

**EXHIBIT 4**

**MARKED COPY OF CHANGES TO ORIGINAL PROPOSED RULE CHANGE**<sup>1</sup>

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**Rule G-8: Books and Records to be Made by Brokers, Dealers and Municipal Securities Dealers**

(a) Description of Books and Records Required to be Made. Except as otherwise specifically indicated in this rule, every broker, dealer and municipal securities dealer shall make and keep current the following books and records, to the extent applicable to the business of such broker, dealer or municipal securities dealer:

(i) through (xxi) No change.

(xxii) Records Concerning Compliance with Rule G-34(c).

(A) A broker, dealer or municipal securities dealer that acts as a Program Dealer, as defined in Rule G-34(c)(i)(A)(1), for an Auction Rate Security shall maintain:

(1) through (2) No change.

(3) all information and documents required to be submitted to the Board by the broker, dealer or municipal securities dealer under Rule G-34(c)(i).

(B) A broker, dealer or municipal securities dealer that acts as a Remarketing Agent, as defined in Rule G-34(c)(ii), for a Variable Rate Demand Obligation shall maintain:

(1) No change.

(2) all information and documents required to be submitted to the Board by the broker, dealer or municipal securities dealer under Rule G-34(c)(ii); and

(3) for [a record of all best efforts undertaken to obtain] documents detailing provisions of liquidity facilities identified in Rule G-34(c)(ii)(B)(1) associated with the Variable Rate Demand Obligation for which the broker, dealer or municipal securities

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<sup>1</sup> Underlining indicates insertions made by this amendment to the original proposed rule change; brackets indicate deletions made by this amendment to the original proposed rule change.

dealer acts as a Remarketing Agent that are unable to obtained through best efforts, a record of such efforts undertaken.

(xxiii) Records Concerning Compliance with Rule G-34(a)(ii)(C). A broker, dealer or municipal securities dealer that acts as an underwriter in a primary offering of municipal securities subject to Rule G-34(a)(ii)(C)(1) shall maintain:

(A) through (C) No change.

(b) through (g) No change.

**Rule G-34: CUSIP Numbers, New Issue, and Market Information Requirements**

(a) - (b) No change.

(c) *Variable Rate Security Market Information.* The Board operates a facility for the collection and public dissemination of information and documents about securities bearing interest at short-term rates (the Short-term Obligation Rate Transparency System, or SHORT System).

(i) *Auction Rate Securities.* Auction Rate Securities are municipal securities in which the interest rate resets on a periodic basis under an auction process conducted by an agent responsible for conducting the auction process on behalf of the issuer or other obligated person with respect to such Auction Rate Securities (“Auction Agent”) that receives orders from brokers, dealers and municipal securities dealers.

(A) Auction Rate Securities Data.

(1) Each broker, dealer or municipal securities dealer that submits an order directly to an Auction Agent for its own account or on behalf of another account to buy, hold or sell an Auction Rate Security through the auction process (“Program Dealer”) shall report, or ensure the reporting of, the following information about the Auction Rate Security and concerning the results of the auction to the Board:

(a) CUSIP number;

(b) Interest rate produced by the auction process and designation of whether the interest rate is a maximum rate, all hold rate, or rate set by auction;

(c) Identity of all Program Dealers that submitted orders, including but not limited to hold orders;

(d) Date and time of the auction;

(e) Length of time, in days, that the interest rate produced by the auction process is applicable;

(f) Minimum denomination;

(g) Minimum and maximum rates, if any, applicable at the time of the auction or, if not calculable as of the time of auction, indication that such rate or rates are not calculable.

(h) Date and time the interest rate determined as a result of the auction process was communicated to Program Dealers;

(i) Interest rate(s) and aggregate par amount(s) of orders to sell at a specific interest rate and aggregate par amount of such orders that were executed;]

(j) Aggregate par amount of orders to sell at any interest rate and aggregate par amount of such orders that were executed;

(k) Interest rate(s) and aggregate par amount(s) of orders to hold at a specific interest rate and aggregate par amount of such orders that were successfully held;

(l) Interest rate(s) and aggregate par amount(s) of orders to buy and aggregate par amount of such orders that were executed;

(m) Interest rate(s), aggregate par amount(s), and type of order – either buy, sell or hold – for a Program Dealer for its own account and aggregate par amounts of such orders, by type, that were executed; and

(n) Interest rate(s), aggregate par amount(s), and type of order – either buy, sell or hold – for an issuer or conduit borrower for such Auction Rate Security [and aggregate par amounts of such orders, by type, that were executed].

(2) Information identified in subparagraph (c)(i)(A) shall be provided to the Board by no later than 6:30 P.M. Eastern Time on the date on which an auction occurs if such date is an RTRS Business Day as defined in Rule G-14 RTRS Procedures section (d)(ii). In the event that any item of information identified in subparagraph (c)(i)(A)(1) is not available by the deadline in this

subparagraph (c)(i)(A)(2), such item shall be provided to the Board as soon as it is available. In the event that an auction occurs on a non-RTRS Business Day, the information identified in subparagraph (c)(i)(A)(1) shall be reported by no later than 6:30 P.M. Eastern Time on the next RTRS Business Day.

(3) A Program Dealer may designate an agent to report the information identified in subparagraph (c)(i)(A)(1) to the Board, provided that an Auction Agent may submit information on behalf of a Program Dealer absent such designation by the Program Dealer. The failure of a designated agent to comply with any requirement of this paragraph (c)(i) shall be considered a failure by such Program Dealer to so comply; provided that if an Auction Agent has, within the time periods required under subparagraph (c)(i)(A)(2), reported the information required under subparagraph (c)(i)(A)(1), the Program Dealer may rely on the accuracy of such information if the Program Dealer makes a good faith and reasonable effort to cause the Auction Agent to correct any inaccuracies known to the Program Dealer.

(4) For Auction Rate Securities in which there are multiple Program Dealers, each Program Dealer must only report for items (i) through (m[n]) of the items of information identified in subparagraph (c)(i)(A)(1) information reflective of the Program Dealer's involvement in the auction. A designated agent as described in subparagraph (c)(i)(A)(3) reporting results of an auction on behalf of multiple Program Dealers must report for items (i) through (m[n]) of the items information identified in subparagraph (c)(i)(A)(1) information reflective of the aggregate of all such Program Dealers' involvement in the auction for which the designated agent is making a report. A Program Dealer may rely on the reporting of information by an Auction Agent as provided in subparagraph (c)(i)(A)(3) if the Auction Agent has undertaken to report, and the Program Dealer does not have reason to believe that the Auction Agent is not accurately reporting, all items of information identified in subparagraph (c)(i)(A)(1), to the extent applicable, for an auction that is reflective of all Program Dealers that were involved in the auction.

(5) Information [items (a) through (h) of the items of information identified in subparagraph (c)(i)(A)(1)] reported to the Board pursuant to this section (c)(i) shall be submitted in the manner described in the written procedures for SHORT System users and changes to submitted information must be made as soon as possible. [Information items (i) through (n) of the items of information identified in subparagraph (c)(i)(A)(1) reported to the

Board pursuant to this section (c)(i) shall be submitted as a document, in a designated electronic format (as defined in Rule G-32), at such time and in such manner as specified herein and in the SHORT System Users Manual published by the Board setting forth the processes and procedures with respect to submissions to be made to the SHORT System.]

(6) Each broker, dealer and municipal securities dealer that submits an order to a Program Dealer on behalf of an issuer or conduit borrower for such Auction Rate Securities shall disclose at the time of the submission of such order that the order is on behalf of an issuer or conduit borrower for such Auction Rate Securities.

(B) Auction Rate Securities Documents.

(1) Each Program Dealer shall submit to the Board current documents setting forth auction procedures and interest rate setting mechanisms associated with an outstanding Auction Rate Security for which it acts as a Program Dealer by no later than [insert date ninety business days after rule effectiveness] and shall submit to the Board any future, subsequently amended or new versions of such documents no later than five [one] business days after they are made available to the Program Dealer.

(2) All submissions of documents required under subparagraph (c)(i)(B)(1) shall be made by electronic submissions to the SHORT System in a designated electronic format (as defined in Rule G-32) at such time and in such manner as specified herein and in the SHORT System Users Manual.

(ii) Variable Rate Demand Obligations. Variable Rate Demand Obligations are securities in which the interest rate resets on a periodic basis with a frequency of up to and including every nine months, an investor has the option to put the issue back to the trustee, tender agent or other agent of the issuer or obligated person at any time, typically with specified advance notice (“Notification Period”), and a broker, dealer or municipal security dealer acts as a remarketing agent (“Remarketing Agent”) responsible for reselling to new investors securities that have been tendered for purchase by a holder.

(A) Variable Rate Demand Obligations Data.

(1) Each Remarketing Agent for a Variable Rate Demand Obligation shall report the following information to the Board about the Variable Rate Demand Obligation applicable at the time of and concerning the results of an interest rate reset:

- (a) CUSIP number;
- (b) Interest rate and designation of whether the interest rate is a maximum rate, set by formula or set by the remarketing agent;
- (c) Identity of the Remarketing Agent;
- (d) Date and time of the interest rate reset;
- (e) Effective date and length of time, in days, that the interest rate is applicable;
- (f) Minimum denomination;
- (g) Length of Notification Period;
- (h) Minimum and maximum rates, if any, applicable at time of the interest rate reset or, if not calculable as of the time of interest rate reset, indication that such rate or rates are not calculable;
- (i) Identity of liquidity provider, type and expiration date of each liquidity facility applicable to the Variable Rate Demand Obligation;
- (j) Identity of the agent of the issuer to which bondholders may tender their security (“Tender Agent”); and
- (k) Aggregate par amount, if any, of the Variable Rate Demand Obligation held by a liquidity provider(s) (par amount held as “Bank Bonds”), and aggregate par amount, if any, of the Variable Rate Demand Obligation held by parties other than a liquidity provider(s), including the par amounts held by the Remarketing Agent and by investors.

(2) Information identified in subparagraph (c)(ii)(A)(1) shall be provided to the Board by no later than 6:30 P.M. Eastern Time on the date on which an interest rate reset occurs if such date is an RTRS Business Day as defined in Rule G-14 RTRS Procedures section (d)(ii). In the event that any item of information identified in subparagraph (c)(ii)(A)(1) is not available by the deadline in this subparagraph (c)(ii)(A)(2), such item shall be provided to the Board as soon as it is available provided that items (i) through (k) of the information identified in subparagraph (c)(ii)(A)(1)[(k)] shall reflect the information available to the Remarketing Agent as

of the date and time of the interest rate reset. In the event that an interest rate reset occurs on a non-RTRS Business Day, the information identified in subparagraph (c)(ii)(A)(1) shall be reported by no later than 6:30 P.M. Eastern Time on the next RTRS Business Day.

(3) A Remarketing Agent may designate an agent to report the information identified in subparagraph (c)(ii)(A)(1) to the Board. The failure of a designated agent to comply with any requirement of this paragraph (c)(ii) shall be considered a failure by such Remarketing Agent to so comply.

(4) Information reported to the Board pursuant to this section (c)(ii) shall be submitted in the manner described in the written procedures for SHORT System users and changes to submitted information must be made as soon as possible.

(B) Variable Rate Demand Obligations Documents.

(1) Each Remarketing Agent shall use best efforts to obtain and shall submit to the SHORT System the current versions of the following documents detailing provisions of liquidity facilities associated with the Variable Rate Demand Obligation for which it acts as a Remarketing Agent by no later than [insert date ninety business days after rule effectiveness] and shall submit to the SHORT System any future, subsequently amended or new versions of such documents no later than five [one] business days after they are made available to the Remarketing Agent:

(a) Stand-By Bond Purchase Agreement;

(b) Letter of Credit Agreement; and

(c) any other document that establishes an obligation to provide liquidity.

(2) All submissions of documents required under this rule shall be made by electronic submissions to the SHORT System in a designated electronic format (as defined in Rule G-32) at such time and in such manner as specified herein and in the SHORT System Users Manual.

(3) In the event that a document described in subparagraph (c)(ii)(B)(1) is not able to be obtained through the best efforts of the Remarketing Agent, the Remarketing Agent shall submit notice to the SHORT System that such document will not be provided at

such times as specified herein and in the SHORT System Users Manual.

(d) No change.

(e) No change.