

**EXHIBIT 5**

Exhibit 5 shows the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets.

\* \* \* \* \*

**1000. MEMBERSHIP, REGISTRATION AND QUALIFICATION REQUIREMENTS**

\* \* \* \* \*

**1020. Registration of Principals**

\* \* \* \* \*

**1022. Categories of Principal Registration**

(a) through (f) No Change.

**(g) Limited Principal—General Securities Sales Supervisor**

(1) No Change.

(2) A person registered in this category solely on the basis of having passed the Qualification Examination for Limited Principal—General Securities

Sales Supervisor shall NOT be qualified to:

(A) through (B) No Change.

(C) perform for a member any or all of the following activities:

(i) supervision of the origination and structuring of underwritings;

(ii) supervision of market making commitments;

[(iii) final approval of advertisements as these are defined in Rule 2210;]

(iii)[(iv)] supervision of the custody of firm or customer funds [and/]or securities for purposes of SEC Rule 15c3-3; or

(iv)[(v)] supervision of overall compliance with financial responsibility rules for broker[/]-dealers promulgated pursuant to the provisions of the Act.

(3) No Change.

(h) No Change.

\* \* \* \* \*

**IM-1022-2. Limited Principal—General Securities Sales Supervisor**

Limited Principal—General Securities Sales Supervisor is an alternate category of registration designed to lessen the qualification burdens on principals of general securities firms who supervise sales. Without this category of limited registration, such principals could be required to separately qualify pursuant to the rules of the NASD, MSRB, NYSE and the options exchanges. While persons may continue to separately qualify with all relevant self-regulatory organizations, the Limited Principal—General Securities Sales Supervisor Examination permits qualification as a supervisor of sales of all securities by one examination. Persons registered as Limited Principals—General Securities Sales Supervisor may also qualify in any other category of principal registration. Persons who are already qualified in one or more categories of principal registration may supervise sales activities of all securities by also qualifying as Limited Principals—General Securities Sales Supervisor.

Functions that may be performed by Limited Principals—General Securities Sales Supervisors. Any person required to be registered as a principal who supervises sales activities in corporate, municipal and option securities, investment company products, variable contracts, direct participation programs, and security futures may be registered solely as a Limited Principal—General Securities Sales Supervisor. In addition to branch office managers, other persons such as regional and national sales managers may also be registered solely as Limited Principals—General Securities Sales Supervisor as long as they supervise only sales activities. Qualification as a General Securities Representative

is a prerequisite for registration as a Limited Principal—General Securities Sales Supervisor.

Functions that may not be performed by Limited Principals—General Securities Sales Supervisors. Certain functions may not be performed by persons registered solely as Limited Principal—General Securities Sales Supervisor. These include supervisory responsibility for the origination and structuring of underwritings, market-making, [final approval of advertising,] custody of firm or customer funds [and/]or securities for purposes of SEC Rule 15c3-3 and overall compliance with financial responsibility rules for broker[/\_]dealers. Persons responsible for any of these activities are still required to qualify in the appropriate categories of principal registration. Moreover, persons qualified only as Limited Principals—General Securities Sales Supervisor are not included for purposes of the two principal requirements of Rule 1021(e)(1).

\* \* \* \* \*