

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-61427; File No. SR-FINRA-2010-002)

January 27, 2010

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Update Certain Cross-References and Make Other Various Non-Substantive Technical Changes to Certain FINRA Rules

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 January 14, 2010, Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as constituting a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Act,³ which renders the proposal effective upon receipt of this filing by the Commission. 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 update cross-references within certain FINRA rules to reflect changes adopted in the consolidated FINRA rulebook and to make non-substantive technical changes to certain FINRA rules.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).

The text of the proposed rule change is available on FINRA's Web site at <http://www.finra.org>, at the principal office of FINRA and at the Commission's Public Reference Room.

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 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

FINRA is in the process of developing a new consolidated rulebook ("Consolidated FINRA Rulebook").⁴ That process involves FINRA submitting to the Commission for approval a series of proposed rule changes over time to adopt rules in the Consolidated FINRA Rulebook. The phased adoption and implementation of those rules necessitates periodic amendments to update rule cross-references and other non-substantive technical changes in the Consolidated FINRA Rulebook.

⁴ The current FINRA rulebook consists of (1) FINRA Rules; (2) NASD Rules; and (3) rules incorporated from NYSE ("Incorporated NYSE Rules") (together, the NASD Rules and Incorporated NYSE Rules are referred to as the "Transitional Rulebook"). While the NASD Rules generally apply to all FINRA members, the Incorporated NYSE Rules apply only to those members of FINRA that are also members of the NYSE ("Dual Members"). The FINRA Rules apply to all FINRA members, unless such rules have a more limited application by their terms. For more information about the rulebook consolidation process, see Information Notice, March 12, 2008 (Rulebook Consolidation Process).

The proposed rule change first would update rule cross-references to reflect recent changes adopted in the Consolidated FINRA Rulebook. The proposed rule change would update FINRA Rule 0150 to reflect the adoption into the Consolidated FINRA Rulebook of (1) FINRA Rule 2060 and the deletion of NASD Rule 3120,⁵ (2) FINRA Rules 4120 and 4130 and the deletion of NASD Rules 3130 and 3131 and NASD IM- 3130,⁶ and (3) FINRA Rules 5210 and 5220 and the deletion of NASD Rules 3310 and 3320 and NASD IM-3310 and IM-3320.⁷ The rule cross-references in FINRA Rule 6635 would be similarly updated to reflect the adoption of (1) FINRA Rule 2251 and the deletion of NASD Rule 2260,⁸ (2) FINRA Rules 5210 and 5520 and the deletion of NASD IM-3310 and IM-3320,⁹ and (3) FINRA Rule 4120 and the deletion of NASD Rule 3130.¹⁰ Finally, the rule references in FINRA Rule 9217, which sets forth FINRA’s Minor Rule Violation Plan, would be updated to (1) delete the reference to Incorporated NYSE Rule 312(h) and (2) delete Incorporated NYSE Rule 421 and replace it with FINRA Rule 4521(d), as the provision is substantively similar.¹¹

The proposed rule change also would amend FINRA Rules 6380A, 6380B, 6622, 7230A, 7230B and 7330 to reflect the transfer of NASD Rule 11890 into the Consolidated FINRA

⁵ See Securities Exchange Act Release No. 61071 (November 30, 2009), 74 FR 64109 (December 7, 2009) (Order Approving File No. SR-FINRA-2009-067).

⁶ See Securities Exchange Act Release No. 60933 (November 4, 2009), 74 FR 58334 (November 12, 2009) (Order Approving File No. SR-FINRA-2008-067).

⁷ See Securities Exchange Act Release No. 60835 (October 16, 2009), 74 FR 54616 (October 22, 2009) (Order Approving File No. SR-FINRA-2009-055).

⁸ See Securities Exchange Act Release No. 61052 (November 23, 2009), 74 FR 62857 (December 1, 2009) (Order Approving File No. SR-FINRA-2009-066).

⁹ See note 7.

¹⁰ See note 6.

¹¹ See note 6.

Rulebook as part of a new FINRA Rule 11890 Series.¹² The proposed rule change would also make a non-substantive change to FINRA Rule 11893 to re-label paragraph (d) as paragraph (c).

In addition, the proposed rule change would make a technical amendment to FINRA Rule 9610 to delete the reference to FINRA Rule 6183 as such rule has been removed from the Consolidated FINRA Rulebook. FINRA Rule 6183 (formerly NASD Rule 5150) automatically terminated on July 9, 2008.¹³

Finally, the proposed rule change would amend FINRA Rules 2251¹⁴ and 4110¹⁵ to reflect a change in FINRA's style convention when referencing federal securities laws. FINRA has filed the proposed rule change for immediate effectiveness. The implementation date for the proposed rule change to FINRA Rules 2251, 6380A, 6380B, 6622, 7230A, 7230B, 7330, 9610, and 11893 will be February 15, 2010.¹⁶ The proposed rule change to FINRA Rule 0150 will be February 15, 2010, except the proposed rule change that would eliminate the references to NASD Rules 3130 and 3131 and IM-3130 and add references to FINRA Rules 4120 and 4130, which will be implemented on February 8, 2010.¹⁷ The proposed rule change to FINRA Rule 6635 will be February 15, 2010, except the proposed rule change that would eliminate the

¹² See Securities Exchange Act Release No. 61080 (December 1, 2009), 74 FR 64117 (December 7, 2009) (Order Approving File No. SR-FINRA-2009-068).

¹³ See Securities Exchange Act Release No. 58643 (September 25, 2008) 73 FR 57174 (October 1, 2008) (Order Approving File Nos. SR-FINRA-2008-021; SR-FINRA-2008-022; SR-FINRA-2008-026; SR-FINRA-2008-028 and SR-FINRA-2008-029).

¹⁴ See note 8.

¹⁵ See note 6.

¹⁶ See Regulatory Notice 09-72 (December 2009). See also note 12. The effective date of SR-FINRA-2009-068 will be announced in a Regulatory Notice and is intended to be February 15, 2010.

¹⁷ See Regulatory Notice 09-71 (December 2009).

reference to NASD Rule 3130 and add reference to FINRA Rule 4120, which will be implemented on February 8, 2010.¹⁸ The implementation date for the proposed rule change to FINRA Rules 4110 and 9217 will be February 8, 2010.¹⁹

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,²⁰ 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 the proposed rule change will provide greater clarity to members and the public regarding FINRA's rules.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time

¹⁸ See note 17.

¹⁹ See note 17.

²⁰ 15 U.S.C. 78o-3(b)(6).

as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act²¹ and Rule 19b-4(f)(6) thereunder.²²

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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-2010-002 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-FINRA-2010-002. 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

²¹ 15 U.S.C. 78s(b)(3)(A).

²² 17 CFR 240.19b-4(f)(6).

of the submission²³, 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, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the 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

²³ The text of the proposed rule change is available on the Commission's Web site at <http://www.sec.gov/>.

you wish to make available publicly. All submissions should refer to File Number SR-FINRA-2010-002 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.²⁴

Florence E. Harmon
Deputy Secretary

²⁴ 17 CFR 200.30-3(a)(12).