

**EXHIBIT 5**

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

\* \* \* \* \*

**BY-LAWS OF FINRA REGULATION, INC.**

**ARTICLE I**

**DEFINITIONS**

When used in these By-Laws, unless the context otherwise requires, the term:

(a) through (m) No Change.

[(n) “District Nominating Committee” means a District Nominating Committee elected pursuant to Article VIII of these By-Laws;]

(o) through (ll) are redesignated (n) through (kk)

**ARTICLE II**

**OFFICES**

**Location**

**Sec. 2.1** The address of the registered office of FINRA Regulation in the State of Delaware and the name of the registered agent at such address shall be: Corporate Creations Network Inc., 3411 Silverside Road, Rodney Building #104[1308 Delaware Avenue], Wilmington, Delaware 19810 [19806]. FINRA Regulation also may have offices at such other places both within and without the State of Delaware as the Board may from time to time designate or the business of FINRA Regulation may require.

\* \* \* \* \*

**ARTICLE IV**

**BOARD OF DIRECTORS**

\* \* \* \* \*

### **Communication of Views Regarding Contested Election or Nomination**

**Sec. 4.16** (a) FINRA Regulation, the Board, any committee, the National Adjudicatory Council, and FINRA Regulation staff shall not take any position publicly or with a FINRA member or person associated with or employed by a member with respect to any candidate in a contested election or nomination held pursuant to these By-Laws or the FINRA By-Laws. A Director, committee member (other than the Nominating Committee[ or District Nominating Committee]) or National Adjudicatory Council member may communicate his or her views with respect to a candidate if such Director or committee or National Adjudicatory Council member acts solely in his or her individual capacity and disclaims any intention to communicate in any official capacity on behalf of FINRA Regulation, the Board, the National Adjudicatory Council, or any committee (other than the Nominating Committee[ or District Nominating Committee]). Except as provided herein, any candidate and his or her representatives may communicate support for the candidate to a member or person associated with or employed by a member.

(b) In a contested election, the Nominating Committee[ or District Nominating Committee] may support its nominee by sending to members eligible to vote up to two mailings of materials in support of its nominees in lieu of mailings sent by its candidates pursuant to these By-Laws. In addition to such mailings, in the event of mailings or other communications to members by or on behalf of a candidate by petition in a contested election, the Nominating Committee[ or District Nominating Committee] may respond in-kind, but shall not take a position unresponsive to the contesting candidate's communications.

\* \* \* \* \*

## **ARTICLE VIII**

## **DISTRICT COMMITTEES [AND DISTRICT NOMINATING COMMITTEES]**

### **Establishment of Districts and Regions**

**Sec. 8.1** The Board shall establish boundaries for districts within the United States to assist FINRA Regulation in administering its affairs in a manner that is consistent with applicable law, the Restated Certificate of Incorporation, these By-Laws, the Delegation Plan, and the Rules of the Corporation. The Board may organize the districts into regions to promote efficiency and sound administration. It may make changes from time to time in the number or boundaries of the districts or regions as it deems necessary or appropriate. The Board shall prescribe such policies and procedures as are necessary or appropriate to address the implementation of a new district or region configuration in the event of a change in the number or boundaries of the districts or regions. Schedule A to these By-Laws identifies the districts, their territorial boundaries and respective regions as currently established by the Board.

### **Composition of District Committees**

**Sec. 8.2** (a) A district created under Section 8.1 shall elect a District Committee pursuant to this Article. A District Committee shall consist of no fewer than five and no more than 20 members, unless otherwise provided by resolution of the Board. Subject to the limitation set forth in the immediately preceding sentence, the authorized number of members of a District Committee shall be determined from time to time by the Board; provided, however, that no decrease in the authorized number of members of a District Committee shall shorten the term of office of any member thereof. Each District Committee member shall: (1) be [registered]associated with a FINRA member eligible to vote in the district for District Committee elections and registered in the capacity of a branch manager or principal or denoted as a corporate officer of the FINRA member[, and]; (2) work primarily from such FINRA

member's principal office or a branch office that is located within the district where the member serves on a District Committee; and (3) represent and be directly elected by the applicable classification of FINRA members based on the size of the firm with which he or she is associated: Small Firm, Mid-Size Firm, or Large Firm as defined in these By-Laws. The Board shall determine the composition of District Committees based on firm size classifications (Small Firm, Mid-Size Firm, or Large Firm), taking into account the composition of the membership and the Board. Members of the District Committees shall serve as panelists in disciplinary proceedings in accordance with the Rules of the Corporation. The District Committees shall consider and recommend policies and rule changes to the Board. The District Committees shall endeavor to educate FINRA members and other brokers and dealers in their respective districts as to the objects, purposes, and work of FINRA and FINRA Regulation in order to foster FINRA members' interest and cooperation.

(b) A member of a District Committee may resign at any time upon giving Notice to the District Director. Any such resignation shall take effect upon receipt of such Notice or at any later time specified therein, provided that notice of resignation at a later date may be made immediately effective at the discretion of the Chief Executive Officer or his or her designee[Executive Vice President, Regulatory Policy and Programs or the Executive Vice President, Member Regulation or their respective designee(s)]. The acceptance of such resignation shall not be necessary to make such resignation effective.

(c) In the event of the refusal, failure, neglect, or inability of a member of a District Committee to discharge his or her duties, or for any cause affecting the best interests of FINRA Regulation, the sufficiency of which shall be decided by the District Committee, the District Committee may remove the member by the affirmative vote of two-thirds of the members of the

District Committee then in office and declare the District Committee member's position vacant. The District Committee shall notify the District Committee member of his or her removal within seven days after the vote. A District Committee member who is removed may submit a written appeal of the removal to the Board within 30 days after the date he or she is notified of the removal. The Board may affirm, reverse, or modify the determination of the District Committee. A vote of a majority of the Directors then in office shall be required to reverse or modify the action of the District Committee.

(d) In the event of a vacancy in a District Committee resulting from death, resignation, removal, or other cause, the Chief Executive Officer or his or her designee [Executive Vice President, Regulatory Policy and Programs or the Executive Vice President, Member Regulation or their respective designee(s)] shall determine whether such vacancy shall be filled prior to the next regularly scheduled election of District Committee members. In the event the Chief Executive Officer or his or her designee[Executive Vice President, Regulatory Policy and Programs or the Executive Vice President, Member Regulation or their respective designee(s)] determines that a vacancy on a District Committee should be filled, the vacancy shall be filled pursuant to Section 8.4.

### **Term of Office of District Committee Members**

**Sec. 8.3** Each regularly elected member of a District Committee shall hold office for a "full term" which is the later of three years or until a successor is elected and qualified. Notwithstanding the term of office for a regularly elected District Committee member, such member's term shall terminate sooner upon the member's death, resignation, or removal. There is no limit on the number of terms that may be served by a member of a District Committee, [provided,] except that a District Committee member may not serve two full terms

consecutively[no more than two terms may be served consecutively. The word “term” as used for the purpose of this Section shall mean either a full term for a regularly elected member or a “partial term” which is a term served by a member appointed to fill a vacancy on the District Committee created by the termination of a regularly elected member’s office prior to the expiration of the full term].

### **Filling of Vacancies on District Committees**

**Sec. 8.4** In the event of a vacancy on a District Committee prior to the expiration of the District Committee member’s term of office, and where the Chief Executive Officer or his or her designee [Executive Vice President, Regulatory Policy and Programs or the Executive Vice President, Member Regulation or their respective designee(s)] determines, pursuant to Section 8.2(d), that such vacancy should be filled, or in the event of a newly created membership on a District Committee by virtue of an increase in the authorized number of members thereof, the District Committee shall appoint by majority vote [a representative of a FINRA member eligible pursuant to]an individual who meets the qualification requirements of Section 8.2(a), including meeting the requirement of representing the applicable firm size classification (Small Firm, Mid-Size Firm, or Large Firm) to fill the vacancy or newly created membership. If the District Committee is unable to identify or appoint an individual meeting the requirement of representing the applicable firm size classification, it may appoint for that vacancy an individual who otherwise meets the qualification requirements of Section 8.2(a) associated with a firm having another firm size classification. The appointment by the District Committee shall be effective until the next regularly scheduled election, and until such District Committee member’s successor is elected and qualified. Following the next regularly scheduled election, in the event of a vacancy, the newly elected District Committee member shall serve only the duration of the

departed District Committee member's term, and in the event of a newly created membership, the newly elected District Committee member shall serve only the duration of the term for such class of membership.

### **Meetings of District Committees**

**Sec. 8.5** Meetings of a District Committee shall be held jointly with the other District Committees in its region, as identified in Schedule A to these By-Laws, at such times and places, upon such notice, and in accordance with such procedures as the Chief Executive Officer or his or her designee [Executive Vice President, Regulatory Policy and Programs or the Executive Vice President, Member Regulation or their respective designee(s)] in his or her discretion may determine [in consultation with the Chair of the District Committee]. A quorum of a District Committee shall consist of a majority of its members, and any action taken by a majority present at any meeting at which a quorum is present, except as otherwise provided in these By-Laws, shall constitute the action of the Committee. Any or all members of a District Committee may participate in any such meeting by means of conference telephone or other communications equipment by means of which all participants can communicate with each other, and such participation shall constitute presence in person at the meeting. Action by a District Committee may be taken by consent in writing or by electronic transmission in lieu of a meeting, in which case any action taken by a majority of the Committee shall constitute the action of the Committee.

### **[Election of District Officers]**

**[Sec. 8.6** At or following its last regularly scheduled meeting of the calendar year, each District Committee shall elect from its members a Chair and such other officers as it deems necessary for the proper performance of its duties under these By-Laws.]

### **[Advisory Council]**

**[Sec. 8.7** The Chairs of the District Committees, elected pursuant to Section 8.6, together with the Chair of the Market Regulation Committee shall constitute an Advisory Council to the Board.]

### **Expenses of District Committees**

**Sec. 8.[8]6** Funds to meet the regular expenses of each District Committee shall be provided by the Board, and all such expenses shall be subject to the approval of the Board.

### **[Composition of District Nominating Committees]**

**[Sec. 8.9** (a) Each district created under Section 8.1 shall elect a District Nominating Committee pursuant to this Article. A District Nominating Committee shall consist of five members, unless the Board by resolution increases a District Nominating Committee to a larger number. Each District Nominating Committee member shall: (1) be registered with a FINRA member eligible to vote in the district for District Committee elections, and (2) work primarily from such FINRA member's principal office or a branch office that is located within the district where the member serves on a District Nominating Committee, but shall not be a member of the District Committee. A majority of the members of the District Nominating Committee shall include persons who previously have served on a District Committee or who are current or former Directors or current or former Governors of the FINRA Board, or its predecessors.]

[(b) A member of a District Nominating Committee may resign at any time upon giving Notice to the District Director. Any such resignation shall take effect upon receipt of such Notice or at any later time specified therein, provided that notice of resignation at a later date may be made immediately effective at the discretion of the Executive Vice President, Regulatory Policy and Programs or the Executive Vice President, Member Regulation or their respective

designee(s). The acceptance of such resignation shall not be necessary to make such resignation effective.]

[(c) In the event of the refusal, failure, neglect, or inability of a member of a District Nominating Committee to discharge his or her duties, or for any cause affecting the best interests of FINRA Regulation, the sufficiency of which shall be decided by the District Nominating Committee, the District Nominating Committee may remove the member by the affirmative vote of two-thirds of the members of the District Nominating Committee then in office and declare the member's position vacant. The District Nominating Committee shall notify the District Nominating Committee member of his or her removal within seven days after the vote. A member who is removed may submit a written appeal of the removal to the Board within 30 days after the date he or she is notified in writing of the removal. The Board may affirm, reverse, or modify the determination of the District Nominating Committee. A vote of a majority of the Directors then in office shall be required to reverse or modify the action of the District Nominating Committee.]

[(d) In the event of a vacancy in a District Nominating Committee resulting from death, resignation, removal, or other cause, the Executive Vice President, Regulatory Policy and Programs or the Executive Vice President, Member Regulation or their respective designee(s) shall determine whether such vacancy shall be filled prior to the next regularly scheduled election of District Nominating Committee members. In the event the Executive Vice President, Regulatory Policy and Programs or the Executive Vice President, Member Regulation or their respective designee(s) determines that a vacancy on a District Nominating Committee should be filled, the vacancy shall be filled pursuant to Section 8.11.]

**[Term of Office of District Nominating Committee Members]**

**[Sec. 8.10** Each regularly elected member of a District Nominating Committee shall hold office for a “full term” which is the later of one year or until a successor is elected and qualified. Notwithstanding the term of office for a regularly elected member, such member’s term shall terminate sooner upon the member’s death, resignation, or removal. There is no limit on the number of terms that may be served by a member of a District Nominating Committee, provided, that no more than two terms may be served consecutively. The word “term” as used for the purpose of this Section shall mean either a full term for a regularly elected member or a “partial term” which is a term served by a member appointed to fill a vacancy on the District Nominating Committee created by the termination of a regularly elected member’s office prior to the expiration of the full term.]

**[Filling of Vacancies for District Nominating Committees]**

**[Sec. 8.11** In the event of a vacancy on a District Nominating Committee prior to the expiration of the member’s term of office, and where the Executive Vice President, Regulatory Policy and Programs or the Executive Vice President, Member Regulation or their respective designee(s) determines, pursuant to Section 8.9(d), that such vacancy should be filled, or in the event of a newly created membership on a District Nominating Committee by virtue of an increase in the authorized number of members thereof, the District Nominating Committee shall appoint by majority vote a representative of a FINRA member eligible pursuant to Section 8.9(a) to fill the vacancy or newly created membership. The appointment shall be effective until the next regularly scheduled election pursuant to this Article, and until such member’s successor is elected and qualified. ]

**[Meetings of District Nominating Committees]**

**[Sec. 8.12** Meetings of a District Nominating Committee shall be held at such times and places, upon such notice, and in accordance with such procedures as the Executive Vice President, Regulatory Policy and Programs or the Executive Vice President, Member Regulation or their respective designee(s) in his or her discretion may determine in consultation with the Chair of the District Nominating Committee. A quorum of a District Nominating Committee shall consist of a majority of its members, and any action taken by a majority present at any meeting at which a quorum is present, except as otherwise provided in these By-Laws, shall constitute the action of the District Nominating Committee. Any or all members of a District Nominating Committee may participate in any such meeting by means of conference telephone or other communications equipment by means of which all participants can communicate with each other, and such participation shall constitute presence in person at the meeting. Action by a District Nominating Committee may be taken by consent in writing or by electronic transmission in lieu of a meeting, in which case any action taken by a majority of the District Nominating Committee shall constitute the action of the District Nominating Committee.]

**[Election of District Nominating Committee Officers]**

**[Sec. 8.13** Following the annual election of members of the District Nominating Committees pursuant to this Article, each District Nominating Committee shall elect from its members a Chair and such other officers as it deems necessary for the proper performance of its duties under these By-Laws.]

**[Expenses of District Nominating Committees]**

**[Sec. 8.14** Funds to meet the regular expenses of each District Nominating Committee shall be provided by the Board, and all such expenses shall be subject to the approval of the Board.]

**[Notice to District Nominating Committee]**

**[Sec. 8.15** On or before June 1 of each year, the Secretary of FINRA Regulation shall give a Notice to each District Nominating Committee member and each District Director identifying the members of the District Nominating Committee and the District Committee whose terms of office shall expire in the next calendar year. The Notice shall describe election procedures for filling the offices.]

**Solicitation of Candidates and Secretary's Notice to FINRA Members**

**Sec. 8.[16]7** The Secretary of FINRA Regulation shall give a Notice of the upcoming election to FINRA members and the Executive Representatives of FINRA members describing the election procedures and stating that FINRA members may submit names of District Committee member candidates for consideration to the [District Director. FINRA Regulation staff shall provide the District Nominating Committee with a description of the FINRA membership in the district. The District Nominating Committee shall identify and solicit candidates to nominate for election to the District Committee and the District Nominating Committee]Secretary of FINRA Regulation.

**[District Nominating Committee Slate]**

**[Sec. 8.17** (a) The District Nominating Committee shall review the background of proposed candidates and the description of the FINRA membership provided by FINRA Regulation staff and shall nominate a slate of candidates for the election. The slate shall include one candidate for each open position on the District Committee and the District Nominating Committee subject to election at the next annual election. The District Nominating Committee may also nominate one alternate candidate for the District Committee and one alternate candidate for the District Nominating Committee. In the event of an uncontested election

pursuant to Section 8.19, the alternate candidate would replace any member of the nominated slate of candidates who withdrew or was determined to be ineligible. In nominating candidates for the office of member of the District Committee and the office of member of the District Nominating Committee, the District Nominating Committee shall endeavor to secure appropriate and fair representation on the District Committee and on the District Nominating Committee of the various sections of the district and various classes and types of FINRA members engaged in the investment banking or securities business within the district. In nominating candidates for the office of member of the District Nominating Committee, a District Nominating Committee shall assure that the composition of the District Nominating Committee meets the standards in Section 8.9(a).]

[(b) A District Nominating Committee shall not nominate an incumbent member of the District Committee to succeed himself or herself on the District Committee unless the incumbent member of the District Committee is serving pursuant to the provisions of Section 8.4 or is serving a term pursuant to the provisions of Section 8.2 and reelection would not cause the incumbent member to violate the provisions of Section 8.3. A District Nominating Committee may not nominate more than two incumbent members of the District Nominating Committee to succeed themselves.]

### **Self-Nomination of Candidates and Vacancy Appointments**

**Sec. 8.8** (a) An individual who meets the qualification requirements of Section 8.2(a) wishing to be considered for election to the District Committee shall deliver a written Notice to the Secretary of FINRA Regulation within 30 calendar days after the Secretary of FINRA Regulation gives the Notice of the upcoming elections pursuant to Section 8.7. The Secretary of

FINRA Regulation shall make a written record of the time and date of the receipt of each Notice from a qualified individual, and designate that individual as a candidate.

(b) In the event that no candidate is designated for a particular District Committee vacancy, the Chief Executive Officer or his or her designee shall appoint an individual who meets the qualification requirements of Section 8.2(a), including representing the applicable firm size classification (Small Firm, Mid-Size Firm or Large Firm), to fill that vacancy for a full term. If the Chief Executive Office or his or her designee is unable to identify or appoint an individual meeting the requirement of representing the applicable firm size classification, he or she may appoint for that vacancy an individual who otherwise meets the qualification requirements of Section 8.2(a) associated with a firm having another firm size classification.

#### **[Notification of Nomination]**

[Sec. 8.18 The District Director, acting on behalf of the District Nominating Committee, shall give a Notice to the Secretary of FINRA Regulation of each candidate nominated by the District Nominating Committee and the office to which the candidate is nominated. If the District Nominating Committee chooses, in its discretion, to nominate an alternate candidate for either the District Committee or the District Nominating Committee, or an alternate candidate for each such Committee, the District Director shall give Notice to the Secretary of FINRA Regulation of each alternate candidate nominated by the District Nominating Committee and the office to which each alternate candidate is nominated. On or before October 1 of each year, the Secretary of FINRA Regulation shall give a Notice of the nominated candidates and any alternate candidate(s) to the Executive Representatives of FINRA members and the District Committee.]

#### **[Uncontested Election]**

**[Sec. 8.19** If the District Nominating Committee nominates one candidate for each position on the District Committee and the District Nominating Committee subject to election at the next annual election and no additional candidate is nominated pursuant to Section 8.22, the candidates nominated by the District Nominating Committee shall be considered duly elected.]

**[Designation of Additional Candidates]**

**[Sec. 8.20** If an officer or director of, or individual who is registered with, a FINRA member who meets the qualifications of Section 8.2 or 8.9, as applicable, is not nominated by the District Nominating Committee as a candidate or an alternate and wants to be considered for election to the District Committee or the District Nominating Committee, he or she shall deliver a written notice to the District Director within 14 calendar days after the Secretary of FINRA Regulation gives the Notice of nominated candidates pursuant to Section 8.18. The District Director shall make a written record of the time and date of the receipt of the officer's, director's, or registered person's notice. The officer, director, or registered person shall be designated as an "additional candidate."]

**[List of] FINRA Members Eligible to Vote**

**Sec. [8.21** (a) The Secretary of FINRA Regulation shall provide a list of all FINRA members eligible to vote in the district, their mailing addresses, and their Executive Representatives to the additional candidate promptly following receipt of the additional candidate's timely notice by the District Director.]

[(b)8.9 A FINRA member that has its principal office [and/]or one or more registered branch offices in the district shall be eligible to cast one vote through the FINRA member's Executive Representative for each position representing its firm size classification (Small Firm,

Mid-Size Firm, or Large Firm) on the District Committee [and the District Nominating Committee] to be filled in the election.

**[Requirement for Petition Supporting Additional Candidate]**

**[Sec. 8.22** An additional candidate shall be nominated if a petition signed by at least ten percent of the FINRA members eligible to vote in the district is filed with the District Nominating Committee within 30 calendar days after the date of mailing of the list to the additional candidate pursuant to Section 8.21. Only an Executive Representative may sign a petition on behalf of a FINRA member.]

**[Notice of Contested Election]**

**[Sec. 8.23** If an additional candidate is nominated pursuant to Section 8.22, the election shall be considered a contested election. The Secretary of FINRA Regulation shall give a Notice to the Executive Representatives of the FINRA members eligible to vote in the district announcing the names of the candidates and the office to which each candidate is nominated and describing contested election procedures.]

**Administrative Support**

**Sec. 8.[24]10** The [District Office] Secretary of FINRA Regulation shall provide administrative support to all candidates, according to procedures published by the Secretary[by sending, by electronic transmission, to FINRA members eligible to vote in the district up to two distributions of materials prepared by the candidates. If a candidate wants such distributions sent, the candidate shall prepare such material on the candidate's personal stationery and make the material available to FINRA Regulation in electronic format. The material shall state that it represents the opinion of the candidate. Candidates nominated by the District Nominating Committee may identify themselves as such in their materials]. Any candidate may also send

[mailings] communications to FINRA members eligible to vote in the district based on the firm size classification (Small Firm, Mid-Size Firm, or Large Firm) at the candidate's own expense, provided that such communications clearly state that they represent the opinions of the candidate. Except as provided in this Article, FINRA Regulation, the Board, any committee, and FINRA Regulation staff shall not provide any other administrative support to a candidate in the election.

### **Ballots**

**Sec. [8.25]** With the assistance of the Secretary of FINRA Regulation and an Independent Agent, the District Nominating Committee shall prepare a ballot with the names of the District Nominating Committee's candidates and any additional candidate nominated pursuant to Section 8.22 and the office to which each candidate is nominated. The ballot shall list separately, in alphabetical order, the candidates nominated by the District Nominating Committee and the additional candidates nominated pursuant to Section 8.22. **[8.11]** The Secretary of FINRA Regulation shall send a ballot to the Executive Representative of each FINRA member eligible to vote in the district. The ballot shall list the candidates for each position subject to election in alphabetical order. Instructions on the ballot shall direct the Executive Representative to return the ballot to the Independent Agent and state that the ballot [envelope] must be postmarked or otherwise delivered on or before the return date specified on the ballot. The return date specified on the ballot shall be no fewer than 20 and no more than 30 days after the date of mailing or other delivery of the ballot.

### **Vote Qualification List**

**Sec. 8.[26]12** Eligibility to vote in a district election shall be based on FINRA's membership records as of a date selected by the Secretary of FINRA Regulation that is not more than 30 days before the date of mailing or other delivery of the ballot. The Secretary of FINRA

Regulation shall prepare a list of FINRA members in each firm size classification (Small Firm, Mid-Size Firm, or Large Firm) eligible to vote in the district, their mailing addresses, and their Executive Representatives, which shall be used for vote qualification purposes, and shall provide the applicable list to [the] candidates upon request.

### **Ballots Returned As Undelivered**

**Sec. 8.[27]13** The Independent Agent shall investigate [open] any ballot [envelope] returned undelivered and shall determine whether it was sent to the FINRA member's address of record. If incorrectly addressed, the Independent Agent shall send a new ballot to the address of record.

### **General Procedures for Qualification and Accounting of Ballots**

**Sec. 8.[28]14** After the close of the voting period, the Independent Agent shall tabulate the ballots and notify the Secretary of FINRA Regulation of the voting results for each District Committee position subject to election within [on a date or dates designated by the Secretary of FINRA Regulation, the qualification and accounting of ballots shall take place. The date or dates designated shall be not later than] 14 calendar days after the return date specified on the ballot pursuant to [Section 8.25]Section 8.11. [Candidates and their representatives shall be allowed to observe the qualification and accounting of ballots. Representation for each candidate shall be limited to two individuals. The Independent Agent shall bring to a location within the district agreed to between the Independent Agent and the Secretary of FINRA Regulation all ballots timely received. Under the direction of the Secretary of FINRA Regulation or the Secretary's designee, the Independent Agent shall open and count the ballots. For ballot qualification purposes, the Independent Agent shall identify to the candidates the FINRA members that timely returned ballots and inform the candidates of the Independent Agent's

determination of whether or not a ballot is qualified for voting purposes. The determination shall be based on a comparison of ballots received against the list of FINRA members eligible to vote in the district and their Executive Representatives as prepared by the Secretary of FINRA Regulation pursuant to Section 8.26. The Secretary of FINRA Regulation or the Secretary's designee shall make the final determination of the qualification of a ballot. Upon the qualification of a ballot, the Independent Agent shall record the vote indicated on the ballot. The candidates and their representatives shall not be allowed to see the vote of a FINRA member.]

### **Ballots Set Aside**

**Sec. 8.[29]15** The Independent Agent shall set aside a ballot if: (a) the ballot is received from a FINRA member eligible to vote in the district and the ballot is signed by a person who is not the Executive Representative listed on the vote qualification list prepared under [Section 8.26] Section 8.12, and the Secretary of FINRA has not received proper notice of a change in Executive Representative pursuant to the FINRA By-Laws; or (b) if two or more properly executed ballots are received from a FINRA member eligible to vote in the district. If the Independent Agent determines that the ballots set aside are material to the outcome of the election, the Secretary of FINRA Regulation and the Independent Agent shall make reasonable efforts to resolve each ballot set aside. With respect to a ballot not signed by an Executive Representative of record, the Secretary of FINRA Regulation shall contact the FINRA member to request that the FINRA member send written notice of any change in Executive Representative to a FINRA designated system or by facsimile so that the ballot may be counted. With respect to multiple ballots from a FINRA member, the Independent Agent shall contact the Executive Representative of the FINRA member to obtain the FINRA member's vote. The Secretary of FINRA Regulation shall keep a list of FINRA members that reported their ballot

was lost or not received and that were provided with a duplicate ballot. The Secretary of FINRA Regulation shall provide the list to the Independent Agent and, upon request, to the candidates.

### **Invalid Ballots**

**Sec. 8.[30]16** The Independent Agent shall declare a ballot invalid if one or more of the following conditions exist:

- (a) the ballot is not signed by the Executive Representative (unless [Section 8.29] Section 8.15 applies);
- (b) a vote is not indicated on the ballot; or
- (c) the ballot indicates votes for more than one candidate[s than there are positions on the District Committee or District Nominating Committee] per position subject to election[ in the election].

### **Election Results**

**Sec. 8.[31]17** [Under the direction of the Secretary of FINRA Regulation or the Secretary's designee, ]T[t]he Independent Agent shall count the votes received for each candidate in a district. The candidates for the office of member of the District Committee [or District Nominating Committee] receiving the largest number of votes cast by FINRA members eligible to vote in the district for the office shall be declared elected such that the number and firm size classification (Small Firm, Mid-Size Firm, or Large Firm) of candidates declared elected [equals]corresponds to the number and firm size classification of positions on the District Committee [or District Nominating Committee] subject to election [in the election]. In the event of a tie, there shall be a run-off election. The Secretary of FINRA Regulation shall notify the Board of the election results. The notification shall state the number of votes received by each candidate in each firm size classification and the number of ballots set aside.

## **Extensions of Time and Additional Procedures**

**Sec. 8.[32]18** The Secretary of FINRA Regulation may extend a time period under this Article for good cause shown. In extraordinary circumstances, the Secretary of FINRA Regulation, with the approval of the Executive Committee or the Board, may adopt additional procedures for elections under this Article.

### **Definitions**

**Sec. 8.[33]19** (a) When used in Article VIII of these By-Laws, the term “Notice” means a notice in writing or by electronic transmission and the term “electronic transmission” means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

(b) For purposes of this Article VIII, any [n]Notice by FINRA Regulation, the Secretary of FINRA Regulation, or the District Director given by electronic transmission shall be deemed given: (1) if by facsimile telecommunication, when directed to a number at which the person entitled to notice has consented to receive notice; (2) if by electronic mail, when directed to an electronic mail address at which the person entitled to notice has consented to receive notice; (3) if by a posting on an electronic network when the person entitled to notice has consented to receive notice in this manner, together with separate notice to the person entitled to notice of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and (4) if by any other form of electronic transmission when the person entitled to notice has consented to receive notice in this manner, when directed to the person entitled to notice. For purposes of this Article VIII, if mailed, any such [n]Notice by FINRA Regulation, the Secretary of FINRA Regulation, or the District Director shall be deemed given when deposited

in the United States mail, postage prepaid, directed to the person entitled to notice at such person's address as it appears on the records of FINRA Regulation.

\* \* \* \* \*

### **Schedule A to the FINRA Regulation By-Laws**

The number and territorial boundaries of the several districts and their respective regions, established as provided in Article VIII, Section 8.1, are as follows:

#### **Districts**

**District No. 1** State of Hawaii; in the State of California, the Counties of Monterey, San Benito, Fresno and Inyo, and the remainder of the State North or West of such Counties; and in the State of Nevada, the Counties of Esmeralda and Nye, and the remainder of the State North or West of such Counties.

**District No. 2** In the State of California, that part of the State South or East of the Counties of Monterey, San Benito, Fresno and Inyo; and, in the State of Nevada, that part of the State South or East of the Counties of Esmeralda and Nye, and all Pacific possessions and territories of the United States.

**District No. 3** States of Alaska, Arizona, Colorado, Idaho, Montana, New Mexico, Oregon, Utah, Washington and Wyoming.

**District No. 4** States of Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota.

**District No. 5** States of Alabama, Arkansas, Louisiana, Mississippi, Oklahoma and Tennessee.

**District No. 6** State of Texas.

**District No. 7** States of Florida, Georgia, North Carolina, and South Carolina, Puerto Rico[, Canal Zone] and the Virgin Islands.

**District No. 8** States of Illinois, Indiana, Kentucky, Michigan, Ohio and Wisconsin.

**District No. 9** The District of Columbia, and the States of Delaware, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia, and New York (except for the five Boroughs of New York City and the Counties of Nassau and Suffolk).

**District No. 10** In the State of New York, the five Boroughs of New York City and the Counties of Nassau and Suffolk.

**District No. 11** States of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

### **Regions**

**Midwest Region:** Districts 4 and 8

**New York Region:** District 10

**North Region:** Districts 9 and 11

**South Region:** Districts 5, 6 and 7

**West Region:** Districts 1, 2 and 3