



**Jonathan F. Cayne**

AVP Principal Associate General Counsel  
805 KING FARM BOULEVARD, 2<sup>ND</sup> FLOOR  
ROCKVILLE, MARYLAND 20850

**P:** (301) 978- 8493

**E:** Jonathan.Cayne@nasdaq.com

January 26, 2023

Vanessa Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: SR-NASDAQ-2022-057 Amendment 1

Dear Ms. Countryman:

The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) filed the above-referenced filing on January 26, 2023.

Sincerely,

A handwritten signature in cursive script that reads 'Jonathan F. Cayne'.

Jonathan F. Cayne  
AVP Principal Associate General Counsel

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of \* 11

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

File No. \* SR 2022 - \* 057

Amendment No. (req. for Amendments \*) 1

Filing by The Nasdaq Stock Market LLC

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

Initial * <input type="checkbox"/>	Amendment * <input checked="" 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 adopt Listing Rule 5732 to provide listing standards for Contingent Value Rights on Nasdaq Global Market.

**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 \* Jonathan Last Name \* Cayne

Title \* Principal Associate General Counsel

E-mail \* jonathan.cayne@nasdaq.com

Telephone \* (301) 978-8493 Fax

**Signature**

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

Date 01/26/2023


(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: 2023.01.26 15:43:33 -05'00'

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 EFFS website.

**Form 19b-4 Information \***

Add Remove View

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 \***

Add Remove View

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**

Add Remove View

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**

Add Remove View

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**

Add Remove View

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.

SR-NASDAQ-2022-057 A-1.doc  
SR-NASDAQ-2022-057 A-1 Exhibit 4.c  
SR-NASDAQ-2022-057 A-1 Exhibit 5.c

**SR-NASDAQ-2022-057 Amendment No. 1**

The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) submits this Partial Amendment No. 1 (“Amendment”) to SR-NASDAQ-2022-057 to make the following change to the pending Exhibit 5:

1. Insert the following underlined sentence as a stand-alone paragraph immediately above “**(a) Initial Listing Requirements**” on page 26 of 28 of the Exhibit 5:

“Prior to listing a Contingent Value Right, Nasdaq will require that all material terms of the Contingent Value Right be publicly disclosed.”

2. Replace “Listed Securities” with “Publicly Held Shares” in Rule 5732(d)(3) on page 28 of 28 of the Exhibit 5, which will be amended to read as follows:

“Market Value of Publicly Held Shares of at least \$1 million;”

3. Amending Rule 5732(a)(4) on page 26 of 28 of the Exhibit 5 to read as follows:

“The issuer of the CVR must not be considered non-compliant with the listing standards of the national securities exchange where either: (i) the equity security to whose price performance a Price-Based CVR is linked or the issuer’s common stock is listed, or (ii) in an Event-Based CVR where the primary equity security is linked or the issuer’s common stock is listed.”

4. Amending Rule 5732(d)(4) on page 28 of 28 of the Exhibit 5 to read as follows:

“Nasdaq will promptly delist any CVR if the issuer’s common stock, the equity security to whose price performance a Price-Based CVR is linked, or the primary equity security to which an Event-Based CVR is linked, ceases to be listed on a national securities exchange; and”

The proposal SR-NASDAQ-2022-057, as amended, remains consistent with the Securities Exchange Act of 1934 (“Exchange Act”), and specifically with Section 6(b)(5) of the Exchange Act because it clarifies that before listing a Contingent Value Right (“CVR”), the Exchange will require the public disclosure of all the material terms of the CVR. This change helps to protect investors and the public interest by ensuring investors receive adequate information on the materials terms of CVR so that investors can make better informed investment decisions.

The amendment also clarifies that under the CVR Continued Listing Standards of Rule 5732(d)(3) that the \$1 million Market Value threshold requirement applies to Publicly Held Shares.<sup>1</sup> Publicly Held Shares do not include shares 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 and, as amended, only Publicly Held Shares will be included when calculating compliance with the Market Value Continued Listing Standard. This change is consistent with the Securities Exchange Act of 1934, and specifically with Section 6(b)(5) of the Exchange Act because it helps to protect investors and the public interest by clarifying and enhancing the liquidity requirement for the continued listing of CVRs.

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<sup>1</sup> See Nasdaq Rule 5005(a)(35) for definition of “Publicly Held Shares”.

Rule 5732(a)(4), as amended, remains consistent with the Securities Exchange Act of 1934, and specifically with Section 6(b)(5) of the Exchange Act because it helps to protect investors and the public interest by reducing potential confusion by removing any ambiguity by clarifying that the current reference in the proposal to the issuer's common stock is equally applicable to both Price-Based CVRs and Event-Based CVRs.

Specifically, the issuer of the CVR must not be considered non-compliant with the listing standards of the national securities exchange where either (i) the equity security to whose price performance a Price-Based CVR is linked or the issuer's common stock is listed, or (ii) in an Event-Based CVR where the primary equity security is linked or the issuer's common stock is listed.

Finally, the Rule 5732(d)(4), as amended, remains consistent with the Securities Exchange Act of 1934, and specifically with Section 6(b)(5) of the Exchange Act because it helps to protect investors and the public interest by adding clarity through stating more unambiguously that Nasdaq will promptly delist any CVR if the issuer's common stock, the equity security to whose price performance a Price-Based CVR is linked, or the primary equity security to which an Event-Based CVR is linked, ceases to be listed on a national securities exchange. This also lines up the rule language more closely to the Initial Listing Requirements of Rule 5732(a)(4) in that it addresses Event-Based CVRs. This change will ensure that when the issuer's common stock or related equity security on a national securities exchange is delisted that the related CVR will be promptly delisted.

**EXHIBIT 4**

## Changes to the Proposed Rule Text

Text is marked to show changes to proposed rule language in the immediately preceding filing. Additions to the immediately preceding filing are double underlined; deletions from the immediately preceding filing are ~~stricken through~~.

**The Nasdaq Stock Market Rules**

\* \* \* \* \*

5732. Contingent Value Rights

Nasdaq will list Contingent Value Rights (“CVRs”) on the Nasdaq Global Market. CVRs are unsecured obligations of the issuer, which provide for a possible cash payment either: (i) at maturity based upon the price performance of an affiliate’s equity security (a “Price-Based CVR”); or (ii) within a specified time period, upon the occurrence of a specified event or events related to the business of the issuer or an affiliate of the issuer (an “Event-Based CVR”).

At maturity, the holder of a Price-Based CVR is entitled to a cash payment if the average market price of the related equity security is less than a pre-set target price. The target price is typically established at the time the Price-Based CVR is issued. Conversely, should the average market price of the related equity security equal or exceed the target price, the Price-Based CVR would expire worthless.

Within a specified time period, the holder of an Event-Based CVR is entitled to a cash payment upon occurrence of an event or events related to the business of the issuer or an affiliate of the issuer specified at the time the Event-Based CVR is issued. Conversely, should the specified event or events not occur within the specified time period, the Event-Based CVR would expire worthless.

Prior to listing a Contingent Value Right, Nasdaq will require that all material terms of the Contingent Value Right be publicly disclosed.

**(a) Initial Listing Requirements**

(1) The Company must have assets in excess of \$100 million.

(2) The Company must satisfy Rule 5315(f)(3)(A) or have at least \$200,000,000 in global market capitalization.

(3) The Company must satisfy the Market Value of Unrestricted Publicly Held Shares requirement of Rule 5315(f)(2)(A) and (B) requiring (i) a Market Value of at least \$110 million; or (ii) a Market Value of at least \$100 million, if the Company has stockholders' equity of at least \$110 million.

(4) The issuer of the CVR must not be considered non-compliant with the listing standards of the national securities exchange where either: (i) the equity security to whose price performance a Price-Based CVR is linked or the issuer's common stock is listed, or (ii) in an Event-Based CVR, where the primary equity security is linked or the issuer's common stock is listed.

(5) The CVR issue must have:

- (A) a minimum of 400 holders;
- (B) a minimum of 1 million CVRs outstanding;
- (C) a minimum of \$4 million market value;
- (D) a minimum life of one year; and
- (E) a minimum \$4.00 bid price.

**(b) Disclosure Requirements**

The issuer of an Event-Based CVR will be required to make public disclosure in accordance with the provisions of Rule 5250(b) and IM-5250-1: (i) upon the occurrence of any event that must occur as a condition to the issuer's obligation to make a cash payment with respect to the CVR (or if such an event is deemed to have occurred pursuant to the terms of the documents governing the CVR); or (ii) at any such time as it becomes clear that a condition to the cash payment with respect to the CVR has not been met as required by the documents governing the terms of the CVR.

**(c) Circular**

Prior to listing a CVR, Nasdaq will distribute an information circular to its members in substantially the following form:

The following Contingent Voting Rights of COMPANY NAME have been approved for listing and will commence trading at a date to be announced.

NUMBER ISSUED Contingent Value Rights expiring DATE unless extended as more fully explained in the joint proxy/prospectus.

The Contingent Value Rights will trade with the ticker symbol XXXX.

Since the Contingent Value Rights have certain unique characteristics, investors should be afforded an explanation of such special characteristics and risks attendant to trading thereof, including the possibility that the maturity date may be extended and that the CVR's may possibly expire without value (consult the joint proxy/prospectus for full details). The Exchange suggests that transactions in CVR's be recommended only to investors whose accounts have been approved for options trading. If a customer has not been approved for options trading, or



does not wish to open an options account, the firm should ascertain that CVR's are suitable for the customer.

Before a member, member organization, or employee of such member organization undertakes to recommend a transaction in the Contingent Value Rights, such member or member organization should make a determination that such Contingent Value Rights are suitable for such customer and the person making the recommendation should have a reasonable basis for believing, at the time of making the recommendation, that the customer has such knowledge and experience in financial matters that he may reasonably be expected to be capable of evaluating the risks and special characteristics of recommended transaction and is financially able to bear the risks of the recommended transaction.

**(d) Continued Listing Requirements**

(1) At least 100,000 Publicly Held Shares;

(2) At least 100 Holders;

(3) Market Value of Publicly Held Shares ~~Listed Securities~~ of at least \$1 million;

(4) ~~Either~~ Nasdaq will promptly delist any CVR if the issuer's common stock, the equity security to whose price performance a Price-Based CVR is linked or the ~~issuer's common stock must remain listed~~ primary equity security to which an Event-Based CVR is linked, ceases to be listed on a national securities exchange; and

(5) Nasdaq will delist an Event-Based CVR once the occurrence of the specified event or events related to the business of the issuer or an affiliate of the issuer has occurred or once it goes beyond the time that the specified event or events should have occurred.

\* \* \* \* \*

**EXHIBIT 5**

Deleted text is [bracketed]. New text is underlined.

**The Nasdaq Stock Market Rules**

\* \* \* \* \*

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Within a specified time period, the holder of an Event-Based CVR is entitled to a cash payment upon occurrence of an event or events related to the business of the issuer or an affiliate of the issuer specified at the time the Event-Based CVR is issued. Conversely, should the specified event or events not occur within the specified time period, the Event-Based CVR would expire worthless.

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stock is listed, or (ii) in an Event-Based CVR where the primary equity security is linked or the issuer's common stock is listed.

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(5) Nasdaq will delist an Event-Based CVR once the occurrence of the specified event or events related to the business of the issuer or an affiliate of the issuer has occurred or once it goes beyond the time that the specified event or events should have occurred.

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