

Proposed Rule Change by National Association of Securities Dealers
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial <input type="checkbox"/>	Amendment <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input checked="" type="checkbox"/>	Section 19(b)(3)(A) <input type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action <input type="checkbox"/>		Date Expires <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the proposed rule change (limit 250 characters).

Contact Information
Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name Last Name
 Title
 E-mail
 Telephone Fax

Signature
Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date
 By Senior Vice President and Deputy General Counsel
 (Name) (Title)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

On July 25, 2007, National Association of Securities, Dealers, Inc. or “NASD” (n/k/a Financial Industry Regulatory Authority, Inc. or “FINRA”) filed with the Securities and Exchange Commission (“Commission” or “SEC”) SR-NASD-2007-056, a proposed rule change to establish a membership waive-in process for certain New York Stock Exchange (“NYSE”) member organizations. FINRA hereby amends the proposed rule change as follows:

1. On pages 5 and 13 of the rule filing, insert the following paragraph before the paragraph that begins “The Waive-In Application would require the following information:”

FINRA does not intend to recognize any new registration categories upon the closing of the Transaction. Thus, associated persons of the NYSE-only member organizations will be automatically registered with FINRA only for those registration categories that are recognized jointly by NASD and NYSE – e.g., a General Securities Representative (Series 7); provided, however, that the firm must, upon approval of FINRA membership, submit an amended Form U4 for each such associated person, denoting the corresponding NASD registration category(ies) for such person.¹ A list of those registration categories is included as part of the Waive-In Application. (Please note that both NASD and NYSE recognize the Series 9/10, but for NASD, persons who have passed the Series 9/10 may function only as a General Securities Sales Supervisor (see NASD Rule 1022(g))). For those associated persons registered in a category recognized only by NYSE, FINRA will acknowledge such registrations to permit such persons to continue to function in the capacity for which they are registered.

2. On pages 7 and 14 of the rule filing, insert the following paragraph before the paragraph that begins “Finally, the proposed rule change would create Interpretive Material Section 4(e) of Schedule A of the NASD By-Laws . . .”:

Associated persons of an NYSE-only member organization admitted to FINRA pursuant to proposed IM-1013-1 would be subject to the same set of rules as the firm with which they are associated, namely the NYSE rules incorporated by FINRA, FINRA’s By-Laws and Schedules to By-Laws, and the NASD Rule 8000 and 9000 Series. Inasmuch as these associated persons would not be subject to NASD Rules 1021 or 1031, they would not be required to register in a registration category recognized

¹ FINRA intends to file a separate rule change to the Forms U4 and U5 to reflect NASD’s change in corporate name to FINRA.

by FINRA. To the extent that such persons continue to be associated solely with a firm whose business complies with the limitations imposed on those firms admitted to FINRA pursuant to proposed IM-1013-1, FINRA is not imposing any registration requirements beyond those required by the NYSE, provided their business is confined in scope as contemplated in proposed IM-1013-1.²

3. On pages 7 and 14 of the rule filing, insert the underlined language in the penultimate paragraph of the “Purpose” section:

Finally, the proposed rule change would create Interpretive Material Section 4(b)(1) and 4(e) of Schedule A of the NASD By-Laws, which would exempt the applicants from the assessment of a FINRA membership application fee and from fees for each initial Form U4 filed by the applicant with FINRA for the registration of a representative or principal associated with the firm at the time it submits its application for FINRA membership pursuant to proposed IM-1013-1. NASD believes the exemption is appropriate, since NYSE is mandating FINRA membership in furtherance of the Transaction and because the waive-in application process will not require the same resources by the Department as when a new applicant that is not already a member of NYSE seeks membership.

4. On page 20 of the rule filing, the following list of registration categories replaces the existing one in Part II of the Waive-In Membership Application Form (Exhibit 3):

Series 4 (Registered Options Principal)
Series 6 (Limited Representative, Investment Company and Variable Contracts Products)
Series 7 (General Securities Representative)
*Series 9/10 (General Securities Sales Supervisor) **
Series 16 (Supervisory Analyst)
Series 17 (United Kingdom – Limited General Securities Registered Representative)
Series 22 (Direct Participation Program Representative)
Series 37/38 (Canada – Limited General Securities Registered Representative)
Series 52 (Municipal Securities Representative)
Series 86/87 (Research Analyst)
In-Firm Delivery Proctor

- * An associated person of an NYSE-only member organization registered as an NYSE Branch Office Manager will be recognized by FINRA as a General Securities Sales Supervisor.

5. On pages 22 through 24 of the rule filing, the following rule text replaces in its entirety the rule text in Exhibit 5:

² The licensing and other requirements applicable to the NYSE-only member organizations and their associated persons are subject to change as part of the process of establishing a consolidated rulebook applicable to all FINRA members.

EXHIBIT 5

Below is the text of the proposed rule change. Proposed new language is underlined.

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SCHEDULE A TO NASD BY-LAWS

* * * * *

Section 1 through Section 4

No Change.

IM-Section 4(b)(1) and (e) -- Exemption from Certain Registration and Membership Application Fees for Certain New York Stock Exchange Member Organizations

NYSE member organizations that become members of FINRA pursuant to IM-1013-1 shall not be assessed the fee set forth in Section 4(b)(1) to Schedule A of the NASD By-Laws for the initial Form U-4 filed by firms for the registration of any representative or principal associated with the member organization at the time a firm submits its application for FINRA membership. Such firms also shall not be assessed the membership application fee set forth in Section 4(e) to Schedule A of the NASD By-Laws. However, those firms will otherwise remain subject to FINRA's By-Laws and Schedules to By-Laws, including Schedule A.

Section 5 through Section 13

No Change.

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1000. MEMBERSHIP, REGISTRATION AND QUALIFICATION REQUIREMENTS

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1013. New Member Application and Interview

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IM-1013-1. Membership Waive-In Process for Certain New York Stock Exchange Member Organizations

This Interpretive Material sets forth a membership waive-in process for certain New York Stock Exchange (“NYSE”) member organizations to become members of FINRA as part of the consolidation of the member firm regulatory functions of NASD and NYSE Regulation, Inc. (“NYSE Regulation”). It applies to firms that, as of July 25, 2007, (1) are approved NYSE member organizations or (2) have submitted an application to become an NYSE member organization and are subsequently approved for NYSE membership (together “NYSE-only member organizations”), provided that such firms were not also NASD members as of July 30, 2007. Such firms are eligible to automatically become FINRA members and to automatically register all associated persons whose registrations are approved with NYSE in registration categories recognized by FINRA upon submission to FINRA’s Member Regulation Department (“the Department”) of a signed waive-in membership application (“Waive-In Application”) with the following information:

- (1) General company information, including Central Registration Depository (CRD[®]) Number and contact person.
- (2) An attestation that all information on the applicant’s CRD form, as of the date of submission of the Waive-In Application is accurate and complete and fully reflects all aspects of the applicant’s current business, including, but not limited to, ownership structure, management, product lines and disclosures.
- (3) The identity of the firm’s Executive Representative.
- (4) Completed and signed Entitlement Forms.

(5) A signed FINRA Membership Agreement.

(6) Representations that the NYSE applicant's Uniform Application for Broker-Dealer Registration (Form BD) will be amended as needed to keep current and accurate; that all individual and entity registrations with FINRA will be kept current; and that all information and statements contained in the Waive-In Application are current, true and complete.

The Department shall review the Waive-In Application within three (3) business days of receipt and, if complete, issue a letter notifying the applicant that it has been approved for membership. The Membership Agreement shall become effective on the date of such notification letter.

Firms admitted pursuant to this Interpretive Material shall be subject to the NYSE rules incorporated by FINRA, FINRA's By-Laws and Schedules to By-Laws, including Schedule A, and the NASD Rule 8000 and Rule 9000 Series, provided that their securities business is limited to floor brokerage on the NYSE, or routing away to other markets orders that are ancillary to their core floor business under NYSE Rule 70.40 ("permitted floor activities"). If an NYSE-only member organization admitted pursuant to this Interpretive Material seeks to expand its business operations to include any activities other than the permitted floor activities, such firm must apply for and receive approval to engage in such business activity pursuant to NASD Rule 1017. Upon approval of such business expansion, the firm shall be subject to all NASD rules, in addition to those NYSE rules incorporated by FINRA.

Pursuant to IM-Section 4(b)(1) and (e) to Schedule A of the NASD By-Laws, a firm applying to waive in for membership pursuant to this Interpretive Material shall not

be assessed certain registration and application fees set forth in Sections 4(b)(1) and (e) to Schedule A of the NASD By-Laws.