

Ms. Marcia E. Asquith
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

Ms. Asquith,

The following comments, observations and questions are submitted in response to FINRA's request for comment regarding the supplemental P&L reporting.

Please let me know if you have any questions or need add'l info.

Thanks,

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201-671-0132

General Comments:

- Supplemental P&L Reporting should be on a Quarterly basis - many firms have more detail reporting requirements, internal and external, on the Quarters which would facilitate this supplemental FINRA reporting while limiting the need for additional resources.
- The Supplemental P&L Report should be filed within the time frames for current supplemental reporting and not on the FOCUS filing date. This would minimize the impact on recourses and be consistent with other detail reporting time frames.
- Trading P&L should be based on trading desk or cost centers as a trading desk uses different products to hedge their main trading product. i.e. Corporate Bond debt desk may use gov't and interest rate swaps to hedge their positions - recommendation - all P&L for this desk would be captured in the corporate debt category.
- A separate P&L category should be established for GAAP Accounting Adjustments that do not represent revenues or expenses that would be realized by the Firm (i.e. FASB 167). This category should be below the Total FOCUS Revenue line in order to keep these accounting adjustments from flowing into the various assessments that utilize the FOCUS revenues line as the basis for assessments.

Specific Questions and Observations related to the Proposed Statement of Income:

Revenue -

- "Net gains or losses on Principal Transactions" - Keep dividend and interest on trading accounts within this category, use sub categories to break out if needed. Firms that are engaging in dividend arbitrage or interest plays could have large swings between "PT's" and the interest lines that would not provide FINRA with a view to the impact from these trading strategies.

- OTC Option should be included with the Derivatives as they can be traded on the same desk and it would be very difficult to break out the P&L.
- "Commissions related to transactions in" - It can very difficult to break out "Investment Company shares and Unit Investment Trust" and should be reported as one category.
 - Same is true with "Annuities" - report as a single category as it can be difficult to break out variable from fixed.
- "Fee Income" - Need clarification on the items that FINRA would anticipates to be included in the following categories:
 - Investment advisory (for dual BD/IA's)
 - Advisory fees (for dual SEC/CFTC members)
 - Other Mutual Find Revenue

Expenses - Need Clarification on the following items:

- "Commission and Clearing Costs" - what cost would FINRA anticipate in the "Custody" category?
- "Cost incurred on behalf of affiliates or clients" - what distinguishing factors would FINRA use to determine the difference between "soft dollar" and "business expenses" costs?
- "Finder fees" - what cost would FINRA anticipate in this category?
- "Insurance costs" - Should SIPC and Excess SIPC be include in this category or in "Regulatory Fees"
- "Other Income Taxes" - is this for state and local taxes?