



VIA ELECTRONIC MAIL: pubcom@finra.org

October 12, 2018

Ms. Jennifer Piorko Mitchell
Office of the Corporate Secretary
The Financial Industry Regulatory Authority, Inc.
1735 K Street, NW
Washington, DC 20006-1506

**Re: Special Notice 07/30/18: Request for Comment on Financial Technology
Innovation in the Broker-Dealer Industry**

Dear Ms. Mitchell,

Cambridge Investment Research, Inc. (“Cambridge”) appreciates the opportunity to comment on Special Notice 07/30/18: Request for Comment on Financial Technology Innovation in the Broker-Dealer Industry. Cambridge commends FINRA for voicing support of financial technology innovation (“fintech”) and for its willingness to adapt its regulatory programs in response to fintech developments. Cambridge supports FINRA’s efforts to better understand the implications, risks, and benefits of fintech innovation in the securities industry.

Cambridge also appreciates FINRA’s willingness to receive feedback regarding the effects of any FINRA rules or administrative programs on fintech innovation. To that end, Cambridge believes that at this point in its development, it would be best for FINRA to adopt and maintain a position of broad oversight regarding fintech innovation. It is Cambridge’s belief that by allowing fintech innovations to develop and adapt within a free market framework, driven by creative thinking, problem solving, and idea generation, fintech innovation can become a benefit to the investor experience and will result in new positive enhancements to the investor experience.

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Cambridge understands, however, that the technology age has spurred great changes in the financial services industry, and with change comes risk. Cambridge recognizes the need for FINRA to keep its ears to the ground regarding these changes as they relate to FINRA's goals of investor protection and market integrity. The topics noted in the Special Notice do raise concerns, particularly when member firms face greater scrutiny than those providing fintech related services. However, at this time, Cambridge recommends FINRA refrain from increasing the depth or specificity of its regulation with respect to fintech, so as not to stifle innovation in this budding area.

Cambridge would be happy to further discuss any of the comments or recommendations in this letter with FINRA.

Respectfully submitted,

// Seth A. Miller

Seth A. Miller
General Counsel
Senior Vice President, Chief Risk Officer