



SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS 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 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 Proposed Rule Change

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> NASDAQ OMX BX, Inc. (the “Exchange” or “BX”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to adopt Rule 4120(a)(11) concerning individual stock trading pauses in certain securities, and to adopt related IM-4120-3.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1. The text of the proposed rule change is set forth below.

(a) The text of the proposed rule change is below. Proposed new language is underlined; proposed deletions are in brackets.<sup>3</sup>

\* \* \* \* \*

***4120. Trading Halts***

**(a) Authority to Initiate Trading Halts or Pauses**

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

(1) – (10) No change.

**(11) If a primary listing market issues an individual stock trading pause in any of the Circuit Breaker Securities, as defined in IM-4120-3, the Exchange will pause trading in that security until trading has resumed on the primary listing market. If, however, trading has not resumed on the primary listing market and ten minutes have passed since the individual stock trading pause message has been received from the responsible single plan processor, the Exchange may resume trading in such stock.**

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> The text of the proposed rule change is available from BX’s website at <http://nasdaqomxbx.cchwallstreet.com/NASDAQOMXBX/Filings/>, at the Exchange’s principal office, and at the Commission’s Public Reference Room.

(b) – (c) No change.

IM-4120-1. No change.

IM-4120-2. No change.

**IM-4120-3. Circuit Breaker Securities Pilot**

The provisions of paragraph (a)(11) of this Rule shall be in effect during a pilot set to end on December 10, 2010. During the pilot, the term “Circuit Breaker Securities” shall mean the securities included in the S&P 500<sup>®</sup> Index.

\* \* \* \* \*

(b) and (c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of BX pursuant to authority delegated by the Board of Directors of BX on December 9, 2008. BX staff will advise the Board of Directors of BX of any action taken pursuant to delegated authority. No other action by BX is necessary for the filing of the rule change.

BX will implement the proposed rule change beginning June 7, 2010, with it fully rolled out across all eligible securities by June 14, 2010. Questions regarding this rule filing may be directed to T. Sean Bennett, Assistant General Counsel, The NASDAQ OMX Group, Inc., at (301) 978-8499.

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

a. Purpose

The primary listing markets for U.S. stocks are in the process of amending their rules so that they may, from time to time, issue a trading pause for an individual security if the price of such security moves 10% or more from a sale in a preceding five-minute

period. The Exchange is proposing the rule change described below in consultation with other markets and Commission staff to provide for uniform market-wide trading pause standards for individual securities in the S&P 500® Index, as set forth below. The Exchange is not currently the primary listing market for any securities, and thus, will not be issuing any trading pauses pursuant to its rules.

The Exchange proposes to add a new paragraph to BX Rule 4120(a) to allow the Exchange to pause trading in an individual stock when the primary listing market for such stock issues a trading pause in any Circuit Breaker Securities, as defined below and in proposed IM-4120-3. If, however, trading has not resumed on the primary listing market and ten minutes have passed since the individual stock trading pause message has been received from the responsible single plan processor, the Exchange may resume trading in such stock.

The proposed rule would apply to trading pauses issued by primary listing markets in “Circuit Breaker Securities,” as defined in proposed IM-4120-3. Specifically, on a pilot basis, set to end on December 10, 2010, Circuit Breaker Securities would mean the securities included in the S&P 500® Index. Thus, proposed paragraph (11) of the Rule would be in effect only with respect to securities in the S&P 500® Index.

b. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>4</sup> in general, and with Sections 6(b)(5) of the Act,<sup>5</sup> in particular, in that the proposal is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and

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<sup>4</sup> 15 U.S.C. 78f.

<sup>5</sup> 15 U.S.C. 78f(b)(5).

coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. The proposed rule change is also designed to support the principles of Section 11A(a)(1)<sup>6</sup> of the Act in that it seeks to assure fair competition among brokers and dealers and among exchange markets. The Exchange believes that the proposed rule meets these requirements in that it promotes transparency and uniformity across markets concerning decisions to pause trading in a security when there are significant price movements.

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

The Exchange 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.

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

Written comments were neither solicited nor received.

6. Extension of Time Period for Commission Action

BX does not consent at this time 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)

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<sup>6</sup> 15 U.S.C. 78k-1(a)(1).

The Exchange requests that the Commission approve the proposed rule change on an accelerated basis pursuant to Section 19(b)(2) of the Act so that it may be operative on a pilot basis on June 7, 2010, and be fully rolled out across all eligible securities by June 14, 2010. Because similar rule filings are being proposed by multiple market centers, the Exchange believes that this amendment will increase transparency and uniformity regarding decisions to pause trading and reduce the negative impacts of sudden, unanticipated price movements in individual S&P 500 securities. In particular, the Exchange is proposing to adopt this rule filing to address the type of sudden price declines that the market experienced on the afternoon of May 6, 2010. As such, the Exchange does not believe that the proposal should be delayed, pending a brief implementation period for the markets, so that it may become operative on June 7, 2010, and fully rolled out across all eligible securities by June 14, 2010.

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

Not applicable.

9. Exhibits

1. Completed notice of proposed rule change for publication in the Federal

Register

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-BX-2010-037)

May \_\_, 2010

Self-Regulatory Organizations; Notice of Filing of a Proposed Rule Change by  
NASDAQ OMX BX to Adopt Rule 4120(a)(11) Concerning Individual Stock Trading  
Pauses and to Adopt Related IM-4120-3

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and  
Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on May 18, 2010, NASDAQ OMX  
BX, Inc. (the “Exchange” or “BX”) filed with the Securities and Exchange Commission  
 (“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 the Substance of the  
Proposed Rule Change

The Exchange is filing this proposed rule change to adopt Rule 4120(a)(11)  
concerning individual stock trading pauses in certain securities, and to adopt related IM-  
4120-3.

The text of the proposed rule change is below. Proposed new language is  
underlined and proposed deletions are in brackets.<sup>3</sup>

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> The text of the proposed rule change is available from BX’s website at  
<http://nasdaqomxbx.cchwallstreet.com/NASDAQOMXBX/Filings/>, at the  
Exchange’s principal office, and at the Commission’s Public Reference Room.

**4120. Trading Halts****(a) Authority to Initiate Trading Halts or Pauses**

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

(1) – (10) No change.

(11) If a primary listing market issues an individual stock trading pause in any of the Circuit Breaker Securities, as defined in IM-4120-3, the Exchange will pause trading in that security until trading has resumed on the primary listing market. If, however, trading has not resumed on the primary listing market and ten minutes have passed since the individual stock trading pause message has been received from the responsible single plan processor, the Exchange may resume trading in such stock.

(b) – (c) No change.

IM-4120-1. No change.

IM-4120-2. No change.

**IM-4120-3. Circuit Breaker Securities Pilot**

The provisions of paragraph (a)(11) of this Rule shall be in effect during a pilot set to end on December 10, 2010. During the pilot, the term “Circuit Breaker Securities” shall mean the securities included in the S&P 500<sup>®</sup> Index.

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**II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

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

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

1. Purpose

The primary listing markets for U.S. stocks are in the process of amending their rules so that they may, from time to time, issue a trading pause for an individual security if the price of such security moves 10% or more from a sale in a preceding five-minute period. The Exchange is proposing the rule change described below in consultation with other markets and Commission staff to provide for uniform market-wide trading pause standards for individual securities in the S&P 500® Index, as set forth below. The Exchange is not currently the primary listing market for any securities, and thus, will not be issuing any trading pauses pursuant to its rules.

The Exchange proposes to add a new paragraph to BX Rule 4120(a) to allow the Exchange to pause trading in an individual stock when the primary listing market for such stock issues a trading pause in any Circuit Breaker Securities, as defined below and in proposed IM-4120-3. If, however, trading has not resumed on the primary listing market and ten minutes have passed since the individual stock trading pause message has been received from the responsible single plan processor, the Exchange may resume trading in such stock.

The proposed rule would apply to trading pauses issued by primary listing markets in "Circuit Breaker Securities," as defined in proposed IM-4120-3. Specifically, on a pilot basis, set to end on December 10, 2010, Circuit Breaker Securities would mean the securities included in the S&P 500® Index. Thus, proposed paragraph (11) of the Rule would be in effect only with respect to securities in the S&P 500® Index.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>4</sup> in general, and with Sections 6(b)(5) of the Act,<sup>5</sup> in particular, in that the proposal is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. The proposed rule change is also designed to support the principles of Section 11A(a)(1)<sup>6</sup> of the Act in that it seeks to assure fair competition among brokers and dealers and among exchange markets. The Exchange believes that the proposed rule meets these requirements in that it promotes transparency and uniformity across markets concerning decisions to pause trading in a security when there are significant price movements.

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

The Exchange 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.

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

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<sup>4</sup> 15 U.S.C. 78f.

<sup>5</sup> 15 U.S.C. 78f(b)(5).

<sup>6</sup> 15 U.S.C. 78k-1(a)(1).

Written comments were neither solicited nor received.

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

Within 35 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 (ii) as to which the self-regulatory organization consents, the Commission will:

- A. by order approve 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, as amended, 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](mailto:rule-comments@sec.gov). Please include File Number SR-BX-2010-037 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-BX-2010-037. 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 inspection and copying in the Commission's Public Reference Room on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices 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-BX-2010-037, 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.<sup>7</sup>

Florence E. Harmon  
Deputy Secretary

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<sup>7</sup> 17 CFR 200.30-3(a)(12).