



May 27, 2008

Marcia E. Asquith
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1500

RE: Regulatory Notice 08-20

Dear Ms. Asquith:

Cambridge Investment Research, Inc. (Cambridge) appreciates this opportunity to comment on the proposed changes to Form U4 and Form U5, as outlined in Regulatory Notice 08-20. Cambridge knows that it is vital to provide clear rules and understanding of required Form U4 and Form U5 filing. Below we have highlighted areas in which the requirements could be strengthened to provide for more clear and concise filing rules.

Consistency

Cambridge supports consistent requirements and definitions between Form U4, Form U5, and Rule 3070 filing requirements. Consistency ensures that the correct filings are occurring and removes the element of confusion when filings are required. For example, one inconsistency Cambridge notes is that the Form U4 requires filing on a verbal complaint if settled for over \$10,000, while the Rule 3070 requires filing on verbal complaints if settled for over \$15,000.

Definition of Settlement

Cambridge requests that FINRA define the word "settlement" as applicable to Form U4 and Form U5 filings and include it in the definitions sections of the Form U4 and FormU5 instructions.

Cambridge has encountered questions such as

 "Does settlement include payment from a 3rd party?"

 Does settlement include reimbursement for operational errors or just damages as a result of conduct by the Registered Representative?

Once a definition has been established, the same definition to the word "settlement" should be applied for all 3070 filings. Cambridge believes that defining the word "settlement" for all U4, U5, and 3070 filings will allow for a clearer understanding of when filings are required, and ensure consistent filings.



Damages

Cambridge supports raising the damage amount as outlined in the Regulatory Notice, and believes that the amount of Form U4 disclosure question 141(3) (and corresponding Form U5 question) should be raised to \$10,000, to be in line with the other reportable amounts.

Revision and Enhancement of the Form U4 and U5 Interpretive Questions

Cambridge supports revision of the Form U4 and U5 Interpretive Questions. This would provide more examples and general information to offer consistent, thorough guidance to all broker dealers.

Cambridge believes that providing consistency and more guidance regarding U4, U5, and Rule 3070 filings will lead to fewer phone calls requesting assistance interpreting disclosure issues, more consistency in filings from broker dealers, and a less subjective interpretation in regards to filing.

Again, thank you for the opportunity to comment on the Proposed Rule. Should you have any questions, please contact us at 800-777-6080.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Alyssa R. Hinshaw", with a long horizontal line extending to the right.

Alyssa R. Hinshaw
Assistant Director, Compliance
Cambridge Investment Research, Inc.