

Required fields are shown with yellow backgrounds and asterisks.

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

File No. * SR 2024 - * 029

Amendment No. (req. for Amendments *)

Filing by The Nasdaq Stock Market LLC

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

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

<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 type="checkbox"/> 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010
Section 806(e)(1) *

Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

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

A proposal to modify the application of the bid price compliance periods where a company takes action that causes non-compliance with another listing requirement.

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 * Sarah Last Name * Chopnick

Title * Senior Associate General Counsel

E-mail * sarah.chopnick@nasdaq.com

Telephone * (646) 233-7071 Fax

Signature

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

Date 06/21/2024


(Title *)

By John Zecca

EVP and Chief Legal Officer

(Name *)

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

 Date: 2024.06.21 12:46:59 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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SR-NASDAQ-2024-029 19b-4.docx

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

Exhibit 1 - Notice of Proposed Rule Change *

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SR-NASDAQ-2024-029 Exhibit 1.docx

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

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

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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 2- Notices, Written Comments, Transcripts, Other Communications

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

Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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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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SR-NASDAQ-2024-029 Exhibit 5.docx

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

Partial Amendment

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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 modify the application of the bid price compliance periods where a company takes action that causes non-compliance with another listing requirement.

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 the Board of Directors (the “Board”) on May 1, 2024. No other action is necessary for the filing of the rule change.

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

Sarah Chopnick
Senior Associate General Counsel
Nasdaq, Inc.
646-233-7071

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

Reverse stock splits have the effect of increasing a company’s stock price by consolidating the outstanding shares. Companies may effect a reverse stock split to regain compliance with the minimum bid price required by Exchange listing rules (the “Bid Price Requirement”).³ The share reduction caused by the reverse stock split results in a proportional reduction in the number of Publicly Held Shares⁴ and, depending on how fractional shares are treated, may also reduce the number of holders of the company’s securities. As such, implementation of a reverse stock split could trigger non-compliance with other listing rules and start a new deficiency process.⁵ Nasdaq believes that this scenario creates confusion for investors around the Company’s ability to maintain compliance with the Listing Rules and could negatively impact investor confidence in the market. Accordingly, Nasdaq believes that in such cases the company

³ Each tier of Nasdaq includes a requirement that specified securities maintain a \$1.00 minimum bid price. See, e.g., Rule 5550(a)(2) (Primary Equity Security listed on the Nasdaq Capital Market); Rule 5450(a)(1) (Primary Equity Security listed on the Nasdaq Global or Global Select Markets). Upon a company’s failure to satisfy the applicable Bid Price Requirement, Rule 5810(3)(A) provides for an automatic compliance period of 180 calendar days for the company to achieve compliance with the Bid Price Requirement. Cf. NYSE American Company Guide Section 1003(f)(v), which discusses low selling price issues but does not impose a fixed minimum price requirement nor a timeline for how long a company could remain below \$1.00.

⁴ Rule 5005(a)(35) defines “Publicly Held Shares” as: shares not held directly or indirectly by an officer, director or any person who is the beneficial owner of more than 10 percent of the total shares outstanding.

⁵ See, e.g., Rules 5550(a)(3) and (4) (requiring 300 public holders and at least 500,000 Publicly Held Shares for Primary Equity Securities listed on the Nasdaq Capital Market) and Rules 5450(a)(2), 5450(b)(1)(B), 5450(b)(2)(B) and 5450(b)(3)(B) (requiring 400 total holders and, depending on other characteristics of the company, either 750,000 or 1.1 million Publicly Held Shares for Primary Equity Securities listed on the Nasdaq Global Market). Upon a company’s failure to satisfy the applicable holder or number of Publicly Held Shares requirement, Rule 5810(c)(2)(A) allows the company a 45-calendar day period to provide a plan to regain compliance to Nasdaq Staff and Rule 5810(c)(2)(B) provides that Nasdaq staff may grant an extension of up to 180 calendar days for the company to achieve compliance.

should not be afforded additional time to regain compliance with that newly created deficiency.

Specifically, Nasdaq is proposing to amend Rule 5810(c)(3)(A) to provide that a company will not be considered to have regained compliance with its Bid Price Requirement if the company takes an action to achieve compliance with that requirement (e.g. a reverse stock split), and that action results in the company's security falling below the numeric threshold for another listing requirement, without regard to any compliance process otherwise available for that listing requirement.

For example, consider a company listed on the Nasdaq Capital Market ("Company A") that has 1,600,000 Publicly Held Shares. In order to regain compliance with the Bid Price Requirement under Rule 5550(a)(2), Company A effects a reverse stock split at a ratio of 1-for-4. This reverse stock split initially increases Company A's stock price above \$1.00. Assuming Company A thereafter maintains a closing bid price above \$1.00 for ten (10) consecutive business days, under current Rule 5810(c)(3)(A), Company A will achieve compliance with the Bid Price Requirement at the conclusion of the tenth (10th) consecutive business day.⁶ However, in this example, at the same time that the reverse stock split increased Company A's stock price, the 1-for-4 reverse stock split also reduced the number of Publicly Held Shares from 1,600,000 to 400,000, causing Company A to no longer satisfy the minimum number of Publicly Held Shares required to remain listed on the Nasdaq Capital Market.⁷ As a result, under these

⁶ See Rule 5810(c)(3)(A) providing that a company achieves compliance during any compliance period by meeting the applicable standard for a minimum of 10 consecutive business days during the applicable compliance period, unless Staff exercises its discretion to extend this 10-day period as discussed in Rule 5810(c)(3)(H).

⁷ The continued listing requirement for publicly held shares on the Nasdaq Capital Market is 500,000 Publicly Held Shares. See Rule 5550(a)(4).

circumstances, the reverse stock split would allow Company A to regain compliance with the Bid Price Requirement of Rule 5550(a)(2) while at the same time causing non-compliance with the minimum Publicly Held Shares requirement of Rule 5550(a)(4). Under Nasdaq's current rules, Nasdaq would notify the company about this new deficiency and the company would be afforded 45 calendar days to submit a plan to regain compliance and could be afforded up to 180 calendar days to regain compliance.⁸

Nasdaq believes that it is not appropriate for a company to receive additional time to cure non-compliance with such newly violated listing standard. Nasdaq is therefore proposing this rule change to prevent companies from benefiting from additional time for the subsequent deficiency that was ultimately caused by the company's non-compliance with the Bid Price Requirement.

Under the proposed amendment, Company A in the example above would continue to be considered non-compliant with the Bid Price Requirement until *both* the new Publicly Held Shares deficiency is cured *and* thereafter the company maintains a \$1.00 bid price for a minimum of ten (10) consecutive business days.⁹ All of this must be accomplished during the compliance period applicable to the initial Bid Price Requirement deficiency. Thus, the proposed rule would *not* allow Company A to submit a plan to regain compliance with the Publicly Held Shares requirement and would instead require Company A to regain compliance with both rules within the applicable compliance period for the Bid Price Requirement pursuant to Rule 5810(3)(A).

⁸ See Rule 5810(c)(2) and IM-5810-2.

⁹ Nasdaq Staff could exercise its discretion under Rule 5810(c)(3)(H) to extend this 10-day period to up to 20 days.

Nasdaq believes the proposed amendment will protect investors and provide additional clarity to companies and market participants by enhancing the quality of a compliance determination following a company's deficiency for failure to comply with the Bid Price Requirement.¹⁰

b. Statutory Basis

The Exchange believes that its proposed change to Rule 5810(c)(3)(A) is consistent with Section 6(b) of the Act,¹¹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹² in particular, in that it is designed to protect investors and the public interest. The proposed rule change is designed to enhance Nasdaq's listing standards, thereby strengthening the quality of listed companies and protecting investors. Specifically, the proposal would protect investors by preventing a company from requesting or receiving a compliance determination and communicating to investors that it has regained compliance with the Listing Rules until it also has cured any concerns with numeric listing requirements caused by its actions to cure the initial Bid Price Requirement deficiency.

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 Exchange does not expect that its proposal will have an adverse impact on competition among listed companies because the proposed change will apply equally to

¹⁰ Nasdaq is considering other changes to the delisting process applicable to companies that are non-compliant with the Bid Price Requirement. Any such changes will be subject to a separate rule filing.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

all similarly situated companies seeking to regain compliance with the Bid Price Requirement and will confer no relative advantage or disadvantage upon any listed company. Further, the Exchange does not expect that its proposal will have an adverse impact on competition with other listed venues. The market for listing services is extremely competitive and listed companies may freely choose alternative venues for listing. Such other venues will remain free to adopt similar rules, if they view them as advantageous, or to maintain a rulebook with no minimum price requirement to the extent allowed by the Commission.¹³ As such, the Exchange does not believe that the proposed rule change will impose an unnecessary or inappropriate 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

The Exchange does not consent to an extension of the time period for Commission action.

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

Not applicable.

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

Not applicable.

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

Not applicable.

¹³ See NYSE American Company Guide Section 1003(f)(v), which discusses low selling price issues but does not impose a fixed minimum price requirement nor a timeline for how long a company could remain below \$1.00.

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

Not applicable.

11. Exhibits

1. Notice of Proposed Rule Change for publication in the Federal Register.
5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-NASDAQ-2024-029)

June [], 2024

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Proposed Rule Change to Modify the Application of Bid Price Compliance Periods

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 21, 2024, 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 modify the application of the bid price compliance periods where a company takes action that causes non-compliance with another listing requirement.

The text of the proposed rule change is available on the Exchange’s Website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rules>, 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

Reverse stock splits have the effect of increasing a company’s stock price by consolidating the outstanding shares. Companies may effect a reverse stock split to regain compliance with the minimum bid price required by Exchange listing rules (the “Bid Price Requirement”).³ The share reduction caused by the reverse stock split results in a proportional reduction in the number of Publicly Held Shares⁴ and, depending on how fractional shares are treated, may also reduce the number of holders of the company’s securities. As such, implementation of a reverse stock split could trigger non-compliance with other listing rules and start a new deficiency process.⁵ Nasdaq believes

³ Each tier of Nasdaq includes a requirement that specified securities maintain a \$1.00 minimum bid price. See, e.g., Rule 5550(a)(2) (Primary Equity Security listed on the Nasdaq Capital Market); Rule 5450(a)(1) (Primary Equity Security listed on the Nasdaq Global or Global Select Markets). Upon a company’s failure to satisfy the applicable Bid Price Requirement, Rule 5810(3)(A) provides for an automatic compliance period of 180 calendar days for the company to achieve compliance with the Bid Price Requirement. Cf. NYSE American Company Guide Section 1003(f)(v), which discusses low selling price issues but does not impose a fixed minimum price requirement nor a timeline for how long a company could remain below \$1.00.

⁴ Rule 5005(a)(35) defines “Publicly Held Shares” as: shares not held directly or indirectly by an officer, director or any person who is the beneficial owner of more than 10 percent of the total shares outstanding.

⁵ See, e.g., Rules 5550(a)(3) and (4) (requiring 300 public holders and at least 500,000 Publicly Held Shares for Primary Equity Securities listed on the Nasdaq Capital Market) and Rules 5450(a)(2),

that this scenario creates confusion for investors around the Company's ability to maintain compliance with the Listing Rules and could negatively impact investor confidence in the market. Accordingly, Nasdaq believes that in such cases the company should not be afforded additional time to regain compliance with that newly created deficiency.

Specifically, Nasdaq is proposing to amend Rule 5810(c)(3)(A) to provide that a company will not be considered to have regained compliance with its Bid Price Requirement if the company takes an action to achieve compliance with that requirement (e.g. a reverse stock split), and that action results in the company's security falling below the numeric threshold for another listing requirement, without regard to any compliance process otherwise available for that listing requirement.

For example, consider a company listed on the Nasdaq Capital Market ("Company A") that has 1,600,000 Publicly Held Shares. In order to regain compliance with the Bid Price Requirement under Rule 5550(a)(2), Company A effects a reverse stock split at a ratio of 1-for-4. This reverse stock split initially increases Company A's stock price above \$1.00. Assuming Company A thereafter maintains a closing bid price above \$1.00 for ten (10) consecutive business days, under current Rule 5810(c)(3)(A), Company A will achieve compliance with the Bid Price Requirement at the conclusion of the tenth (10th) consecutive business day.⁶ However, in this example, at the same time

5450(b)(1)(B), 5450(b)(2)(B) and 5450(b)(3)(B) (requiring 400 total holders and, depending on other characteristics of the company, either 750,000 or 1.1 million Publicly Held Shares for Primary Equity Securities listed on the Nasdaq Global Market). Upon a company's failure to satisfy the applicable holder or number of Publicly Held Shares requirement, Rule 5810(c)(2)(A) allows the company a 45-calendar day period to provide a plan to regain compliance to Nasdaq Staff and Rule 5810(c)(2)(B) provides that Nasdaq staff may grant an extension of up to 180 calendar days for the company to achieve compliance.

⁶ See Rule 5810(c)(3)(A) providing that a company achieves compliance during any compliance period by meeting the applicable standard for a minimum of 10 consecutive business days during

that the reverse stock split increased Company A's stock price, the 1-for-4 reverse stock split also reduced the number of Publicly Held Shares from 1,600,000 to 400,000, causing Company A to no longer satisfy the minimum number of Publicly Held Shares required to remain listed on the Nasdaq Capital Market.⁷ As a result, under these circumstances, the reverse stock split would allow Company A to regain compliance with the Bid Price Requirement of Rule 5550(a)(2) while at the same time causing non-compliance with the minimum Publicly Held Shares requirement of Rule 5550(a)(4). Under Nasdaq's current rules, Nasdaq would notify the company about this new deficiency and the company would be afforded 45 calendar days to submit a plan to regain compliance and could be afforded up to 180 calendar days to regain compliance.⁸

Nasdaq believes that it is not appropriate for a company to receive additional time to cure non-compliance with such newly violated listing standard. Nasdaq is therefore proposing this rule change to prevent companies from benefiting from additional time for the subsequent deficiency that was ultimately caused by the company's non-compliance with the Bid Price Requirement.

Under the proposed amendment, Company A in the example above would continue to be considered non-compliant with the Bid Price Requirement until *both* the new Publicly Held Shares deficiency is cured *and* thereafter the company maintains a \$1.00 bid price for a minimum of ten (10) consecutive business days.⁹ All of this must

the applicable compliance period, unless Staff exercises its discretion to extend this 10-day period as discussed in Rule 5810(c)(3)(H).

⁷ The continued listing requirement for publicly held shares on the Nasdaq Capital Market is 500,000 Publicly Held Shares. See Rule 5550(a)(4).

⁸ See Rule 5810(c)(2) and IM-5810-2.

⁹ Nasdaq Staff could exercise its discretion under Rule 5810(c)(3)(H) to extend this 10-day period to up to 20 days.

be accomplished during the compliance period applicable to the initial Bid Price Requirement deficiency. Thus, the proposed rule would *not* allow Company A to submit a plan to regain compliance with the Publicly Held Shares requirement and would instead require Company A to regain compliance with both rules within the applicable compliance period for the Bid Price Requirement pursuant to Rule 5810(3)(A).

Nasdaq believes the proposed amendment will protect investors and provide additional clarity to companies and market participants by enhancing the quality of a compliance determination following a company's deficiency for failure to comply with the Bid Price Requirement.¹⁰

2. Statutory Basis

The Exchange believes that its proposed change to Rule 5810(c)(3)(A) is consistent with Section 6(b) of the Act,¹¹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹² in particular, in that it is designed to protect investors and the public interest. The proposed rule change is designed to enhance Nasdaq's listing standards, thereby strengthening the quality of listed companies and protecting investors. Specifically, the proposal would protect investors by preventing a company from requesting or receiving a compliance determination and communicating to investors that it has regained compliance with the Listing Rules until it also has cured any concerns with numeric listing requirements caused by its actions to cure the initial Bid Price Requirement deficiency.

¹⁰ Nasdaq is considering other changes to the delisting process applicable to companies that are non-compliant with the Bid Price Requirement. Any such changes will be subject to a separate rule filing.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not expect that its proposal will have an adverse impact on competition among listed companies because the proposed change will apply equally to all similarly situated companies seeking to regain compliance with the Bid Price Requirement and will confer no relative advantage or disadvantage upon any listed company. Further, the Exchange does not expect that its proposal will have an adverse impact on competition with other listed venues. The market for listing services is extremely competitive and listed companies may freely choose alternative venues for listing. Such other venues will remain free to adopt similar rules, if they view them as advantageous, or to maintain a rulebook with no minimum price requirement to the extent allowed by the Commission.¹³ As such, the Exchange does not believe that the proposed rule change will impose an unnecessary or inappropriate 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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or

¹³ See NYSE American Company Guide Section 1003(f)(v), which discusses low selling price issues but does not impose a fixed minimum price requirement nor a timeline for how long a company could remain below \$1.00.

(ii) as to which the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NASDAQ-2024-029 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-2024-029. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the 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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NASDAQ-2024-029 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Sherry R. Haywood,

Assistant Secretary.

¹⁴ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Changes to the Rule Text

Text is marked to show changes to the Rule. Deletions to the current Rule are [bracketed]. New text is underlined.

THE NASDAQ STOCK MARKET LLC RULES

* * * * *

5800. FAILURE TO MEET LISTING STANDARDS

* * * * *

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) – (2) No change.

(3) Deficiencies for which the Rules Provide a Specified Cure or Compliance Period

With respect to deficiencies related to the standards listed in (A) - (F) below, Staff's notification will inform the Company of the applicable cure or compliance period

provided by these Rules and discussed below. If the Company does not regain compliance within the specified cure or compliance period, the Listing Qualifications Department will immediately issue a Staff Delisting Determination letter.

(A) Bid Price

A failure to meet the continued listing requirement for minimum bid price shall be determined to exist only if the deficiency continues for a period of 30 consecutive business days. Upon such failure, the Company shall be notified promptly and shall have a period of 180 calendar days from such notification to achieve compliance. Compliance can be achieved during any compliance period by meeting the applicable standard for a minimum of 10 consecutive business days during the applicable compliance period, unless Staff exercises its discretion to extend this 10 day period as discussed in Rule 5810(c)(3)(H).

Notwithstanding the foregoing, a Company will not be considered to have regained compliance with the bid price requirement if the Company takes an action to achieve compliance and that action results in the Company's security falling below the numeric threshold for another listing requirement without regard to any compliance periods otherwise available for that other listing requirement. In such event, the Company will continue to be considered non-compliant until both the other deficiency is cured and thereafter the Company meets the bid price standard for a minimum of 10 consecutive business days during the compliance period(s) applicable to the initial bid price requirement.

(B) – (H) No change.

(4) No change.

(d) No change.

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