

NASDAQ STOCK MARKET INC
 Form 4
 December 15, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
WARREN DAVID P

2. Issuer Name and Ticker or Trading Symbol
NASDAQ STOCK MARKET INC [NDAQ]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
ONE LIBERTY PLAZA
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/13/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Executive Vice President

NEW YORK, NY 10006
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount (A) or (D) Price | | |
| Common Stock, par value \$0.01 per share | 12/13/2006 | | A | | 9,615 (1) | A | \$ 0 32,320 (2) D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Employee Stock Option (Right to Buy) | \$ 35.92 | 12/13/2006 | | A | 28,801 | <u>(3)</u> | 12/13/2016 | Common Stock | 28,801 |
| Employee Stock Option (Right to Buy) | \$ 7.35 | | | | | <u>(4)</u> | 11/15/2014 | Common Stock | 150,000 |
| Employee Stock Option (Right to Buy) | \$ 9.15 | | | | | <u>(5)</u> | 02/18/2014 | Common Stock | 75,000 |
| Employee Stock Option (Right to Buy) | \$ 10.25 | | | | | <u>(6)</u> | 10/04/2011 | Common Stock | 44,300 |
| Employee Stock Option (Right to Buy) | \$ 13 | | | | | <u>(7)</u> | 02/14/2011 | Common Stock | 55,700 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| WARREN DAVID P ONE LIBERTY PLAZA NEW YORK, NY 10006 | | | Executive Vice President | |

Signatures

/s/ Edward S. Knight, by power of
attorney

12/15/2006

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Restricted stock vests as to 50% on December 13, 2010, subject to accelerated vesting on December 13, 2009, or extension of vesting until December 13, 2011, depending on the achievement of performance goals to be determined by the Board of Directors. Restricted stock vests as to 50% on December 13, 2011, subject to accelerated vesting on December 13, 2010, or extension of vesting until December 13, 2012, depending on the achievement of performance goals to be determined by the Board of Directors.
 - (2) Represents (i) 14,000 shares of common stock acquired upon exercise of vested options and (ii) 18,320 shares of restricted stock granted under The Nasdaq Stock Market, Inc. Equity Incentive Plan, of which 8,705 shares are vested.
Options exercisable as to 50% on December 13, 2010, subject to accelerated vesting on December 13, 2009, or extension of vesting until December 13, 2011, depending on the achievement of performance goals to be determined by the Board of Directors.
 - (3) Options exercisable as to 50% on December 13, 2011, subject to accelerated vesting on December 13, 2010, or extension of vesting until December 13, 2012, depending on the achievement of performance goals to be determined by the Board of Directors.
 - (4) Options exercisable as to 50% on January 15, 2008 and as to 50% on January 15, 2009.
 - (5) Option exercisable as to 100% on February 18, 2007.
 - (6) Options exercisable as to 100%.
 - (7) Options exercisable as to 100%.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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