



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

November 20, 2006

Eric J. Friedman, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
4 Times Square
New York, NY 10036

Re: Offers by The Nasdaq Stock Market, Inc. for all Ordinary Shares and B Shares of London Stock Exchange Group plc
Incoming Letter dated November 20, 2006
Division of Market Regulation File No. TP 07-16

Dear Mr. Friedman:

We are responding to your letter dated November 20, 2006 to Brian V. Breheny and Mara L. Ransom in the Division of Corporation Finance and James Brigagliano in the Division of Market Regulation. A copy of your correspondence is attached. By doing this, we avoid having to recite or summarize the facts set forth in your letter. Each defined term in this letter has the same meaning as in your November 20, 2006 correspondence, unless otherwise indicated.

Based on the representations in your November 20, 2006 letter but without necessarily concurring in your analysis, the Commission hereby grants an exemption from Rule 14e-5 under the Exchange Act to permit the Prospective Purchasers to purchase Ordinary Shares outside the Ordinary Share Offer and the Broker to engage in the Trading Activities in the LSE Securities through the expiration of the Offers, particularly in light of the following facts:

- The Ordinary Share Offer is required to be conducted in accordance with the City Code as well as the rules and regulations of the UK Listing Authority and the LSE ("Listing Rules");
- London Stock Exchange Group plc, a public limited company incorporated under the laws of England and Wales, is a "foreign private issuer," as defined in Rule 3b-4(c) under the Exchange Act;
- Any purchases of Ordinary Shares of London Stock Exchange Group plc by the Prospective Purchasers and all purchases of LSE Securities by the Affiliates and Departments of the Broker will be subject to the City Code;
- All purchases of the LSE Securities by the Broker through its Affiliates and Departments during the Ordinary Share Offer will be effected in the ordinary course of business and will not be undertaken for the purposes of promoting or otherwise

facilitating the Offers, or for the purpose of creating actual, or apparent, active trading in, maintaining, or affecting the prices of the Shares;

- Dresdner Kleinwort Securities LLC, an affiliate of the Broker, is registered under Section 15(a) of the Exchange Act;
- The Broker maintains and enforces written policies and procedures that are reasonably designed to prevent the flow of information to or from its Affiliates and Departments that might result in a violation of the federal securities laws through the establishment of information barrier policies and procedures;
- Each of the Affiliates and Departments of the Broker that conducts the Trading Activities has no officers (or persons performing similar functions) or employees (other than clerical, ministerial, or support personnel) who direct, effect, or recommend transactions in the LSE Securities and who are also involved in providing the Company with financial advisory services or dealer manager services until such time as the Ordinary Share Offer is completed; and
- The existence of the Memorandum of Understanding on Exchange of Information between the Commission and the United Kingdom Department of Trade and Industry in Matters Relating to Securities and the United States Commodity Futures Trading Commission and the United Kingdom Department of Trade and Industry in Matters Relating to Futures dated September 25, 1991.

The Commission grants this exemption from Rule 14e-5 under the Exchange Act to permit the Prospective Purchasers to purchase or arrange to purchase Ordinary Shares and the Affiliates and Departments of the Broker to purchase or arrange to purchase LSE Securities otherwise than pursuant to the Ordinary Share Offer, subject to the following conditions:

1. No purchases or arrangements to purchase Ordinary Shares by the Prospective Purchasers, otherwise than pursuant to the Ordinary Share Offer, or LSE Securities by the Affiliates and Departments of the Broker shall be made in the United States;
2. The Offer Document shall disclose prominently the possibility of, or the intention to make, purchases of Ordinary Shares by the Prospective Purchasers and of LSE Securities by the Affiliates and/or Departments of the Broker during the Ordinary Share Offer;
3. The Prospective Purchasers and Broker shall disclose in the United States information regarding such purchases to the extent such information is made public in the United Kingdom pursuant to the City Code;
4. The Prospective Purchasers and Broker shall comply with any applicable rules in the United Kingdom, including the City Code and Listing Rules;

5. The Prospective Purchasers and the Broker shall provide to the Division of Market Regulation ("Division"), upon request, a daily time-sequenced schedule of all purchases of LSE Securities made by any of them during the Ordinary Share Offer, on a transaction-by-transaction basis, including:
 - a. size, broker (if any), time of execution, and price of purchase; and
 - b. if not executed on the LSE, the exchange, quotation system, or other facility through which the purchase occurred;
6. Upon the request of the Division, the Prospective Purchasers and the Broker shall transmit the information as specified in paragraphs 5.a. and 5.b. above to the Division at its offices in Washington, D.C. within 30 days of its request;
7. The Prospective Purchasers and the Broker shall retain all documents and other information required to be maintained pursuant to this exemption for a period of not less than two years from the date of the termination of the Ordinary Share Offer;
8. Representatives of the Prospective Purchasers and Broker shall be made available (in person at the offices of the Division in Washington, D.C. or by telephone) to respond to inquiries of the Division relating to their records; and
9. Except as otherwise exempted herein, the Prospective Purchasers and Broker shall comply with Rule 14e-5.


Based on the representations and the facts presented in your letter dated November 20, 2006, the staff of the Division of Corporation Finance will not recommend enforcement action to the Commission pursuant to Rule 14e-1(c) under the Exchange Act if the Offers are conducted as described in your letter.

The foregoing exemption and no-action position are based solely on the representations and the facts in your letter dated November 20, 2006, as supplemented by telephone conversations with the Commission staff. The relief is strictly limited to the application of the rules listed above to this transaction. You should discontinue this transaction pending further consultations with the staff if any of the facts or representations set forth in your letter change.

We also direct your attention to the anti-fraud and anti-manipulation provisions of the federal securities laws, including Sections 9(a), 10(b) and 14(e) of the Exchange Act and Rule 10b-5 thereunder. The participants in the transaction must comply with these and any other applicable provisions of the federal securities laws. The Divisions of Corporation Finance and Market Regulation express no view on any other questions that may be raised by the proposed transaction, including but not limited to, the adequacy of disclosure concerning, and the applicability of any other federal or state laws to, the proposed transaction.

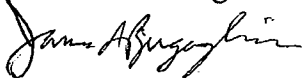
Eric J. Friedman, Esq.
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For the Division of Corporation Finance,

A handwritten signature in black ink, appearing to read "B. Breheny", is written over a horizontal line. The signature is enclosed within a large, hand-drawn oval.

Brian V. Breheny
Chief, Office of Mergers and Acquisitions
Division of Corporation Finance

For the Commission,
By the Division of Market Regulation
Pursuant to delegated authority,

A handwritten signature in black ink, appearing to read "James A. Brigagliano", is written in a cursive style.

James A. Brigagliano
Acting Associate Director
Division of Market Regulation

Attachments

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

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SECURITIES AND EXCHANGE COMMISSION
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DIVISION OF MARKET REGULATION

November 20, 2006

U.S. Securities and Exchange Commission
100 F Street NE
Washington D.C. 20549

Attention: James Brigagliano, Acting Associate Director
Office of Trading Practices and Processing
Division of Market Regulation

Brian V. Breheny, Chief
Office of Mergers and Acquisitions
Division of Corporation Finance

Mara L. Ransom, Special Counsel
Office of Mergers and Acquisitions
Division of Corporation Finance

Re: The Nasdaq Stock Market, Inc.

Dear Messrs. Brigagliano and Breheny and Ms. Ransom:

We are writing on behalf of our client, The Nasdaq Stock Market, Inc., a Delaware corporation (the "Company"), which will make a cash tender offer (the "Ordinary Share Offer") for all the outstanding ordinary shares (the "Ordinary Shares") of London Stock Exchange Group plc, a public limited company incorporated under the laws of England and Wales ("LSE"). We are also writing this letter on behalf of Dresdner Kleinwort Securities Limited and its affiliates (the "Broker"), who has been retained by the Company to act as a broker in relation to the Offers (as defined below). In the United Kingdom, the role of the "broker" is to provide equity market related advice, and effect transactions in the market on behalf of the offeror.

Greenhill & Co. International LLP (the "Financial Advisor") is acting as the Company's financial advisor in relation to the Offers, including for purposes of the Takeover Code (as defined below). The Broker's role is contrasted with the role of the Financial Advisor, which has responsibility for providing strategic advice in relation to the Offers. A financial advisor has a series of specified obligations under the Takeover Code, including in particular, responsibility to

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Mr. Brian V. Breheny
Ms. Mara L. Ransom
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ensure so far as it is reasonably able that the bidder and its directors are aware of their responsibilities under the Takeover Code and will comply with them, to confirm from time to time to the Takeover Panel that no material new information is made available to target shareholders selectively, to ensure that the bidder is able to implement the offer and, in the case of a cash offer, to confirm that resources are available to the bidder sufficient to satisfy the offer. Relief is not being requested hereunder by or on behalf of the Financial Advisor.

We note that the Company will separately make a cash tender offer (the "B Share Offer" and, collectively with the Ordinary Share Offer, the "Offers") for all the outstanding B shares of LSE (the "B Shares" and, collectively with the Ordinary Shares, the "Shares"). The Offers would be structured as a single offer by Nightingale Acquisition Limited ("NAL"), a wholly-owned subsidiary of the Company, for the Ordinary Shares and a single offer by NAL for the B Shares made concurrently in the United Kingdom, the United States and certain other jurisdictions where the Offers may be legally extended. The Company expects to formally announce the Offers in mid-November 2006 and currently anticipates commencing the Offers shortly thereafter.

In this letter, we respectfully request, on behalf of the Company, its Broker and their respective affiliates, that the U.S. Securities and Exchange Commission (the "Commission") grant exemptive relief from Rule 14e-5 under the Securities Exchange Act of 1934 (the "Exchange Act") to allow the Company and any person acting on its behalf to make arrangements to purchase and engage in purchases of Ordinary Shares, following public announcement of the Offers. In addition, we are herein requesting that the Commission confirm that it will not take enforcement action against the Company under Rule 14e-1(c) under the Exchange Act, if the Company pays for and returns tendered Shares in accordance with the Takeover Code.

Background

The Nasdaq Stock Market, Inc.

The Company is headquartered in New York, New York and is a leading provider of securities, trading and information products and services. The Company's common stock trades on The Nasdaq Stock Market and is registered under Section 12 of the Exchange Act. The Company files reports pursuant to Section 13(a) of the Exchange Act.

London Stock Exchange Group plc

Given the unsolicited nature of the Offers, the Company has not obtained any of the following information from LSE and, as a result, all of the following information is based upon publicly available information that has not been independently verified by the Company or the Broker.

LSE is one of the world's leading equity exchanges and its principal business is providing a market for the issuing and trading of securities by assisting companies to raise capital through the issue of securities; providing platforms for investors and intermediaries to trade these and other financial investments; and collecting and distributing market information.

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LSE is headquartered in London, England and is a "foreign private issuer" as defined in Rule 3b-4(c) under the Exchange Act and has no class of securities registered under Section 12 of the Exchange Act. LSE's Ordinary Shares are admitted to the Official List of the United Kingdom Listing Authority ("UKLA") and trade on the London Stock Exchange (the "Exchange"), which is the principal trading market for the Ordinary Shares. LSE's Ordinary Shares are not listed on any stock exchange in the United States. Furthermore, LSE does not have a sponsored program in place for American Depositary Receipts evidencing Ordinary Shares.

Based on an analysis of publicly available information (including LSE's most recent Annual Report), the Company understands that (i) as of August 21, 2006, LSE had approximately 213.6 million Ordinary Shares issued and outstanding and approximately 8.2 million B Shares issued and outstanding; (ii) NAL is the single largest holder of the Ordinary Shares with approximately 25.4% issued and outstanding Ordinary Shares and does not own any B Shares; (iii) no other person holds 10% or more of the Ordinary Shares; (iv) according to Citywatch, a publicly available database, as of October 23, 2006, U.S. holders own approximately 7.2% of the outstanding Ordinary Shares, although the Company understands that certain hedge funds may have interests in Ordinary Shares that are not disclosed. As calculated in accordance with Instruction 2 to Rules 14d-1(c) and (d) of the Exchange Act, U.S. holders own approximately 9.6% of the outstanding Ordinary Shares. Based on such amounts and the closing price of the Ordinary Shares on the London Stock Exchange on November 17, 2006 of 1,218 pence, LSE's market capitalization is approximately £2.6 billion. There is no publicly available information regarding the ownership of the B Shares. However, based on the non-equity nature of the B Shares and the UK tax advantages that the B Shares provide to UK holders, the Company expects that the B Shares are primarily held by UK holders.

Based on the foregoing and calculated in accordance with Instruction 2 to Rules 14d-1(c) and (d) of the Exchange Act, the Company determined that U.S. persons own (i) less than 40% of the Ordinary Shares and (ii) less than 40% of the B Shares. While the Offers are not subject to Section 14(d) of the Exchange Act or Regulation 14D thereunder since LSE does not have any class of securities registered under Section 12 of the Exchange Act, as a result of the foregoing ownership levels, the Company believes that the Offers would be considered Tier II tender offers within the meaning of Rule 14d-1 under the Exchange Act and, as a result, seeks certain relief herein.

Nightingale Acquisition Limited

NAL is a wholly-owned subsidiary of the Company incorporated under the laws of England and Wales for the principal purpose of acquiring LSE. NAL is not listed on any stock exchange, and it has not entered into any obligations other than in connection with its ownership of Ordinary Shares, the Offers and the financing thereof. NAL currently owns approximately 25.4% of the outstanding Ordinary Shares of LSE.

Mr. James Brigagliano
Mr. Brian V. Breheny
Ms. Mara L. Ransom
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Dresdner Kleinwort Securities Limited

Dresdner Kleinwort is the investment bank of Dresdner Bank AG and a member of Allianz. Headquartered in London and Frankfurt, with an international network of offices, Dresdner Kleinwort provides a wide range of investment bank products and services to European and international clients through its Global Banking and Capital Markets business lines.

Proposed Offer Structure

Each of the Offers would be structured as a single offer by NAL made concurrently in the United Kingdom, the United States and certain other jurisdictions where the Offers may be legally extended. The Company would offer to purchase all the Ordinary Shares for 1,243 pence per Ordinary Share and all of the B Shares for 200 pence per B Share (plus accrued interest). U.S. holders of Shares would be entitled to participate in the Offers on terms at least as favorable as those offered any other holder of the same class of securities that is the subject of the Offers.

The Broker may engage in principal purchases in accordance with its normal practices and procedures and the applicable provisions of the City Code on Takeovers and Mergers (the "Takeover Code") of the United Kingdom. These activities, if conducted, should be conducted in accordance with Rule 14e-5(b)(9) and no exemptive relief with respect thereto is being requested hereunder.

The Offers will be structured to comply with (i) the rules and regulations of the UKLA and the Exchange, (ii) the Takeover Code and (iii) Section 14(e) of the Exchange Act (including Regulation 14E promulgated thereunder). The Offers are not subject to Section 14(d) of the Exchange Act or Regulation 14D thereunder since LSE does not have any class of securities registered under Section 12 of the Exchange Act. The offer document used in connection with the Offers (the "Offer Document") will be prepared in compliance with the applicable rules and regulations of the UKLA and the Exchange and with the Takeover Code and, except as otherwise requested herein, the Exchange Act.

Each holder of Shares who resides in the United States would receive an Offer Document containing a statement that, subject to obtaining the relief requested in this letter, the Company or its nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, Ordinary Shares outside the United States during the period in which the Ordinary Share Offer remains open for acceptance. The Offer Document would further state that in accordance with the requirements of Rule 14e-5 and with any exemptive relief that may be granted by the Commission, such purchases, or arrangements to purchase, must comply with applicable UK rules, including the Takeover Code, the rules of the UKLA and the rules of the Exchange. Any information about such purchases would be disclosed in the United States by way of an announcement by or on behalf of the Company.

The Offer Document would be mailed to all holders of Shares in the United Kingdom, the United States and certain other jurisdictions where the Offers may be legally extended within 28 calendar days of the date the Offers are announced, as required by Rule 30.1 of the Takeover Code. Pursuant to Rule 14e-1(a) under the Exchange Act, the Offers will each remain open for

