

NASDAQ STOCK MARKET INC
 Form 4
 August 21, 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 *
 Silver Lake Partners II TSA LP

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)
 2775 SAND HILL ROAD, SUITE 100
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 08/17/2006

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

MENLO PARK, CA 94025

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

(City) (State) (Zip)

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock | 08/17/2006 | | S | 50,000 D | \$ 29.5 1,380,250 | I | See footnotes (1) (2) |
| Common Stock | 08/17/2006 | | S | 10,000 D | \$ 29.55 1,370,250 | I | See footnotes (1) (2) |
| Common Stock | 08/17/2006 | | S | 25,000 D | \$ 29.56 1,345,250 | I | See footnotes (1) (2) |
| Common Stock | 08/17/2006 | | S | 10,000 D | \$ 29.6 1,335,250 | I | See |

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| Stock | | | | | | | | footnotes <u>(1)</u> <u>(2)</u> |
|--------------|------------|---|---------|---|----------|-----------|---|--|
| Common Stock | 08/17/2006 | S | 50,000 | D | \$ 29.64 | 1,285,250 | I | See footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock | 08/17/2006 | S | 70,000 | D | \$ 29.67 | 1,215,250 | I | See footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock | 08/17/2006 | S | 25,000 | D | \$ 29.71 | 1,190,250 | I | See footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock | 08/17/2006 | S | 30,000 | D | \$ 29.76 | 1,160,250 | I | See footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock | 08/17/2006 | S | 25,000 | D | \$ 29.79 | 1,135,250 | I | See footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock | 08/17/2006 | S | 25,000 | D | \$ 29.86 | 1,110,250 | I | See footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock | 08/17/2006 | S | 45,000 | D | \$ 29.89 | 1,065,250 | I | See footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock | 08/17/2006 | S | 50,000 | D | \$ 30.1 | 1,015,250 | I | See footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock | 08/17/2006 | S | 25,000 | D | \$ 30.16 | 990,250 | I | See footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock | 08/17/2006 | S | 20,000 | D | \$ 30.18 | 970,250 | I | See footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock | 08/17/2006 | S | 25,000 | D | \$ 30.19 | 945,250 | I | See footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock | 08/17/2006 | S | 35,000 | D | \$ 30.2 | 910,250 | I | See footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock | 08/18/2006 | S | 145,000 | D | \$ 29.5 | 765,250 | I | See footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock | 08/18/2006 | S | 15,000 | D | \$ 29.51 | 750,250 | I | See footnotes <u>(1)</u> <u>(2)</u> |

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| | | | | | | | | |
|--------------|------------|---|--------|---|----------|---------|---|-----------------------|
| Common Stock | 08/18/2006 | S | 5,000 | D | \$ 29.54 | 745,250 | I | See footnotes (1) (2) |
| Common Stock | 08/18/2006 | S | 5,000 | D | \$ 29.6 | 740,250 | I | See footnotes (1) (2) |
| Common Stock | 08/18/2006 | S | 10,000 | D | \$ 29.74 | 730,250 | I | See footnotes (1) (2) |

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

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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) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| | | | | | | Code | V | (A) | (D) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Silver Lake Partners II TSA LP 2775 SAND HILL ROAD, SUITE 100 MENLO PARK, CA 94025 | | X | | |
| Silver Lake Technology Investors II, L.P. 2775 SAND HILL ROAD, SUITE 100 MENLO PARK, CA 94025 | | X | | |
| Silver Lake Partners TSA LP 2775 SAND HILL ROAD, SUITE 100 MENLO PARK, CA 94025 | | X | | |

SILVER LAKE INVESTORS LP
 2775 SAND HILL ROAD, SUITE 100 X
 MENLO PARK, CA 94025

HUTCHINS GLENN H
 9 WEST 57TH STREET, 25TH FLOOR X
 NEW YORK, NY 10019

Signatures

/s/ Alan K. Austin, Managing Director and Chief Operating Officer of Silver Lake
 Technology Associates II, L.L.C., as general partner of Silver Lake Partners II TSA, L.P. 08/21/2006

__Signature of Reporting Person Date

/s/ Alan K. Austin, Managing Director and Chief Operating Officer of Silver Lake
 Technology Associates II, L.L.C., as general partner of Silver Lake Technology Investors II,
 L.P. 08/21/2006

__Signature of Reporting Person Date

/s/ Alan K. Austin, Managing Director and Chief Operating Officer of Silver Lake
 Technology Associates, L.L.C., as general partner of Silver Lake Partners TSA, L.P. 08/21/2006

__Signature of Reporting Person Date

/s/ Alan K. Austin, Managing Director and Chief Operating Officer of Silver Lake
 Technology Associates, L.L.C., as general partner of Silver Lake Investors, L.P. 08/21/2006

__Signature of Reporting Person Date

/s/ Alan K. Austin, as attorney-in-fact for Glenn H. Hutchins 08/21/2006

__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).

Certain affiliates of Silver Lake Partners TSA, L.P., Silver Lake Partners II TSA, L.P. and Mr. Hutchins, together with Silver Lake Investors, L.P. and Silver Lake Technology Investors II, L.P. (the "SLP Entities"), own indirectly Instinet L.L.C. and Instinet Clearing Services, Inc. (collectively, the "Instinet Entities"), which hold shares of Common Stock of The Nasdaq Stock Market, Inc. ("Nasdaq").
 (1) This filing is reporting the sale of shares of Common Stock of Nasdaq by the Instinet Entities pursuant to a Rule 10b5-1 trading plan adopted by Instinet Holdings, Inc. The SLP Entities disclaim beneficial ownership of such securities, except to the extent of any indirect pecuniary interest therein.

Mr. Hutchins is a managing director of (i) Silver Lake Technology Associates, L.L.C., which is the general partner of (a) Silver Lake Partners TSA, L.P. and (b) Silver Lake Investors, L.P., and (ii) Silver Lake Technology Associates II, L.L.C., which is the general partner of (a) Silver Lake Partners II TSA, L.P. and (b) Silver Lake Technology Investors II, L.P. Mr. Hutchins disclaims beneficial ownership of the Nasdaq securities held by the SLP Entities and the Instinet Entities, except to the extent of any indirect pecuniary interest therein.
 (2)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.