

JACOBS JOHN
Form 4
February 22, 2006

FORM 4

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

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
JACOBS JOHN

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)

NEW YORK, NY 10006

(City) (State) (Zip)

3. Date of Earliest Transaction
(Month/Day/Year)
02/17/2006

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

____ Director ____ 10% Owner
____X____ Officer (give title ____ Other (specify
below) below)

Executive Vice President

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, par value \$0.01 per share ("Common Stock")	02/17/2006		M		14,000	A	\$ 13 32,222 ⁽¹⁾

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

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(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)	\$ 13	02/17/2006		M	14,000	(2) 02/14/2011	Common Stock 14,000
Employee Stock Option (Right to Buy)	\$ 13.38					(3) 07/24/2012	Common Stock 32,100
Employee Stock Option (Right to Buy)	\$ 8.5					(4) 07/29/2013	Common Stock 30,300
Employee Stock Option (Right to Buy)	\$ 9.15					(5) 02/18/2014	Common Stock 100,000
Employee Stock Option (Right to Buy)	\$ 7.35					(6) 11/15/2014	Common Stock 200,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
JACOBS JOHN ONE LIBERTY PLAZA NEW YORK, NY 10006	Executive Vice President

Signatures

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

02/22/2006

__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) Includes 6,750 shares of restricted stock granted under The Nasdaq Stock Market, Inc. Equity Incentive Plan, of which 6,750 shares are vested and 11,472 shares acquired under The Nasdaq 2000 Employee Stock Purchase Plan.
- (2) Option exercisable as to 12,408 on December 31, 2001, an additional 6,392 on August 14, 2002, an additional 6,016 on February 14, 2003, an additional 6,392 on each of August 14, 2003 and February 14, 2004.
- (3) Option exercisable as to 33% on each of July 24, 2003 and 2004 and as to 34% on July 24, 2005.
- (4) Option exercisable as to 33% on each of July 29, 2004 and 2005 and as to 34% on July 29, 2006.
- (5) Option exercisable as to 100% on February 18, 2007.
Option exercisable as to 50% on January 15, 2009 ("tranche 1"), subject to accelerated vesting of the entire tranche 1 on January 15, 2008, or in the alternative, extension of vesting of the entire tranche 1 until January 15, 2010, depending on whether applicable
- (6) performance goals to be determined by the Board of Directors are met. Options exercisable as to 50% on January 15, 2010 ("tranche 2"), subject to accelerated vesting of the entire tranche 2 on January 15, 2009, or in the alternative, extension of vesting of the entire tranche 2 until January 15, 2011, depending on whether applicable performance goals to be determined by the Board of Directors are met.

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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