

FORESIDE

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By Email: pubcom@finra.org

Jennifer Piorko Mitchell
Office of the Corporate Secretary
FINRA
1735 K Street, NW
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Dear Ms. Mitchell:

www.foreside.com

We are pleased to respond to FINRA's Request for Comment in the Regulatory Notice 18-14 regarding FINRA's retrospective rule review of the current Rules Rule 3110(a)(7) – Annual Compliance Meetings (“ACMs”).

By way of background, the Foreside family of companies (“Foreside” or the “Firm”) includes affiliated limited purpose broker-dealers. As the principal underwriter of investment companies or as placement agent for alternative investments, the Firm primarily facilitates dealer agreements, reviews fund advertising, acts as a paying agent for 12b-1 and other fund-related payments and performs other similar back office functions. The Firm may hold the securities licenses of certain employees of a sponsor/investment adviser or third-party marketer engaged in marketing registered or privately placed products. Registered Representatives (“Representatives”) do not open or maintain customer accounts, accept any customer funds for investment, or handle purchase, redemption or exchange requests. Representatives do not handle monies for investment nor are accounts established at the Firm. As a limited purpose broker-dealer, the Firm does not maintain shareholder accounts, does not process transactions, does not give investment advice and does not accept money for investment.

We are pleased that FINRA is conducting a retrospective review of the effectiveness of the ACM requirements. Foreside's preferred method of delivery is hosting an in-person/on-site meeting, as it encourages interaction between the Firm and the Representatives. In-person meetings may more easily identify when a Representative does not understand a policy or procedure, and provides a real-time opportunity to discuss questions, clarify scenarios or share concerns with a larger group. Additionally, making the effort to meet with Representatives in-person reiterates the importance of the meeting. Foreside makes every effort to limit the costs associated with an ACM and generally schedules meetings in conjunction with other arranged meetings where all or a majority of individuals will be in one location. In the event that Foreside is unable to conduct the ACM in-person, the Firm utilizes a web-based make-up session to fulfill the requirement through a current outsourced vendor.

The effectiveness of the rule will likely vary by firm, given the vague parameters and guidance surrounding the requirement. Each firm develops content based on their business model; therefore, it is up to the firm to develop and implement an appropriate program. Foreside utilizes the meeting to remind Representatives of their ongoing and periodic compliance obligations and tasks and believes that the meeting effectively satisfies the intent of the rule to convey and review relevant compliance matters affecting the Firm's representatives. The ACM serves as an additional supervisory control to ensure that Representatives are made aware of regulatory requirements and Firm obligations.

In our view, it would be beneficial for FINRA to holistically review the compliance obligations and redundancies in some of the ACM and continuing education requirements. This would achieve an appropriate balance between ensuring representatives are aware of their firm's compliance obligations as well as achieve reasonable assurance that representatives maintain and update their knowledge about securities products, as well as applicable rules, regulations and policies.

Thank you for your time and consideration.

Sincerely,



Nanette K. Chern
Chief Compliance Officer



Susan K. Moscaritolo
Chief Compliance Officer