

Proposed Rule Change by Financial Industry Regulatory Authority
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial <input checked="" type="checkbox"/>	Amendment <input 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"/>			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
Date Expires <input type="text"/>			<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).

Proposed rule change to amend NASD Rule 2711 and NYSE Rule 472 regarding a members disclosure and supervisory review obligations when it distributes or makes available third-party research reports.

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 officer.

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.

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ Financial Industry Regulatory Authority, Inc. (“FINRA”) (f/k/a National Association of Securities Dealers, Inc. or (“NASD”)) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to amend NASD Rule 2711 (Research Analysts and Research Reports) and NYSE Rule 472 (Communications With The Public) regarding a member’s disclosure and supervisory review obligations when it distributes or makes available third-party research reports.

The text of the proposed rule change is attached as Exhibit 5 to this rule filing.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change has been approved by the General Counsel of FINRA (or his officer designee) pursuant to delegated authority. No other action by FINRA is necessary for the filing of the proposed rule change.

FINRA will announce the effective date of the proposed rule change in a Regulatory Notice to be published no later than 60 days following Commission approval.

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

¹ 15 U.S.C. 78s(b)(1).

NASD Rule 2711(h)(13) and NYSE Rule 472(k)(4) set forth a member's disclosure and supervisory review obligations when the member distributes – i.e., “pushes out” – or makes available a research report produced by a third party. A member that distributes a third-party research report must accompany the report with certain current applicable disclosures (“third-party disclosures”), as they pertain to the member:

- (1) if the member owns 1% or more of any class of equity securities of the subject company;
- (2) if the member or any affiliate has managed or co-managed a public offering of securities of the subject company or received compensation for investment banking services from the subject company in the past 12 months, or expects to receive or intends to seek compensation for such services in the next three months;
- (3) if the member makes a market in the subject company's securities; and
- (4) any other actual, material conflict of interest of the research analyst or member of which the research analyst knows or has reason to know at the time the research report is distributed or made available.

The third-party disclosure requirements do not apply if a member makes available to its customers non-affiliate research either upon request or through a member-maintained web site.

NASD Rule 2711(h)(13) further requires that a registered principal (or supervisory analyst approved pursuant to Rule 344 of the New York Stock Exchange) must review and approve by signature or initial any third-party research distributed by a member. Consistent with NASD Rule 2210(d)(1)(B), the member must review such research to ensure that the applicable disclosures discussed above are complete and accurate (“disclosure review”) and the content of the research reports contains no untrue statement of material fact or is otherwise not false or misleading (“content review”). Similarly, NYSE Rule 472(k)(4) requires a supervisory analyst approved pursuant to

New York Stock Exchange Rule 344 to approve by signature or initial any third-party research distributed by a member organization. Additionally, NYSE Rule 472(k)(4) requires a supervisory analyst or qualified person, designated pursuant to NYSE Rule 342(b)(1), to conduct the same disclosure and content review as NASD Rule 2711(h)(13).

FINRA has interpreted that content review requirement to mean that a member's supervisory obligation for review of third-party research extends to any untrue statement of material fact or any false or misleading information that (1) should be known from a reading of the report or (2) is known based on information otherwise possessed by the member.² No supervisory review is required under either rule when a member makes available non-affiliate research either upon request or through a member-maintained web site.

The proposed rule change would define a "third-party research report" for the purposes of the Rules as a research report that is produced by a person or entity other than a member. The proposal further would create the subcategory of "independent third-party research" and eliminate the content review requirement when a member distributes or makes available such research. The proposal would define "independent third-party research" for the purposes of the Rules to mean a third-party research report, in respect of which the person or entity producing the report: (1) has no affiliation or business or contractual relationship with the distributing member or that member's affiliates that is reasonably likely to inform the content of its research reports; and (2)

² See Notice to Members 07-04. NYSE Information Memo 07-11, which has been incorporated by FINRA, sets out the same standard for NYSE Rule 472(k)(4).

makes coverage and content determinations without any input from the distributing member or that member's affiliates.

The proposed rule change would create an exception from the disclosure review requirement for independent-third party research reports made available by a member either (1) upon request, (2) through a member-maintained web site or (3) where such report is made available by a member to a customer in connection with a solicited order in which the registered representative has informed the customer, during the course of the solicitation, of the availability of independent research on the solicited equity security and the customer requests such independent research.

The proposed rule change would require that current applicable third-party disclosures accompany any third-party research report that does not meet the definition of "independent third-party research report," irrespective of whether it is distributed or made available upon request, on a member-maintained web site or in connection with a solicitation, as described above. However, the proposed rule change would amend NASD Rule 2711(h)(13) and NYSE 472(k)(4) to allow a member to direct a customer to a web address where such applicable third-party disclosures could be found.

FINRA believes the proposed rule change will promote the availability of independent third-party research – a valuable source of independent analysis for investors that can be compared with or supplement a member's own research. At the same time, the proposal would maintain member supervisory review in those circumstances where the member's relationship with the research provider is such that the research is not wholly free from the control or influence of the member. Moreover, the proposed rule

change preserves the requirement that a member disclose potential conflicts with the subject company whenever it “pushes out” research to customers.

As noted in Item 2 of this filing, FINRA will announce the effective date of the proposed rule change in a Regulatory Notice to be published no later than 60 days following Commission approval.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,³ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change is consistent with the provisions of the Act noted above in that it will promote the availability of independent third-party research reports, thereby resulting in more fully informed investment decisions by investors.

4. Self-Regulatory Organization’s Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

5. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

³ 15 U.S.C. 78o-3(b)(6).

6. **Extension of Time Period for Commission Action**

FINRA does not consent at this time to an extension of the time period for Commission action specified in Section 19(b)(2) of the Act.⁴

7. **Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)**

Not applicable.

8. **Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission**

Not applicable.

9. **Exhibits**

Exhibit 1. Completed notice of proposed rule change for publication in the Federal Register.

Exhibit 5. Text of the proposed rule change marked to show additions to and deletions from current rule language.

⁴ 15 U.S.C. 78s(b)(2).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-FINRA-2007-011)

Self-Regulatory Organizations: Financial Industry Regulatory Authority, Inc.; Notice of Filing of Proposed Rule Change to Amend NASD Rule 2711 and NYSE Rule 472 Regarding a Member’s Disclosure and Supervisory Review Obligations when Distributing Third-Party Research

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on , Financial Industry Regulatory Authority, Inc. (“FINRA”) (f/k/a National Association of Securities Dealers, Inc. (“NASD”)) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

FINRA is proposing to amend NASD Rule 2711 and NYSE Rule 472 with respect to a member’s disclosure and supervisory review obligations when it distributes or makes available third-party research reports.

The text of the proposed rule change is attached as Exhibit 5 to this rule filing.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FINRA included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. **Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

1. Purpose

NASD Rule 2711(h)(13) and NYSE Rule 472(k)(4) set forth a member's disclosure and supervisory review obligations when the member distributes – *i.e.*, “pushes out” – or makes available a research report produced by a third party. A member that distributes a third-party research report must accompany the report with certain current applicable disclosures (“third-party disclosures”), as they pertain to the member: (1) if the member owns 1% or more of any class of equity securities of the subject company; (2) if the member or any affiliate has managed or co-managed a public offering of securities of the subject company or received compensation for investment banking services from the subject company in the past 12 months, or expects to receive or intends to seek compensation for such services in the next three months; (3) if the member makes a market in the subject company's securities; and (4) any other actual, material conflict of interest of the research analyst or member of which the research analyst knows or has reason to know at the time the research report is distributed or made available. The third-party disclosure requirements do not apply if a member makes available to its customers non-affiliate research either upon request or through a member-maintained web site.

NASD Rule 2711(h)(13) further requires that a registered principal (or supervisory analyst approved pursuant to Rule 344 of the New York Stock Exchange) must review and approve by signature or initial any third-party research distributed by a

member. Consistent with NASD Rule 2210(d)(1)(B), the member must review such research to ensure that the applicable disclosures discussed above are complete and accurate (“disclosure review”) and the content of the research reports contains no untrue statement of material fact or is otherwise not false or misleading (“content review”). Similarly, NYSE Rule 472(k)(4) requires a supervisory analyst approved pursuant to New York Stock Exchange Rule 344 to approve by signature or initial any third-party research distributed by a member organization. Additionally, NYSE Rule 472(k)(4) requires a supervisory analyst or qualified person, designated pursuant to NYSE Rule 342(b)(1), to conduct the same disclosure and content review as NASD Rule 2711(h)(13).

FINRA has interpreted that content review requirement to mean that a member’s supervisory obligation for review of third-party research extends to any untrue statement of material fact or any false or misleading information that (1) should be known from a reading of the report or (2) is known based on information otherwise possessed by the member.³ No supervisory review is required under either rule when a member makes available non-affiliate research either upon request or through a member-maintained web site.

The proposed rule change would define a “third-party research report” for the purposes of the Rules as a research report that is produced by a person or entity other than a member. The proposal further would create the subcategory of “independent third-party research” and eliminate the content review requirement when a member distributes or makes available such research. The proposal would define “independent third-party

³ See Notice to Members 07-04. NYSE Information Memo 07-11, which has been incorporated by FINRA, sets out the same standard for NYSE Rule 472(k)(4).

research” for the purposes of the Rules to mean a third-party research report, in respect of which the person or entity producing the report: (1) has no affiliation or business or contractual relationship with the distributing member or that member’s affiliates that is reasonably likely to inform the content of its research reports; and (2) makes coverage and content determinations without any input from the distributing member or that member’s affiliates.

The proposed rule change would create an exception from the disclosure review requirement for independent-third party research reports made available by a member either (1) upon request, (2) through a member-maintained web site or (3) where such report is made available by a member to a customer in connection with a solicited order in which the registered representative has informed the customer, during the course of the solicitation, of the availability of independent research on the solicited equity security and the customer requests such independent research.

The proposed rule change would require that current applicable third-party disclosures accompany any third-party research report that does not meet the definition of “independent third-party research report,” irrespective of whether it is distributed or made available upon request, on a member-maintained web site or in connection with a solicitation, as described above. However, the proposed rule change would amend NASD Rule 2711(h)(13) and NYSE 472(k)(4) to allow a member to direct a customer to a web address where such applicable third-party disclosures could be found.

FINRA believes the proposed rule change will promote the availability of independent third-party research – a valuable source of independent analysis for investors that can be compared with or supplement a member’s own research. At the same time,

the proposal would maintain member supervisory review in those circumstances where the member's relationship with the research provider is such that the research is not wholly free from the control or influence of the member. Moreover, the proposed rule change preserves the requirement that a member disclose potential conflicts with the subject company whenever it "pushes out" research to customers.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,⁴ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change is consistent with the provisions of the Act noted above in that it will promote the availability of independent third-party research reports, thereby resulting in more fully informed investment decisions by investors.

B. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

⁴ 15 U.S.C. 78o-3(b)(6).

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule changes are consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-2007-011 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-FINRA-2007-011. This file number should be included on the subject line if e-mail is used. To help the Commission

process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of FINRA.

All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FINRA-2007-011 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁵

Nancy M. Morris

Secretary

⁵ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Below is the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets.

* * * * *

2700. SECURITIES DISTRIBUTIONS

* * * * *

2711. Research Analysts and Research Reports

(a) through (g) No Change.

(h) Disclosure Requirements

(1) through (12) No Change.

(13) Third-Party Research Reports

(A) Subject to paragraph (h)(13)(B) of this Rule, if a member distributes or makes available any third-party research report[that is produced by another member, a non-member affiliate of the member or an independent third party], the member must accompany the research report with, or provide a web address that directs the recipient to, the current applicable disclosures, as they pertain to the member,[that are] required by paragraphs (h)(1)(B), (h)(1)(C), (h)(2)(A)(ii) and (h)(8) of this Rule.

(B) The requirements of paragraph (h)(13)(A) of this Rule shall not apply to independent third-party research reports[prepared by an independent third party that the member makes] made available by a member to its customers:

(i) [either]upon request;

(ii) in connection with a solicited order in which a

registered representative has informed the customer, during the solicitation, of the availability of independent research on the solicited equity security, and the customer requests such independent research; or

(iii) through a member-maintained web site.

(C) Subject to paragraph (h)(13)(D) of this Rule, [A]a registered principal (or supervisory analyst approved pursuant to Rule 344 of the New York Stock Exchange) must approve by signature or initial [any]all third-party research reports distributed by a member. The approval of third-party research shall be based on a review [All third-party research distributed by a member must be reviewed]by the designated principal (or supervisory analyst approved pursuant to NYSE Rule 344) to determine that:

(i) the current applicable disclosures required by paragraph (h)(13)(A) of this Rule[2711] are complete and accurate[.]; and

(ii) the content of the research report, pursuant to Rule 2210(d)(1)(B), contains no untrue statement of material fact or is otherwise not false or misleading. For the purposes of this Rule only, a member's obligation to review a third-party research report pursuant to Rule 2210(d)(1)(B) extends to any untrue statement of material fact or any false or misleading information that:

a. should be known from reading the report; or

b. is known based on information otherwise possessed by the member.

[is consistent with all applicable standards regarding communications with the public.]

(D) The requirements of paragraph (h)(13)(C)(ii) of this Rule shall not apply to independent third-party research reports distributed or made available by a member.

(E) For the purposes of this Rule, “third-party research report” shall mean a research report that is produced by a person or entity other than the member and “independent third-party research report” shall mean a third-party research report, in respect of which the person or entity producing the report:

(i) has no affiliation or business or contractual relationship with the distributing member or that member’s affiliates that is reasonably likely to inform the content of its research reports; and

(ii) makes coverage and content determinations without any input from the distributing member or that member’s affiliates.

(i) through (k) No Change.

* * * * *

Rule 472. Communications With The Public

(a) through (k)(3) No Change.

(k)(4) Third-Party Research Reports

(i) Subject to paragraph (k)(4)(ii) of this Rule, if a member organization distributes or makes available any third-party research report[s produced by another member organization, a non-member organization affiliate of a member organization, such as a foreign or domestic broker-dealer or investment adviser, or an independent third party], the member organization must accompany the research report with, or provide a web address that directs the recipient to, the current applicable disclosures, as they pertain to the member organization,[that are] required by paragraphs (k)(1)(i)c, (k)(1)(i)a, (k)(1)(i)b and (k)(1)(iii)d of this Rule.

[a. A supervisory analyst qualified under NYSE Rule 344 must approve, pursuant to Rule 472(a)(2), by signature or initial any third-party research distributed by a member organization; and

b. A supervisory analyst or qualified person designated pursuant to Rule 342(b)(1) (e.g., a person who has taken and passed the Series 9/10, or another examination acceptable to the Exchange which demonstrates competency relevant to assigned responsibilities, including the Series 24 if taken and passed after July 1, 2001) must review third-party research distributed by a member organization to determine that the disclosures required by Rule 472(k)(1)(i)c, (k)(1)(i)a, (k)(1)(i)b and (k)(1)(iii)d are complete and accurate, and that the content of the research report is consistent with all applicable standards regarding communications with the public.]

(ii) The requirements in paragraph (k)(4)(i) of this Rule shall not apply to independent third-party research reports [prepared by an independent third party that the member organization makes]made available by a member organization to its customers:

- a. [either]upon request;
- b. in connection with a solicited order in which a registered representative has informed the customer, during the solicitation, of the availability of independent research on the solicited equity security, and the customer requests such independent research; or
- c. through a member organization-maintained website.

(iii) Subject to paragraph (k)(4)(iv) of this Rule, a supervisory analyst, qualified under NYSE Rule 344, or a qualified person, designated pursuant to Rule 342(b)(1), must approve by signature or initial all third-party research reports distributed by a member organization. The approval of third-party research shall be based on a review by the designated supervisory analyst or qualified person to determine that:

- a. the current applicable disclosures required by paragraph (k)(4)(i) of this Rule are complete and accurate; and
- b. the content of the research report, pursuant to Rule 472(i), contains no untrue statement of material fact or is otherwise not false or misleading. For the purposes of this Rule only, a member organization's obligation to review a third-party research report pursuant to Rule 472(i) extends to any untrue statement of material fact or any false or misleading information that:
 - 1. should be known from reading the report; or
 - 2. is known based on information otherwise possessed by the member organization.

(iv) The requirements of paragraph (k)(4)(iii)(b) of this Rule shall not apply to independent third-party research reports distributed or made available by a member

organization.

(v) For the purposes of this Rule, "third-party research report" shall mean a research report that is produced by a person or entity other than the member organization and "independent third-party research report" shall mean a third-party research report, in respect of which the person or entity producing the report:

- a. has no affiliation or business or contractual relationship with the distributing member organization or that member organization's affiliates that is reasonably likely to inform the content of its research reports; and
- b. makes coverage and content determinations without any input from the distributing member organization or that member organization's affiliates.

(l) through **(m)** No Change.

Supplementary Material .10 through .140 No Change.

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