suspended pending delisting; (ii) the issuer of the Equity Investment Tracking Stock owns (directly or indirectly) less than 50% of either the economic interest or the voting power of all of the outstanding classes of common equity of the issuer whose equity is tracked by the Equity Investment Tracking Stock; or (iii) the Equity Investment Tracking Stock ceases to track the performance of the listed equity security that was tracked at the time of initial listing. If the security whose value is tracked by an Equity Investment Tracking Stock changes tiers (e.g., from Capital Market to Global Market), Nasdaq will halt trading and initiate delisting of the Equity Investment Tracking Stock unless the Equity Investment Tracking Stock meets the applicable listing requirements for the new tier or qualifies for listing under another applicable initial listing standard.

The Equity Investment Tracking Stocks will have to meet the requirements of the proposed Listing Rule 5222 in addition to the other listing requirement applicable to equity securities. The issuer of an Equity Investment Tracking Stock must fully comply with the requirements of the Rule 5100 Series, the disclosure obligations set forth in the Rule 5200 Series, the quantitative requirements set forth in the Rule 5300 Series, the Rule 5400 Series or the Rule 5500 Series, and the Corporate Governance requirements set forth in the Rule 5600 Series, subject to applicable exemptions such as those for controlled companies.

The proposed rule change is designed to provide equivalent treatment to an Equity Investment Tracking Stock as is provided to the security or securities it tracks, and

therefore it will not permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange notes that it is proposing to amend Rule 4120(a) governing Nasdaq's authority to initiate trading halts or pauses and Rule IM-5250-1 providing interpretive material regarding trading halts to provide that, in the event that the issuer of the common equity security tracked by an Equity Investment Tracking Stock intends to issue a material news release during the trading day and Nasdaq determines that a regulatory trading halt should be implemented pending dissemination of the news or if Nasdaq determines that any other required regulatory trading halt should be implemented, the Exchange will also halt trading in the Equity Investment Tracking Stock simultaneously with the halt in the security whose values is being tracked and will also recommence trading at the same time. The Exchange believes that this proposed amendment will protect investors and the public interest by preventing market participants from gaining an advantage in trading in an Equity Investment Tracking Stock based on their possession of material nonpublic information with respect to the company whose value is being tracked by the Equity Investment Tracking Stock. In addition, Nasdaq will halt trading in the Equity Investment Tracking Stock if the security whose value is being tracked is suspended from trading, such as while the security is pending delisting.

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 is designed to provide listing standards for Equity Investment Tracking Stocks that are appropriately protective of investors and is not

designed to limit the ability of the issuers of those securities to list them on any other national securities exchange. The market for listing services is extremely competitive.¹⁷ Because issuers have a choice to list their securities on a different national securities exchange, the Exchange does not believe that the proposed listing standards impose a burden on competition.

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 Act¹⁸ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁹

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

¹⁷ See Securities Exchange Act Release No. 78153 (June 24, 2016), 81 FR 42762 (June 30, 2016) (SR-NYSE-2016-22) (adopting listing standards for Equity Investment Tracking Stocks).

¹⁸ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁹ 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.

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.

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-2017-058 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-2017-058. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any

person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for 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-2017-058 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

Eduardo A. Aleman
Assistant Secretary

²⁰ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

NASDAQ Stock Market Rules

* * * * *

4120. Limit Up-Limit Down Plan and Trading Halts**(a) Authority to Initiate Trading Halts or Pauses**

In circumstances in which Nasdaq deems it necessary to protect investors and the public interest, Nasdaq, pursuant to the procedures set forth in paragraph (c):

(1) - (12) No change.

(13) shall halt trading in Equity Investment Tracking Stock (as defined in Rule 5005) whenever Nasdaq halts or suspends trading in a security such Equity Investment Tracking Stock tracks.

(b) - (c) No change.

* * * * *

5005. Definitions

(a) The following is a list of definitions used throughout the Nasdaq Listing Rules. This section also lists various terms together with references to other rules where they are specifically defined. Unless otherwise specified by the Rules, these terms shall have the meanings set forth below. Defined terms are capitalized throughout the Listing Rules.

(1) – (12) No change.

(13) “Equity Investment Tracking Stock” means a class of common equity securities that tracks on an unleveraged basis the performance of an investment by the issuer in the common equity securities of a single other company listed on Nasdaq. An Equity Investment Tracking Stock may track multiple classes of common equity securities of a single issuer, so long as all of those classes have identical economic rights and at least one of those classes is listed on Nasdaq.

Old (13) - (41) renumbered as (14) - (42).

* * * * *

5222. Equity Investment Tracking Stock**(a) Eligibility**

(1) An Equity Investment Tracking Stock may be listed under the Rule 5300 Series, the Rule 5400 Series, or the Rule 5500 Series, provided it also meets the additional requirements set forth in paragraphs (b) and (c) of this Rule.

(2) Prior to the commencement of trading of any Equity Investment Tracking Stock, Nasdaq will distribute an information circular to its members that describes any special characteristics and risks of trading the Equity Investment Tracking Stock, and Nasdaq's rules that apply to the Equity Investment Tracking Stock, including the rules that:

(A) require members to use reasonable diligence in regard to the opening and maintenance of every account, to know (and retain) the essential facts concerning every customer and concerning the authority of each person acting on behalf of such customer; and

(B) require members in recommending transactions in the Equity Investment Tracking Stock to have a reasonable basis to believe that: (i) the recommendation is suitable for a customer given reasonable inquiry concerning the customer's investment objectives, financial situation, needs, and any other information known by such members, and (ii) the customer can evaluate the special characteristics, and is able to bear the financial risks, of an investment in the Equity Investment Tracking Stock.

(b) Additional Initial Listing Requirements

(1) The issuer of the Equity Investment Tracking Stock must own (directly or indirectly) at least 50% of both the economic interest and voting power of all of the outstanding classes of common equity securities of the issuer whose equity is tracked by the Equity Investment Tracking Stock.

(2) At the time of listing, the issuer of the equity security tracked by the Equity Investment Tracking Stock must not have received a Staff Delisting Determination with respect to such security and must not have been notified about a deficiency, except with respect to a corporate governance requirement where the issuer of the equity security tracked by the Equity Investment Tracking Stock has received a grace period under Rule 5810(c)(3)(E).

(3) An Equity Investment Tracking Stock is only eligible to be listed on the same tier of Nasdaq (Global Select, Global or Capital) as the equity security it tracks.

(c) Additional Continued Listing Requirements

(1) The following additional continued listing requirements apply to Equity Investment Tracking Stocks:

(A) The Equity Investment Tracking Stock must be listed on the same tier of Nasdaq (Global Select, Global or Capital) as the listed equity security it tracks;

(B) the listed equity security or securities whose value is tracked by the Equity Investment Tracking Stock must remain listed on Nasdaq and not be suspended pending delisting;

(C) the issuer of the Equity Investment Tracking Stock must continue to own (directly or indirectly) at least 50% of the economic interest and the voting power of all of the outstanding classes of common equity of the issuer whose equity is tracked by the Equity Investment Tracking Stock; and

(D) the Equity Investment Tracking Stock must continue to track the performance of the listed equity security or securities that was tracked at the time of initial listing.

(2) If any of the requirements of the paragraph (1) above are not met then Nasdaq will determine whether the Equity Investment Tracking Stock meets any other applicable initial listing standard in place at that time. If the Equity Investment Tracking Stock does not qualify for initial listing at that time under another applicable initial listing standard, Nasdaq will halt trading in the security and issue a Staff Delisting Determination pursuant to Listing Rule 5810(c)(1).

(3) Notwithstanding paragraph (2) above, if the listed equity security or securities whose value is tracked by the Equity Investment Tracking Stock is transferred to a different tier of Nasdaq, the Equity Investment Tracking Stock that tracks such security will be automatically transferred to the same tier of Nasdaq, provided the Equity Investment Tracking Stock meets the applicable listing standards.

(d) Deficiency Proceedings Involving a Listed Equity Security whose Value is Tracked by the Equity Investment Tracking Stock

Rule 5222(c)(1)(B) requires the listed equity security or securities whose value is tracked by the Equity Investment Tracking Stock must remain listed on Nasdaq and not be suspended pending delisting. In order to provide investors in the Equity Investment Tracking Stock with notice about the potential delisting of the listed equity security or securities whose value is tracked by the Equity Investment Tracking Stock and to assure orderly trading in the Equity Investment Tracking Stock, additional disclosure and procedural requirements are placed on the Equity Investment Tracking Stock when a listed equity security whose value is tracked by the Equity Investment Tracking Stock is subject to deficiency procedures, as follows:

(1) If the issuer of the listed equity security whose value is tracked by the Equity Investment Tracking Stock makes a public announcement disclosing receipt of a deficiency notification as required by Rules 5250(b)(2) and 5810(b), the issuer of the Equity Investment Tracking Stock must promptly disclose that fact by making a public announcement either by filing a Form 8-K, where required by SEC rules, or by issuing a press release.

(2) Rule 5810(c)(1) provides that Nasdaq Staff will issue a Staff Delisting Determination to an Equity Investment Tracking Stock if a Staff Delisting

Determination has been issued with respect to the security such Equity Investment Tracking Stock tracks. Notwithstanding any provisions to the contrary, if the Staff Delisting Determination issued to the security such Equity Investment Tracking Stock tracks is stayed pursuant to the Rule 5800 Series, the suspension of the Equity Investment Tracking Stock also will be stayed and will remain stayed on the same terms that apply to the security such Equity Investment Tracking Stock tracks.

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IM-5250-1. Disclosure of Material Information

Rule 5250(b)(1) requires that, except in unusual circumstances, Nasdaq Companies disclose promptly to the public through any Regulation FD compliant method (or combination of methods) of disclosure any material information that would reasonably be expected to affect the value of their securities or influence investors' decisions. Nasdaq Companies must notify Nasdaq at least ten minutes prior to the release to the public of material information that involves any of the events set forth below when the public release of the information is made between 7:00 a.m. to 8:00 pm. ET. If the public release of the material information is made outside of 7:00 a.m. to 8:00 p.m. Nasdaq Companies must notify MarketWatch of the material information prior to 6:50 a.m. ET. Under unusual circumstances Companies may not be required to make public disclosure of material events; for example, where it is possible to maintain confidentiality of those events and immediate public disclosure would prejudice the ability of the Company to pursue its legitimate corporate objectives. However, Nasdaq Companies remain obligated to disclose this information to Nasdaq upon request pursuant to Rule 5250(a).

Whenever unusual market activity takes place in a Nasdaq Company's securities, the Company normally should determine whether there is material information or news which should be disclosed. If rumors or unusual market activity indicate that information on impending developments has become known to the investing public, or if information from a source other than the Company becomes known to the investing public, a clear public announcement may be required as to the state of negotiations or development of Company plans. Such an announcement may be required, even though the Company may not have previously been advised of such information or the matter has not yet been presented to the Company's Board of Directors for consideration. In certain circumstances, it may also be appropriate to publicly deny false or inaccurate rumors, which are likely to have, or have had, an effect on the trading in its securities or would likely have an influence on investment decisions.

Notification to Nasdaq MarketWatch Department

No change.

Trading Halts

A trading halt benefits current and potential Shareholders by halting all trading in any Nasdaq securities until there has been an opportunity for the information to be disseminated to the public. This decreases the possibility of some investors acting on information known only to them. A trading halt provides the public with an opportunity to evaluate the information and consider it in making investment decisions. It also alerts the marketplace to the fact that news has been released.

Nasdaq's MarketWatch Department monitors real time trading in all Nasdaq securities during the trading day for price and volume activity. In the event of certain price and volume movements, the MarketWatch Department may contact a Company and its Market Makers in order to ascertain the cause of the unusual market activity. The MarketWatch Department treats the information provided by the Company and other sources in a highly confidential manner, and uses it to assess market activity and assist in maintaining fair and orderly markets. A Nasdaq listing includes an obligation to disclose to the MarketWatch Department information that the Company is not otherwise disclosing to the investing public or the financial community. On, occasion, changes in market activity prior to the Company's release of material information may indicate that the information has become known to the investing public. Changes in market activity also may occur when there is a release of material information by a source other than the Company, such as when a Nasdaq Company is subject to an unsolicited take-over bid by another company. Depending on the nature of the event and the Company's views regarding the business advisability of disclosing the information, the MarketWatch Department may work with the Company to accomplish a timely release of the information. Furthermore, depending on the materiality of the information and the anticipated affect of the information on the price of the Company's securities, the MarketWatch Department may advise the Company that a temporary trading halt is appropriate to allow for full dissemination of the information and to maintain an orderly market. The institution of a temporary trading halt pending the release of information is not a reflection on the value of the securities halted. Such trading halts are instituted, among other reasons, to insure that material information is fairly and adequately disseminated to the investing public and the marketplace, and to provide investors with the opportunity to evaluate the information in making investment decisions. A trading halt normally lasts one half hour but may last longer if a determination is made that news has not been adequately disseminated or that the original or an additional basis under Rule 4120 exists for continuing the trading halt.

The MarketWatch Department is required to keep non-public information, confidential and to use such information only for regulatory purposes.

Companies are required to notify the MarketWatch Department of the release of material information included in the following list of events at least ten minutes prior to the release of such information to the public when the public release of the information is made from 7:00 a.m. to 8:00 pm. ET. If the public release of the material information is made outside of 7:00 a.m. to 8:00 p.m, Nasdaq Companies must notify MarketWatch of the material information prior to 6:50 a.m. ET. It should also be noted that every development that might be reported to Nasdaq in these areas would not necessarily be

deemed to warrant a trading halt. In addition to the following list of events, Nasdaq encourages Companies to avail themselves of the opportunity for advance notification to the MarketWatch Department in situations where they believe, based upon their knowledge of the significance of the information, that a temporary trading halt may be necessary or appropriate.

(a) - (h) No change.

Whenever Nasdaq halts trading in a security of a listed company for any of the reasons set forth above or implements any other regulatory trading halt, Nasdaq will also halt trading in any listed Equity Investment Tracking Stock that tracks the performance of such listed company.

Use of Regulation FD Compliant Methods in the Disclosure of Material Information

No change.

* * * * *

5305. General Information for The Nasdaq Global Select Market

(a) No change.

(b) [Reserved.] An Equity Investment Tracking Stock may be listed on the Nasdaq Global Select Market, provided it must also meet the initial listing requirements set forth in Rule 5222.

(c) – (d) No change.

(e) After initial inclusion on the Nasdaq Global Select Market, a Company will remain on the Nasdaq Global Select Market provided it continues to meet the applicable requirements of the Listing Rules, including the continued listing requirements contained in the Rule 5400 Series, the requirements of the Rule 5100 Series, and the qualitative requirements of Rule 5200 and 5600 Series. An Equity Investment Tracking Stock must also meet the continued listing and disclosure requirements set forth in Rule 5222(c) and (d).

(f) No change.

* * * * *

5401. Preamble to The Nasdaq Global Market Listing Requirements

This section contains the initial and continued listing requirements and standards for listing a Company's Primary Equity Security on The Nasdaq Global Market. This section also contains the initial and continued listing requirements for Rights and Warrants, and Preferred and Secondary Classes of Common Stock on the Global Market. An Equity Investment Tracking Stock may be listed as a Primary Equity Security or as a Secondary

Class of Common Stock, as applicable, provided it must also meet the initial and continued listing requirements, as applicable, set forth in Rule 5222.

In addition to meeting the quantitative requirements in this section, a Company must meet the requirements of the Rule 5100 Series, the disclosure obligations set forth in the Rule 5200 Series, the Corporate Governance requirements set forth in the Rule 5600 Series, and pay any applicable fees in the Rule 5900 Series. A Company's failure to meet any of the continued listing requirements will be processed in accordance with the provisions set forth in the Rule 5800 Series.

Companies that meet the requirements of the Rule 5500 Series, but are not listed on the Nasdaq Global Market, are listed on the Nasdaq Capital Market.

For the requirements relating to other securities listed on the Global Market, see the Rule 5700 Series.

* * * * *

5501. Preamble to The Nasdaq Capital Market Listing Requirements

This section contains the initial and continued listing requirements and standards for listing a Company's Primary Equity Security on The Nasdaq Capital Market. This section also contains the initial and continued listing requirements for Rights and Warrants; Preferred and Secondary Classes of Common Stock; and Convertible Debt, Rights and Warrants on the Capital Market. An Equity Investment Tracking Stock may be listed as a Primary Equity Security or as a Secondary Class of Common Stock, as applicable, provided it must also meet the initial and continued listing requirements, as applicable, set forth in Rule 5222.

In addition to meeting the quantitative requirements in this section, a Company must meet the requirements of the Rule 5100 Series, the disclosure obligations set forth in the Rule 5200 Series, the Corporate Governance requirements set forth in the Rule 5600 Series, and pay any applicable fees in the Rule 5900 Series. A Company's failure to meet any of the continued listing requirements will be processed in accordance with the provisions set forth in the Rule 5800 Series.

Companies that meet these requirements, but are not listed on the Nasdaq Global Market, are listed on the Nasdaq Capital Market.

* * * * *

5810. Notification of Deficiency by the Listing Qualifications Department

When the Listing Qualifications Department determines that a Company does not meet a listing standard set forth in the Rule 5000 Series, it will immediately notify the Company of the deficiency. As explained in more detail below, deficiency notifications are of four types:

(1) – (4) No change.

Notifications of deficiencies that allow for submission of a compliance plan or an automatic cure or compliance period may result, after review of the compliance plan or expiration of the cure or compliance period, in issuance of a Staff Delisting Determination or a Public Reprimand Letter.

(a) – (b) No change.

(c) Types of Deficiencies and Notifications

The type of deficiency at issue determines whether the Company will be immediately suspended and delisted, or whether it may submit a compliance plan for review or is entitled to an automatic cure or compliance period before a Staff Delisting Determination is issued. In the case of a deficiency not specified below, Staff will issue the Company a Staff Delisting Determination or a Public Reprimand Letter.

(1) Deficiencies that Immediately Result in a Staff Delisting Determination

Staff's notice will inform the Company that its securities are immediately subject to suspension and delisting when:

- a Company fails to timely solicit proxies; [or]
- an Equity Investment Tracking Stock fails to comply with the additional continued listing requirements in Rule 5222(c) or a Staff Delisting Determination has been issued with respect to the security such Equity Investment Tracking Stock tracks; or
- Staff has determined, under its discretionary authority in the Rule 5100 Series, that the Company's continued listing raises a public interest concern.

(2) - (4) No change.

(d) No change.

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5950. Market Quality Program

Preamble. The Market Quality Program ("MQP" or "Program") is a voluntary program designed to promote market quality in certain securities listed on Nasdaq. An MQP Company may list an eligible MQP Security on Nasdaq and in addition to the standard (non-MQP) Nasdaq listing fee set forth in the Rule 5000 Series (consisting of Rules 5000-5999), a Sponsor may pay a fee ("MQP Fee") in order for the MQP Company, on behalf of an MQP Security, to participate in the Program. An MQP Fee will be used for the purpose of incentivizing one or more Market Makers in the MQP Security ("MQP Market Maker") to enhance the market quality of the MQP Security. Subject to the

conditions set forth in this rule, this incentive will be credited ("MQP Credit") to one or more MQP Market Makers that make a quality market in the MQP Security pursuant to the Program.

(a) – (d) No change.

(e) Definitions. For purposes of this Rule, the terms set forth below shall have the following meanings:

(1) - (2) No change.

(3) - The term "Market Maker" shall have the meaning given in Rule 5005(a)[(24)].

(4) – (6) No change.

(f) No change.

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