



NASDAQ To File Letter With SEC Regarding Regulatory Trading Halts

New York, NY—The Nasdaq Stock Market, Inc. announced its intent to file a letter with the Securities and Exchange Commission (SEC) regarding the primary market's authority to initiate and continue trading halts on an intermarket basis.

On May 30, 2003, the SEC granted NASDAQ permanent authority to halt trading in an affected security when NASDAQ determines that system malfunctions either within or outside the NASDAQ market are affecting trading. The SEC wrote: "The Commission believes that, in circumstances where the misuse or malfunction of electronic systems that trade NASDAQ-listed securities, may impact the price and volume of transactions in such securities, NASDAQ should have the authority to halt trading in an affected security until the problem can be addressed. Such a decision to halt trading requires NASDAQ to make a determination that the action is necessary for the protection of investors and the public interest..."

On Friday, December 5, NASDAQ called a trading halt in Corinthian Colleges, a NASDAQ-listed stock, when it determined that there was a system malfunction outside of NASDAQ that affected trading of the stock in all marketplaces. This was due to what was defined as extraordinary market activity, or market activity likely to have a material effect on the market for that security. NASDAQ determined that this system malfunction was harming investors due to a technology failure outside of NASDAQ.

NASDAQ is sending a letter to the SEC today asking the Commission to impose primary market regulatory halts uniformly across all UTP exchanges.

With nearly 3,400 companies, NASDAQ (OTCBB; NDAQ) lists more companies and, on average, trades more shares per day than any other U.S. market. It is home to category-defining companies that are leaders across all areas of business including technology, retail, communications, financial services, media and biotechnology industries. For more information about NASDAQ, visit the NASDAQ Web site at www.NASDAQ.com or the NASDAQ NewsroomSM at www.nasdaq.com/newsroom.

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