

EXHIBIT 5 – TEXT OF PROPOSED RULE CHANGE

Proposed new language is underlined; proposed deletions are [bracketed]

Rule 2.170. Application Procedures for Membership or to become an Associated Person of a Member

- (a) No change.
- (b) Special Application Procedures for Applicants that are FINRA Members.
- (1) An applicant that is a FINRA member shall have the option to waive-in to become a Member and to register with the Exchange all persons associated with the applicant whose registrations with the applicant are approved with FINRA in categories recognized by the Exchange’s rules. For purposes of this provision, the term “waive-in” means that the Exchange will rely substantially upon FINRA’s determination to approve the applicant for FINRA membership when the Exchange evaluates the applicant for Exchange membership.
- (2) Waive-in membership that is granted pursuant to this provision shall terminate in the event that the applicant ceases to be a FINRA member and otherwise fails to comply with LTSE Rule 2.160(a)(4).
- (3) In lieu of submitting a full membership application otherwise required by the Exchange, an applicant may waive-in to Exchange membership as provided in this subparagraph (b) by filing with the Exchange a waive-in application on the form designated by the Exchange.
- (4) The Exchange will act upon a duly submitted application to waive-into Exchange membership under paragraph (b) by promptly notifying, in writing, the applicant of the Exchange’s determination. The Exchange will normally grant a duly submitted application to waive-into Exchange membership, provided that the applicant submits the required materials, the Exchange verifies that the applicant is a FINRA member, and that the Exchange is not otherwise aware of any basis to deny or condition approval of the application. A decision issued under this provision shall have the same effectiveness as set forth in paragraph (d) below. Denials of applications to waive-into Exchange membership shall be subject to the same procedures as those for denials of full applications as set forth in paragraphs (e) and (f) below.
- (c) [(b)] Applications for association with a Member shall be made on Form U4 and such other forms as the Exchange may prescribe, and shall be delivered to the Exchange in such manner as designated by the Exchange.

(d) [(c)] If the Exchange is satisfied that the applicant is qualified for membership pursuant to the provisions of this Chapter 2, the Exchange shall promptly notify, in writing, the applicant of such determination, and the applicant shall be a Member.

(e) [(d)] If the Exchange is not satisfied that the applicant is qualified for membership pursuant to the provisions of this Chapter 2, the Exchange shall promptly notify the applicant of the grounds for denying the applicant. The Board on its own motion may reverse the determination that the applicant is not qualified for membership. If a majority of the Board specifically determines to reverse the determination to deny membership, the Board shall promptly notify Exchange staff, who shall promptly notify the applicant of the Board's decision and shall grant membership to the applicant. An applicant who has been denied membership may appeal such decision under LTSE Rule Series 9.500, which governs adverse action.

(f) [(e)] In considering applications for membership, the Exchange shall adhere to the following procedures:

- (1) Where an application is granted, the Exchange shall promptly notify the applicant.
- (2) The applicant shall be afforded an opportunity to be heard on the denial of membership pursuant to LTSE Rules Series 9.500, which govern adverse action.

(g) [(f)] Except where, pursuant to Section 17(d) of the Act, the Exchange has been relieved of its responsibility to review and act upon applications for associated persons of a Member, the procedures set forth in this Chapter 2 shall govern the processing of any such applications.

(h) [(g)] Each applicant shall file with the Exchange a list and descriptive identification of those persons associated with the applicant who are its executive officers, directors, principal shareholders, and general partners. Such persons shall file with the Exchange a Uniform Application for Securities Industry Registration of Transfer ("Form U4"). Applicants approved as Members of the Exchange must keep such information current with the Exchange.

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Rule 5.160. Anti-Money Laundering Compliance Program

Each Member shall develop and implement a written anti-money laundering program reasonably designed to achieve and monitor the Member's compliance with the requirements of the Bank Secrecy Act (31 U.S.C. 5311, et seq.), and the implementing regulations promulgated thereunder by the Department of the Treasury. Each Member's anti-money laundering program must be approved, in writing, by a Member of senior management. The anti-money laundering programs required by this LTSE Rule 5.160 shall, at a minimum:

- (a) - (e) No change.

* * * * * *Supplementary Material* * * * * *

.01 No change.

.02 *Review of Anti-Money Laundering Compliance Person Information.*

Each Member must identify, review, and, if necessary, update the information regarding its anti-money laundering compliance person designated pursuant to LTSE Rule 5.160(d) in the manner prescribed by LTSE Rule 2.170(h)(g).

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Rule 9.522. Initiation of Eligibility Proceeding by LTSE Staff; Member Regulation Consideration

(a) Initiation by FINRA

(1) Issuance of Notice of Disqualification or Ineligibility

If LTSE Regulation staff has reason to believe, or if FINRA staff advises LTSE that it has reason to believe, that a disqualification exists or that a Member or person associated with a Member, or applicant thereof, otherwise fails to meet the eligibility requirements of LTSE, LTSE staff shall issue a written notice to the Member or applicant for membership under LTSE Rule 2.170(e)(d). The notice shall specify the grounds for such disqualification or ineligibility. LTSE staff shall not issue such written notice to Members or applicants for membership under LTSE Rule 2.160(d) with respect to disqualifications arising solely from findings or orders specified in Section 15(b)(4)(D), (E), or (H) of the Exchange Act or arising under Section 3(a)(39)(E) of the Exchange Act, unless the Member or applicant for membership under LTSE Rule 2.160(d) is required to file an application pursuant to Supplementary Material .01 to this LTSE Rule 9.522.

(2) - (4) No change.

(b) - (e) No change.

Supplementary Material No change.

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