

OMB APPROVAL

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. SR - 2008 - 025

Amendment No.

Proposed Rule Change by Financial Industry Regulatory Authority

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial ☒ Amendment ☐ Withdrawal ☐

Section 19(b)(2) ☒ Section 19(b)(3)(A) ☐ Section 19(b)(3)(B) ☐

Rule

Pilot ☐ Extension of Time Period
for Commission Action ☐ Date Expires

☐ 19b-4(f)(1) ☐ 19b-4(f)(4)
☐ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☐ 19b-4(f)(6)

Exhibit 2 Sent As Paper Document ☐Exhibit 3 Sent As Paper Document ☐**Description**

Provide a brief description of the proposed rule change (limit 250 characters).

Proposed rule change to adopt NASD Rule 2790 as FINRA Rule 5130 in the consolidated FINRA rulebook.

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
(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 EDFS 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

Add Remove View

Exhibit Sent As Paper Document

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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

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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

Add Remove View

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

Add Remove View

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. (“NASD”)) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to adopt NASD Rule 2790 (Restrictions on the Purchase and Sale of Initial Equity Public Offerings) as FINRA Rule 5130 in the consolidated FINRA rulebook, with only minor changes.

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

(b) Upon Commission approval and implementation of the proposed rule change, the corresponding NASD rule will be eliminated from the current FINRA rulebook.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

At its meeting on April 17, 2008, the FINRA Board of Governors authorized the filing of the proposed rule change with the SEC. No other action by FINRA is necessary for the filing of the proposed rule change.

FINRA will announce the implementation 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

Background

As part of the process of developing the new consolidated rulebook (the

¹ 15 U.S.C. 78s(b)(1).

“Consolidated FINRA Rulebook”),² FINRA is proposing to adopt NASD Rule 2790 as FINRA Rule 5130 in the Consolidated FINRA Rulebook, with only minor changes as described below.

Proposed Amendments

NASD Rule 2790 protects the integrity of the initial public offering (“IPO”) process by ensuring that: (1) firms make *bona fide* public offerings of securities at the offering price; (2) firms do not withhold securities in a public offering for their own benefit or use such securities to reward persons who are in a position to direct future business to firms; and (3) industry insiders, including firms and their associated persons, do not take advantage of their insider position to purchase new issues for their own benefit at the expense of public customers. NASD Rule 2790 plays an important part in maintaining investor confidence in the capital raising and IPO process.

NASD Rule 2790 was adopted, effective March 23, 2004, replacing NASD IM-2110-1 (the Free-Riding and Withholding Interpretation) in its entirety.³ The Rule was subject to extensive input from the industry and other interested persons during a four-year rulemaking process, and FINRA believes that there is broad support for it. NASD

² The current FINRA rulebook consists of two sets of rules: (1) NASD rules and (2) rules incorporated from NYSE (“Incorporated NYSE Rules”) (together referred to as the “Transitional Rulebook”). The Incorporated NYSE Rules apply only to those members of FINRA that are also members of the NYSE (“Dual Members”). Dual Members also must comply with NASD rules. For more information regarding the rulebook consolidation process, see FINRA Information Notice March 12, 2008 (Rulebook Consolidation Process).

³ See Securities Exchange Act Release No. 48701 (October 24, 2003), 68 FR 62126 (October 31, 2003) (Order Approving File No. SR-NASD-99-60); see also NASD Notice to Members 03-79 (December 2003) (SEC Approves New Rule 2790 (Restrictions on the Purchase and Sale of IPOs of Equity Securities); Replaces Free-Riding and Withholding Interpretation).

Rule 2790 provides necessary predictability and certainty in support of capital formation. Based on FINRA's experience, NASD Rule 2790 is achieving its purpose and is significantly easier than NASD IM-2110-1 for member firms and the investing public to understand and follow. Among other things, FINRA has seen a significant reduction in the number of interpretive and exemptive issues that have arisen with respect to the IPO allocation process since the Rule became effective. There is no Incorporated NYSE Rule equivalent to NASD Rule 2790.

For the reasons discussed above, FINRA is proposing to transfer NASD Rule 2790 to the Consolidated FINRA Rulebook in substantially the same form. As part of this transfer, FINRA is proposing minor changes to the Rule to reflect the registration of the NASDAQ Stock Market, LLC ("NASDAQ") as a national securities exchange. The Rule currently refers to the NASDAQ Global Market because at the time the Rule was adopted, references to the listing standards of a national securities exchange did not include NASDAQ's Global Market. Since NASDAQ completed its registration as a national securities exchange, the references to the NASDAQ Global Market in the Rule are no longer necessary. In addition, FINRA is proposing certain minor, technical changes to the Rule.

As noted in Item 2 of this filing, within 60 days following Commission approval of the proposed rule change, FINRA will publish a Regulatory Notice setting forth the implementation date of the proposed rule change.

(b) 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. The rule being adopted as part of the Consolidated FINRA Rulebook previously has been found to meet the statutory requirements, and FINRA believes the rule has since proven effective in achieving the statutory mandates.

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.

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.⁵

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.

⁴ 15 U.S.C. 78o-3(b)(6).

⁵ 15 U.S.C. 78s(b)(2).

9. Exhibits

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

Exhibit 5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-FINRA-2008-025)

Self-Regulatory Organizations: Financial Industry Regulatory Authority, Inc.; Notice of Filing of Proposed Rule Change Relating to the Adoption of NASD Rule 2790 as FINRA Rule 5130 in the Consolidated FINRA Rulebook

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 adopt NASD Rule 2790 (Restrictions on the Purchase and Sale of Initial Equity Public Offerings) as FINRA Rule 5130 in the consolidated FINRA rulebook, with only minor changes.

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

Background

As part of the process of developing the new consolidated rulebook (the “Consolidated FINRA Rulebook”),³ FINRA is proposing to adopt NASD Rule 2790 as FINRA Rule 5130 in the Consolidated FINRA Rulebook, with only minor changes as described below.

Proposed Amendments

NASD Rule 2790 protects the integrity of the initial public offering (“IPO”) process by ensuring that: (1) firms make *bona fide* public offerings of securities at the offering price; (2) firms do not withhold securities in a public offering for their own benefit or use such securities to reward persons who are in a position to direct future business to firms; and (3) industry insiders, including firms and their associated persons, do not take advantage of their insider position to purchase new issues for their own benefit at the expense of public customers. NASD Rule 2790 plays an important part in maintaining investor confidence in the capital raising and IPO process.

³ The current FINRA rulebook consists of two sets of rules: (1) NASD rules and (2) rules incorporated from NYSE (“Incorporated NYSE Rules”) (together referred to as the “Transitional Rulebook”). The Incorporated NYSE Rules apply only to those members of FINRA that are also members of the NYSE (“Dual Members”). Dual Members also must comply with NASD rules. For more information regarding the rulebook consolidation process, see FINRA Information Notice March 12, 2008 (Rulebook Consolidation Process).

NASD Rule 2790 was adopted, effective March 23, 2004, replacing NASD IM-2110-1 (the Free-Riding and Withholding Interpretation) in its entirety.⁴ The Rule was subject to extensive input from the industry and other interested persons during a four-year rulemaking process, and FINRA believes that there is broad support for it. NASD Rule 2790 provides necessary predictability and certainty in support of capital formation. Based on FINRA's experience, NASD Rule 2790 is achieving its purpose and is significantly easier than NASD IM-2110-1 for member firms and the investing public to understand and follow. Among other things, FINRA has seen a significant reduction in the number of interpretive and exemptive issues that have arisen with respect to the IPO allocation process since the Rule became effective. There is no Incorporated NYSE Rule equivalent to NASD Rule 2790.

For the reasons discussed above, FINRA is proposing to transfer NASD Rule 2790 to the Consolidated FINRA Rulebook in substantially the same form. As part of this transfer, FINRA is proposing minor changes to the Rule to reflect the registration of the NASDAQ Stock Market, LLC ("NASDAQ") as a national securities exchange. The Rule currently refers to the NASDAQ Global Market because at the time the Rule was adopted, references to the listing standards of a national securities exchange did not include NASDAQ's Global Market. Since NASDAQ completed its registration as a national securities exchange, the references to the NASDAQ Global Market in the Rule

⁴ See Securities Exchange Act Release No. 48701 (October 24, 2003), 68 FR 62126 (October 31, 2003) (Order Approving File No. SR-NASD-99-60); see also NASD Notice to Members 03-79 (December 2003) (SEC Approves New Rule 2790 (Restrictions on the Purchase and Sale of IPOs of Equity Securities); Replaces Free-Riding and Withholding Interpretation).

are no longer necessary. In addition, FINRA is proposing certain minor, technical changes to the Rule.

Within 60 days following Commission approval of the proposed rule change, FINRA will publish a Regulatory Notice setting forth the implementation date of the proposed rule change.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,⁵ 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. The rule being adopted as part of the Consolidated FINRA Rulebook previously has been found to meet the statutory requirements, and FINRA believes the rule has since proven effective in achieving the statutory mandates.

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.

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

⁵ 15 U.S.C. 78o-3(b)(6).

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 change is 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-2008-025 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-FINRA-2008-025. 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-2008-025 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶

Secretary

⁶ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Exhibit 5 shows the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets.

* * * * *

**Text of Proposed New FINRA Rule
(marked to show changes from NASD Rule 2790; NASD Rule 2790 to be deleted in
its entirety from the Transitional Rulebook)**

* * * * *

**5000. SECURITIES OFFERING AND TRADING STANDARDS AND
PRACTICES**

5100. SECURITIES OFFERINGS, UNDERWRITING AND COMPENSATION

* * * * *

[2790] 5130. Restrictions on the Purchase and Sale of Initial Equity Public

Offerings

(a) General Prohibitions

(1) through (2) No Change.

(3) A member may not continue to hold new issues acquired by the member as an underwriter, selling group member[,] or otherwise, except as otherwise permitted herein.

(4) Nothing in this paragraph (a) shall prohibit:

(A) No Change.

(B) sales or purchases by a broker[/]-dealer of a new issue at the public offering price as part of an accommodation to a non-restricted person customer of the broker[/]-dealer; or

(C) purchases by a broker[/]-dealer (or owner of a broker[/]-dealer), organized as an investment partnership, of a new issue at the public offering price, provided such purchases are credited to the capital accounts of its partners in accordance with paragraph (c)(4).

(b) Preconditions for Sale

Before selling a new issue to any account, a member must in good faith have obtained within the twelve months prior to such sale, a representation from:

(1) Beneficial Owners

the account holder(s), or a person authorized to represent the beneficial owners of the account, that the account is eligible to purchase new issues in compliance with this [r]Rule; or

(2) Conduits

a bank, foreign bank, broker[/]-dealer, or investment adviser[,], or other conduit that all purchases of new issues are in compliance with this [r]Rule.

A member may not rely upon any representation that it believes, or has reason to believe, is inaccurate. A member shall maintain a copy of all records and information relating to whether an account is eligible to purchase new issues in its files for at least three years following the member's last sale of a new issue to that account.

(c) General Exemptions

The general prohibitions in paragraph (a) of this [r]Rule shall not apply to sales to and purchases by the following accounts or persons, whether directly or through accounts in which such persons have a beneficial interest:

(1) No Change.

(2) A common trust fund or similar fund as described in Section

3(a)(12)(A)(iii) of the Exchange Act, provided that:

(A) through (B) No Change.

(3) through (4) No Change.

(5) A publicly traded entity (other than a broker[/]-dealer or an affiliate of a broker[/]-dealer where such broker[/]-dealer is authorized to engage in the public offering of new issues either as a selling group member or underwriter) that:

(A) No Change.

[(B) is traded on the Nasdaq Global Market;] or

[(C)] (B) is a foreign issuer whose securities meet the quantitative designation criteria for listing on a national securities exchange [or trading on the Nasdaq Global Market];

(6) No Change.

(7) An Employee Retirement Income Security Act benefits plan that is qualified under Section 401(a) of the Internal Revenue Code, provided that such plan is not sponsored solely by a broker[/]-dealer;

(8) through (10) No Change.

(d) Issuer-Directed Securities

The prohibitions on the purchase and sale of new issues in this [r]Rule shall not apply to securities that:

(1) are specifically directed by the issuer to persons that are restricted under the [r]Rule; provided, however, that securities directed by an issuer may not be sold to or purchased by:

(A) No Change.

(B) an account in which any restricted person specified in [sub]paragraphs (i)(10)(B) or (i)(10)(C) of this [r]Rule has a beneficial interest, unless such person, or a member of his or her immediate family, is an employee or director of the issuer, the issuer's parent, or a subsidiary of the issuer or the issuer's parent. Also, for purposes of this paragraph (d)(1) only, a parent/subsidiary relationship is established if the parent has the right to vote 50% or more of a class of voting security of the subsidiary, or has the power to sell or direct 50% or more of a class of voting security of the subsidiary;

(2) through (3) No Change.

(4) are directed to eligible purchasers who are otherwise restricted under the [r]Rule as part of a conversion offering in accordance with the standards of the governmental agency or instrumentality having authority to regulate such conversion offering.

(e) Anti-Dilution Provisions

The prohibitions on the purchase and sale of new issues in this [r]Rule shall not apply to an account in which a restricted person has a beneficial interest that meets the following conditions:

(1) through (4) No Change.

(f) Stand-by Purchasers

The prohibitions on the purchase and sale of new issues in this [r]Rule shall not apply to the purchase and sale of securities pursuant to a stand-by agreement that meets the following conditions:

(1) through (4) No Change.

(g) Under-Subscribed Offerings

Nothing in this [r]Rule shall prohibit an underwriter, pursuant to an underwriting agreement, from placing a portion of a public offering in its investment account when it is unable to sell that portion to the public.

(h) Exemptive Relief

Pursuant to the Rule 9600 [s]Series, the staff, for good cause shown after taking into consideration all relevant factors, may conditionally or unconditionally exempt any person, security or transaction (or any class or classes of persons, securities or transactions) from this [r]Rule to the extent that such exemption is consistent with the purposes of the [r]Rule, the protection of investors[,], and the public interest.

(i) Definitions

(1) No Change.

(2) “Collective investment account” means any hedge fund, investment partnership, investment corporation[,], or any other collective investment vehicle that is engaged primarily in the purchase and/or sale of securities. A “collective investment account” does not include a “family investment vehicle” or an “investment club.”

(3) “Conversion offering” means any offering of securities made as part of a plan by which a savings and loan association, insurance company[,] or other organization converts from a mutual to a stock form of ownership.

(4) through (5) No Change.

(6) “Investment club” means a group of friends, neighbors, business associates[,] or others that pool their money to invest in stock or other securities and are collectively responsible for making investment decisions.

(7) “Limited business broker[/]-dealer” means any broker[/]-dealer whose authorization to engage in the securities business is limited solely to the purchase and sale of investment company/variable contracts securities and direct participation program securities.

(8) No Change.

(9) “New issue” means any initial public offering of an equity security as defined in Section 3(a)(11) of the Exchange Act, made pursuant to a registration statement or offering circular. New issue shall not include:

(A) offerings made pursuant to an exemption under Section 4(1), 4(2) or 4(6) of the Securities Act of 1933, or [SEC] Securities Act Rule 504 if the securities are “restricted securities” under [SEC] Securities Act Rule 144(a)(3), or Rule 144A or Rule 505 or Rule 506 adopted thereunder;

(B) offerings of exempted securities as defined in Section 3(a)(12) of the Exchange Act, and rules promulgated thereunder;

(C) through (I) No Change.

(J) offerings of a business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940, a direct participation program as defined in NASD Rule 2810(a)(4)[,] or a real estate investment trust as defined in Section 856 of the Internal Revenue Code.

(10) “Restricted person” means:

(A) Members or other broker[/]-dealers

(B) Broker[/]-Dealer Personnel

(i) Any officer, director, general partner, associated person[,] or employee of a member or any other broker[/]-dealer (other than a limited business broker[/]-dealer);

(ii) Any agent of a member or any other broker[/]-dealer (other than a limited business broker[/]-dealer) that is engaged in the investment banking or securities business; or

(iii) No Change.

(C) No Change.

(D) Portfolio Managers

(i) Any person who has authority to buy or sell securities for a bank, savings and loan institution, insurance company, investment company, investment advisor[,] or collective investment account.

(ii) No Change.

(E) Persons Owning a Broker[/]-Dealer

(i) Any person listed, or required to be listed, in Schedule A of a Form BD (other than with respect to a limited business broker[/]_dealer), except persons identified by an ownership code of less than 10%;

(ii) Any person listed, or required to be listed, in Schedule B of a Form BD (other than with respect to a limited business broker[/]_dealer), except persons whose listing on Schedule B relates to an ownership interest in a person listed on Schedule A identified by an ownership code of less than 10%;

(iii) No Change.

(iv) Any person that directly or indirectly owns 10% or more of a public reporting company listed, or required to be listed, in Schedule A of a Form BD (other than a reporting company that is listed on a national securities exchange [or is traded on the Nasdaq Global Market,] or other than with respect to a limited business broker[/]_dealer);

(v) Any person that directly or indirectly owns 25% or more of a public reporting company listed, or required to be listed, in Schedule B of a Form BD (other than a reporting company that is listed on a national securities exchange [or is traded on the Nasdaq Global Market,] or other than with respect to a limited business broker[/]_dealer);

(vi) An immediate family member of a person specified in subparagraphs (E)(i)[-] through (v) unless the person owning the broker[/]_dealer:

a. through c. No Change.

(j) Information Required to be Filed

[(1)] The book-running managing underwriter of a new issue shall be required to file the following information in the time and manner specified by [NASD] FINRA with respect to new issues:

[(A)](1) the initial list of distribution participants and their underwriting commitment and retention amounts on or before the offering date; and

[(B)](2) the final list of distribution participants and their underwriting commitment and retention amounts no later than three business days after the offering date.

* * * * *