

## **EXHIBIT 5**

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

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### **FINRA RULES**

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#### **8000. INVESTIGATIONS AND SANCTIONS**

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#### **8300. SANCTIONS**

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#### **8320. Payment of Fines, Other Monetary Sanctions, or Costs; Summary Action for Failure to Pay**

(a) No Change.

##### **(b) Summary Suspension or Expulsion**

(1) After seven days notice in writing, FINRA may summarily suspend or expel from membership a member that fails to:

([1]A) pay promptly a fine or other monetary sanction imposed pursuant to Rule 8310 or cost imposed pursuant to Rule 8330 when such fine, monetary sanction, or cost becomes finally due and payable; or

([2]B) terminate immediately the association of a person who fails to pay promptly a fine or other monetary sanction imposed pursuant to Rule 8310 or a cost imposed pursuant to Rule 8330 when such fine, monetary sanction, or cost becomes finally due and payable.

(2) An expulsion under paragraph (b)(1) of this Rule shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC completes its review under Exchange Act Section 19.

(c) No Change.

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## **9000. CODE OF PROCEDURE**

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## **9300. REVIEW OF DISCIPLINARY PROCEEDING BY NATIONAL ADJUDICATORY COUNCIL AND FINRA BOARD; APPLICATION FOR SEC REVIEW**

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## **9360. Effectiveness of Sanctions**

Unless otherwise provided in the decision issued under Rule 9349 or Rule 9351, a sanction (other than a bar, an expulsion, or a permanent cease and desist order) specified in a decision constituting final disciplinary action of FINRA for purposes of SEA Rule 19d-1(c)(1) shall become effective on a date to be determined by FINRA staff. A bar[, an expulsion,] or a permanent cease and desist order shall become effective upon service of the decision constituting final disciplinary action of FINRA, unless otherwise specified therein. An expulsion shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC completes its review under Exchange Act Section 19. FINRA shall serve the decision on a Respondent by courier, facsimile or

other means reasonably likely to obtain prompt service when the sanction is a bar, an expulsion, or a permanent cease and desist order.

**9370. Application to SEC for Review**

**(a) Appeal to SEC; Effect**

[A Respondent aggrieved by final disciplinary] The right to have any action pursuant to the Rule 9200 Series or the Rule 9300 Series [may apply for] reviewed by the SEC [pursuant to] is governed by Section 19[(d)(2)] of the Exchange Act. The filing with the SEC of an application for review by the SEC shall stay the effectiveness of any sanction, other than a bar, or an expulsion under Rule 9268 or 9269, imposed in a decision constituting final disciplinary action of FINRA for purposes of SEA Rule 19d-1(c)(1). Pursuant to Rule 9360, an expulsion in a decision issued under Rule 9349 or Rule 9351 shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC completes its review under Exchange Act Section 19.

(b) No Change.

**9500. OTHER PROCEEDINGS**

**9520. Eligibility Proceedings**

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**9524. National Adjudicatory Council Consideration**

(a) No Change.

**(b) Decision**

(1) through (2) No Change.

**(3) Issuance of Decision After Expiration of Call for Review Period**

The National Adjudicatory Council shall provide its proposed written decision to the FINRA Board. The FINRA Board may call the eligibility proceeding for review pursuant to Rule 9525. If the FINRA Board does not call the eligibility proceeding for review, the proposed written decision of the National Adjudicatory Council shall become final, and the National Adjudicatory Council shall serve its written decision on the disqualified member, sponsoring member, and disqualified person, as the case may be, and the Department of Member Regulation pursuant to Rules 9132 and 9134, and may serve its written decision by electronic mail. The decision shall constitute final action of FINRA, unless the National Adjudicatory Council remands the eligibility proceeding. A decision to deny [re-entry or continued association] an application for a disqualified member's continued membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC completes its review under Exchange Act Section 19. A decision to deny any other application under the Rule 9520 Series shall be effective immediately. A decision to approve shall be effective after the SEC issues an acknowledgment letter or, in cases involving SEC ordered sanctions, an order.

(c) No Change.

**9525. Discretionary Review by the FINRA Board**

(a) through (d) No Change.

**(e) Issuance of Decision**

The FINRA Board shall issue and serve its written decision on the disqualified member, sponsoring member, and disqualified person, as the case may be, and the Department of Member Regulation pursuant to Rules 9132 and 9134, and may serve the decision on the disqualified party by electronic mail. Service by electronic mail shall be deemed complete upon sending the decision. The decision shall constitute the final action of FINRA, unless the FINRA Board remands the proceeding. A decision to deny [re-entry or continued association] an application for a disqualified member's continued membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC completes its review under Exchange Act Section 19. A decision to deny any other application under the Rule 9520 Series shall be effective immediately. A decision to approve shall be effective after the SEC issues an acknowledgment letter or, in cases involving SEC-ordered sanctions, an order.

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#### **9527. Application to SEC for Review**

The right to have any action taken pursuant to this Rule Series reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review shall not stay the effectiveness of final action by FINRA, unless the SEC otherwise orders. Pursuant to Rules 9524(b)(3) and 9525(e), a decision to deny an application for a disqualified member's continued membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC completes its review under Exchange Act Section 19.

**9550. Expedited Proceedings**

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**9559. Hearing Procedures for Expedited Proceedings Under the Rule 9550 Series**

(a) through (o) No Change.

**(p) Contents of Decision**

The decision, which for purposes of Rule 9557 means the written decision issued under paragraph (o)(4)(B) of this Rule, shall include:

(1) through (5) No Change.

(6) a statement describing any sanction, requirement, obligation, restriction or limitation imposed, the reasons therefore, and the date upon which such sanction, requirement, obligation, restriction or limitation shall become effective, if they are not already effective, except that an expulsion or cancellation of membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC completes its review under Exchange Act Section 19.

(q) No Change.

**(r) Application to SEC for Review**

The right to have any action pursuant to this Rule reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review by the SEC shall not stay the effectiveness of final FINRA action, unless the SEC otherwise orders. Pursuant to paragraph (p)(6) of this Rule, an expulsion or cancellation of membership shall not become effective until the time for filing an application for review

with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC completes its review under Exchange Act Section 19.

(s) No Change.

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## **FUNDING PORTAL RULES**

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### **900. Code of Procedure**

(a) No Change.

#### **(b) Eligibility Proceedings**

(1) through (11) No Change.

#### **(12) Appeal of Department of Member Regulation's Decision to Deny an Application or a Written Request for Relief**

(A) through (L) No Change.

#### **(M) Decision**

After considering all the matters presented in the request for relief, the Statutory Disqualification Committee's recommendation, the public interest and the protection of investors, the National Adjudicatory Council may affirm, modify, or reverse in writing the Department of Member Regulation's decision. The National Adjudicatory Council shall provide its proposed decision to the FINRA Board. If the FINRA Board does not call the decision for review, the decision shall be served pursuant to Funding Portal Rule 900(b)(3)(A)(iv) and shall constitute final action of FINRA. A decision to affirm the Department of Member Regulation's

decision to deny an application for a disqualified funding portal member's continued membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC completes its review under Exchange Act Section 19. A decision to affirm the Department of Member Regulation's decision to deny any other application under Rule 900(b) shall be effective immediately. A decision to approve the Application shall be effective after the SEC issues an order or acknowledgement letter, as the case may be.

**(13) Discretionary Review by the FINRA Board**

(A) through (D) No Change.

**(E) Issuance of Decision**

The FINRA Board shall issue and serve its written decision on the disqualified funding portal member, sponsoring funding portal member, or disqualified person, and the Department of Member Regulation pursuant to FINRA Rules 9132 and 9134, as adopted pursuant to Funding Portal Rule 900(a). The decision shall constitute the final action of FINRA, unless the FINRA Board remands the proceeding. A decision to deny [re-entry or continued association] an application for a disqualified funding portal member's continued membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC completes its review under Exchange Act Section 19. A decision



to deny any other application under Rule 900(b) shall be effective immediately. A decision to approve shall be effective after the SEC issues an acknowledgment letter or, in cases involving SEC-ordered sanctions, an order.

**(14) Application to SEC for Review**

The right to have any action taken pursuant to this Rule Series reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review shall not stay the effectiveness of final action by FINRA, unless the SEC otherwise orders. Pursuant to paragraphs (b)(12)(M) and (b)(13)(E) of this Rule, a decision to deny an application for a disqualified funding portal member's continued membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC completes its review under Exchange Act Section 19.

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