

Corporate & Financial Weekly Digest

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FINRA Proposes New Rules Regarding Communications with Public

The Financial Industry Regulatory Authority has proposed, among other things, new Rules 2210 and 2212 through 2216 to replace NASD Rules 2210 and 2211 and NASD Interpretative Materials 2210-1 and 2210-3 through 2210-8. NASD Rules 2210 and 2211, and the related NASD Interpretative Materials, generally govern all member firms' communications with the public. New Rule 2210 would incorporate, subject to certain changes, the provisions of current NASD Rules 2210 and 2211, as well as NASD Interpretive Materials 2210-1 and 2210-4, and the provisions of Incorporated New York Stock Exchange Rule 472 that do not pertain to research analysts and research reports. In addition, for example, the proposed rule change would reduce the number of current communication categories from six to three: (1) institutional communication would include communications falling within the current definition of "institutional sales material" under NASD Rule 2211(a)(2); (2) retail communication would include any written (including electronic) communication distributed or made available to more than 25 retail investors within any 30 calendar-day period; and (3) correspondence would include any written (including electronic) communication distributed or made available to 25 or fewer retail investors within any 30 calendar-day period. Comments on FINRA's proposal are due on or before 21 days after publication in the Federal Register.

Click [here](#) to read Rule Filing SR-FINRA-2011-035.

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