

MEMO# 13996

October 1, 2001

NASDAQ ANNOUNCES NEW PRICING STRUCTURE

[13996] October 1, 2001 TO: EQUITY MARKETS ADVISORY COMMITTEE No. 33-01 RE: NASDAQ ANNOUNCES NEW PRICING STRUCTURE On September 28, the Nasdaq Stock Market announced that it has filed for immediate effectiveness with the SEC, pricing changes for quoting and trading using Nasdaq execution services. According to the Nasdaq Head Trader Alert announcing the pricing changes (a copy of which is attached), the new pricing plan addresses the market structure created by SuperSoes. The new pricing plan will be implemented in two phases. Phase I of the pricing plan will be effective on October 1, 2001 and, most significantly, includes a move from per-order charges to per-share charges. Phase II of the pricing plan, which Nasdaq expects to be phased in during the fourth quarter of 2001, includes a rebate for liquidity providers, market data revenue sharing, a quote update fee, and other pricing changes for using SuperSoes and SelectNet. Ari Burstein Associate Counsel Attachment Attachment (in .pdf format)

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