

## **NASDAQ: Now a National Securities Exchange**

**August 10, 2006**

On August 1, the NASDAQ Stock Market became a registered national securities exchange; formerly, as a subsidiary of the National Association of Securities Dealers (NASD), it had been operating an inter-dealer quotations system. NASDAQ is now an independent entity and is no longer a subsidiary of the NASD. It is operating as a stock exchange for NASDAQ-listed securities and plans to become operational as an exchange for other exchange-listed securities on October 1, 2006.

### **The NASDAQ Stock Market**

NASDAQ has changed the names of the NASDAQ National Market to the *NASDAQ Global Market* and the name of the NASDAQ Small Cap Market to the *NASDAQ Capital Market*. It has also created a new market tier known as the *NASDAQ Global Select Market* with what it believes are the most stringent initial financial listing standards ever set by a stock market. In June, NASDAQ assigned about one-third of the qualified Global Market issuers (formerly National Market issuers) to the Global Select Market. There are no substantive differences in listing requirements between the NASDAQ National Market and the NASDAQ Global Market. Securities listed on the NASDAQ Global Market and the NASDAQ Global Select Market should continue to be exempt from state blue sky law registration requirements.

### **Consequences for NASDAQ-Listed Companies**

The effects of NASDAQ's transformation for most of its listed companies will be limited. The NASD's marketplace rules, including the listing criteria for NASDAQ-listed companies, have been adopted in large part as the NASDAQ Rules Manual of the newly independent NASDAQ Stock Market. The most notable changes are the new listing criteria for the NASDAQ Global Select Market. Companies that are now included in the NASDAQ Global Select Market will not owe additional listing fees as a result of transferring from the NASDAQ Global Market.

One technical effect of the change in the NASDAQ Stock Market is that the securities of all NASDAQ-listed issuers have become registered under section 12(b) (rather than section 12(g)) of the Securities Exchange Act of 1934 (the Exchange Act). While listed issuers' periodic reporting requirements will remain the same, any future annual report filings under the Exchange Act (10-Ks, 10-KSBs, 20-Fs, and 40-Fs) should indicate that the company's NASDAQ-listed securities are registered under section 12(b) of the Exchange Act and should list "The NASDAQ Stock Market LLC" as the stock exchange upon which those securities are listed. These companies should continue to file their Exchange Act reports

using the same file numbers that the SEC previously assigned. Their CIK numbers also will remain the same. Electronic filings by EDGAR of issuers' current and periodic reports; proxy materials; Forms 3, 4, and 5, Form 144 and Schedules 13D and 13G will satisfy the obligation to file these documents with the NASDAQ Stock Market. If any of these documents are filed in hard copy, copies should be sent to the Listing Qualifications department of the NASDAQ Stock Market.

Please contact any of the following Morgan Lewis attorneys for more information about the issues discussed in this Morgan Lewis LawFlash:

**New York**

Stephen P. Farrell	212.309.6050	<a href="mailto:sfarrell@morganlewis.com">sfarrell@morganlewis.com</a>
Howard A. Kenny	212.309.6843	<a href="mailto:hkenny@morganlewis.com">hkenny@morganlewis.com</a>

**Philadelphia**

Alan Singer	215.963.5224	<a href="mailto:asinger@morganlewis.com">asinger@morganlewis.com</a>
-------------	--------------	--

**Washington, D.C.**

David A. Sirignano	202.739.5420	<a href="mailto:dsirignano@morganlewis.com">dsirignano@morganlewis.com</a>
Steven W. Stone	202.739.5453	<a href="mailto:sstone@morganlewis.com">sstone@morganlewis.com</a>

**About Morgan, Lewis & Bockius LLP**

Morgan Lewis is a global law firm with more than 1,250 lawyers in 20 offices located in Beijing, Boston, Brussels, Chicago, Dallas, Frankfurt, Harrisburg, Irvine, London, Los Angeles, Miami, New York, Palo Alto, Paris, Philadelphia, Pittsburgh, Princeton, San Francisco, Tokyo, and Washington, D.C. For more information about Morgan Lewis or its practices, please visit us online at [www.morganlewis.com](http://www.morganlewis.com).

This LawFlash is provided as a general informational service to clients and friends of Morgan, Lewis & Bockius LLP. It should not be construed as imparting legal advice on any specific matter.  
© 2006 Morgan, Lewis & Bockius LLP. All Rights Reserved.