

OMB APPROVAL

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

File No. SR - 2010 - 003
Amendment No. 2

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).

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)

Senior Vice President and Director of Capital Markets
Policy

(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.

Stephanie Dumont,

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

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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

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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

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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 January 14, 2010, FINRA filed with the Securities and Exchange Commission (“SEC” or “Commission”) SR-FINRA-2010-002, a proposed rule change to update FINRA rule cross references and make other various non-substantive technical changes to multiple FINRA rules. SR-FINRA-2010-002 was filed for immediate effectiveness. Among other things, SR-FINRA-2010-002 amended FINRA Rule 6635, and the implementation date for the amendments to FINRA Rule 6635 were February 15, 2010, except for the elimination of the reference to NASD Rule 3130 and the addition of the reference to FINRA Rule 4120, which were implemented on February 8, 2010.

On January 15, 2010, FINRA filed with the Commission SR-FINRA-2010-003, a proposed rule change to amend the FINRA OTC Reporting Facility Rules and the PORTAL Rules (FINRA Rule 6630 Series) regarding the reporting requirements for restricted equity securities, update the definition of “OTC Equity Security,” and clarify member reporting obligations with respect to certain trades reported on or through an exchange. Among other things, SR-FINRA-2010-003 proposed amendments to FINRA Rule 6635. The proposed changes to FINRA Rule 6635 on pages 37-38 of the filing did not reflect the amendments to FINRA Rule 6635 made in SR-FINRA-2010-002.

FINRA is filing this Partial Amendment No. 2 to SR-FINRA-2010-003 to update the underlying rule text filed to reflect the technical changes to FINRA Rule 6635 made by SR-FINRA-2010-002.¹ FINRA is including with this Partial Amendment No. 2 an Exhibit 4 that shows the changes from the original rule text set forth in the proposed rule change. Exhibit 5 shows the changes proposed to Rule 6635 by SR-FINRA-2010-003 from the current rule text; the remainder of the Exhibit 5 filed on January 15, 2010 is unchanged. Proposed new language is underlined; proposed deletions are bracketed.

¹ FINRA filed Partial Amendment No. 1 to SR-FINRA-2010-003 on February 5, 2010, to clarify the proposed changes to FINRA Rule 4560 regarding short interest reporting.

EXHIBIT 4

Exhibit 4 shows the changes proposed in this Partial Amendment No. 2 only as to FINRA Rule 6635, with the proposed changes in the original filing shown as if adopted. Proposed additions in this Partial Amendment No. 2 appear underlined; proposed deletions in this Partial Amendment No. 2 appear in brackets.

6630. Applicability of FINRA Rules to Securities Previously Designated as PORTAL Securities

(a) The following are specifically applicable to transactions and business activities relating to securities that, prior to October 26, 2009, had been designated by The Nasdaq Stock Market LLC for inclusion in the PORTAL Market (“PORTAL securities”):

- (1) NASD Rules 2230, [2260,] 2270, 2310, 2440, 3370, and FINRA Rules 0130, 0140, 2010, 2020, 2251, 2262, 2269, 8210;
- (2) the Rule 8100 and 8300 Series; and
- (3) FINRA Rules 5210, 5220, and NASD IM-2310-2, IM-2420-1, IM-2440-1, and IM-2440-2[, IM-3310, and IM-3320].

(b) The following are specifically applicable to transactions and business activities relating to PORTAL securities, with the exceptions specified below:

- (1) NASD Rule 2320, except for paragraph (f), which requires that a member obtain quotations from three dealers to determine the best inter-dealer market for the subject security;
- (2) FINRA Rule 2150, and NASD Rule 2330, except for paragraph (d); and
- (3) NASD Rule 3110.

(c) The following are applicable to members and persons associated with members regardless of whether the member participates in transactions in PORTAL securities:

(1) NASD Rule 0120 and FINRA Rules 0110, 0120, 0160.

(2) NASD Rules 2210, 3020, 3030, 3040, 3050, [3130,] 3140 and FINRA Rules 3220, 4120, and 5260.

(d) The following are not applicable to transactions and business activities relating to PORTAL securities:

(1) NASD Rules 2450, 2520, 2730, 2740, 2750, 2830, 3210, and FINRA Rules 2310, 2320, 2360, 4560, 5110, 5130.

* * * * *

EXHIBIT 5

Exhibit 5 shows the text of the proposed rule change only as to FINRA Rule 6635, as updated by this Partial Amendment No. 2. Proposed new language is underlined; proposed deletions are in brackets.

* * * * *

6630[5]. Applicability of FINRA Rules to Securities Previously Designated as PORTAL Securities

(a) The following are specifically applicable to transactions and business activities relating to [PORTAL] securities that, prior to October 26, 2009, had been designated by The Nasdaq Stock Market LLC for inclusion in the PORTAL Market (“PORTAL securities”):

- (1) NASD Rules 2230, 2270, 2310, 2440, 3370, and FINRA Rules 0130, 0140, 2010, 2020, 2251, 2262, 2269, 8210;
- (2) the Rule 8100 and 8300 Series; and
- (3) FINRA Rules 5210, 5220, and NASD IM-2310-2, IM-2420-1, IM-2440-1, and IM-2440-2.

(b) The following are specifically applicable to transactions and business activities relating to PORTAL securities, with the exceptions specified below:

- (1) NASD Rule 2320, except for paragraph (f), which requires that a member obtain quotations from three dealers to determine the best inter-dealer market for the subject security;
- (2) FINRA Rule 2150, and NASD Rule 2330, except for paragraph (d); and
- (3) NASD Rule 3110.

(c) The following are applicable to members and persons associated with members regardless of whether the member participates in transactions in PORTAL securities:

(1) NASD Rule 0120 and FINRA Rules 0110, 0120, 0160.

(2) NASD Rules 2210, 3020, 3030, 3040, 3050, 3140 and FINRA Rules 3220, 4120, and 5260.

(d) The following are not applicable to transactions and business activities relating to PORTAL securities:

(1) NASD Rules 2450, 2520, 2730, 2740, 2750, 2830, 3210, and FINRA Rules 2310, 2320, 2360, 4560, 5110, 5130.

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