



Arnold Golub
Vice President and
Deputy General Counsel
805 King Farm Blvd.
Rockville, MD 20850

July 7, 2020

Ms. Vanessa A. Countryman
Secretary
United States Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: SR-NASDAQ-2019-091¹

Dear Ms. Countryman:

After further consideration, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) has determined to withdraw the Proposal, which proposed to adopt a new rule specifying Nasdaq’s ability to request information from a listed company regarding the number of unrestricted publicly held shares when Nasdaq observes unusual trading characteristics in a security or a company announces an event that may cause a contracting in the number of unrestricted publicly held shares, halt trading in such company’s securities upon such a request, and potentially request a listed company to increase its number of unrestricted publicly held shares.

As stated in the Proposal, Nasdaq believes that existing rules already allow it to apply additional and more stringent criteria to a listed company that satisfies all of the continued listing requirements where there are indications that there is insufficient liquidity in the security to support fair and orderly trading.²

After further consideration Nasdaq has concluded that it will rely on this existing authority, on a case-by-case basis, based on the unique facts and circumstances presented, to take action when there are unusual trading characteristics that could be caused by insufficient liquidity in a listed security. This action could include, as applicable, requesting additional information from the company about the number of unrestricted publicly held shares, halting trading under Nasdaq Rule 4120(a)(5) pending receipt of the requested information, and imposing an additional and more stringent requirement that a company demonstrate a minimum number of unrestricted

¹ Securities Exchange Act Release No. 87677 (December 6, 2019), 84 FR 67974 (December 12, 2019) (the “Proposal”).

² See the Proposal at footnote 7.

Ms. Vanessa A. Countryman
July 7, 2020

publicly held shares sufficient to support liquid trading for continued listing. Such minimum number would be selected based on the trading characteristics observed in the security using Nasdaq's authority under Rule 5101. Nasdaq believes that it furthers the investor protection objectives of the Securities Exchange Act of 1934³ when it applies its rules in this manner.

Nasdaq also intends to provide transparency to this application of its discretionary authority through the publication of an FAQ on the Nasdaq Listing Center.

Sincerely,



Arnold Golub

cc: David Shillman, Division of Trading and Markets
Sharon Lawson, Division of Trading and Markets

³ 15 U.S.C. 78s(b)(5).