Attachment A

New language is underlined; deletions are in brackets.

* * * * *

2200. COMMUNICATIONS AND DISCLOSURES

2210. Communications with the Public

(a) No Change.

(b) Approval, Review and Recordkeeping

(1) through (3) No Change.

(4) Recordkeeping

(A) Members must maintain all retail communications and institutional communications for the retention period required by SEA Rule 17a-4(b) and in a format and media that comply with SEA Rule 17a-4. The records must include:

(i) through (iii) No Change.

(iv) information concerning the source of any statistical table, chart, graph, projection of performance, targeted return, or other illustration used in the communication;

(v) for any retail communication for which principal approval is not required pursuant to paragraph (b)(1)(C) of this Rule, the name of the member that filed the retail communication with the Department, and a copy of the corresponding review letter from the Department; and

(vi) No Change.

(B) No Change.

(c) No Change.

(d) Content Standards

(1) General Standards

(A) through (E) No Change.

(F) Communications may not predict or project performance, imply that past performance will recur or make any exaggerated or unwarranted claim, opinion or forecast; provided, however, that this paragraph (d)(1)(F) does not prohibit:

(i) A hypothetical illustration of mathematical principles, provided that it does not predict or project the performance of an investment or investment strategy;

(ii) An investment analysis tool, or a written report produced by an investment analysis tool, that meets the requirements of Rule 2214; [and]

(iii) A price target contained in a research report on debt or equity securities, provided that the price target has a reasonable basis, the report discloses the valuation methods used to determine the price target, and the price target is accompanied by disclosure concerning the risks that may impede achievement of the price target; and

(iv) A communication that projects the performance or provides a targeted return with respect to a security, a securities

portfolio, or an asset allocation or other investment strategy, provided that the member:

a. adopts and implements written policies and procedures reasonably designed to ensure that the communication is relevant to the likely financial situation and investment objectives of the intended audience of the communication; and

b. provides sufficient information to enable the intended audience to understand (i) the criteria used and assumptions made in calculating the projected performance or targeted return; and (ii) the risks and limitations of using the projected performance or targeted return in making investment decisions.

(2) through (9) No Change.

(e) through (g) No Change.

* * * * *