

Marcia E. Asquith
Senior Vice President and Corporate Secretary
1735 K Street, NW
Washington DC 20006-1500

Dear Ms. Asquith,

Before I go into my remarks, I want to clarify that the opinions expressed herein are my own and in no way reflect the views of any member firm I am associated with or any of my clients.

I want to thank you for giving me this opportunity to comment on Notice to Members 11-08. My comments will be brief and will address three topics: 1) the elimination of the 5% guideline; 2) the replacement of the term "profit" with the term "remuneration"; and 3) the requirements regarding commission schedules. Moreover, I want to point out that I am bringing the perspective of both a former FINRA regulatory examiner as well as that of a former compliance officer.

With respect to the elimination of the 5% guideline, FINRA makes an important point that the percentage number was based on data accumulated nearly 70 years ago and no longer reflects the current market efficiencies. This is a valid argument for revising the number to a lower percentage but not for the elimination of the guideline. I strongly feel that the concept of a guideline has been extremely useful, throughout the years, both for compliance personnel and regulatory examiners in conducting reviews. In a perfect world every member firm or district office would have the resources to conduct an in-depth review of every transaction; but the reality is that both member firms and district offices have limited resources. Keeping the guideline - albeit at a lower percentage - will allow regulatory resources to be focused on transactions that may be problematic. If the guideline is eliminated, every transaction will be subject to the same level of review. Again, I don't believe that this is the most efficient way to allocate regulatory resources.

The concept of "profit" is very different from the concept of "remuneration". The former involves a gain, benefit or return while the latter is basically compensation for services rendered. Is FINRA trying to send the message to member firms that making a profit is no longer viewed as valid reason to be in business? I believe that it is critical that FINRA continues to be cognizant of the fact that profits are at the heart of our industry for both the investors and the member firms.

Finally, the proposed requirements with respect to commission schedules will create an additional burden for small firms while not fundamentally changing the information that is currently available to retail customers. Customers can currently obtain information regarding commissions from various member firms and compare it if they so wish. As far as FINRA's expectation that the proposed rule will lead to lower commissions, it is just as likely that the opposite will be true since member firms will know what their competitors are charging, thus creating a floor below which there will no incentive for any member firm to go. I don't see

any additional benefits for retail customers. But I do see a tripwire being set up for member firms to be cited for failure to provide disclosures within the prescribed timeframes and other technical violations that do little to protect the investors or improve market integrity.

Again, thank you for providing me an opportunity to express my views.

Regards,

Cinzia Croce
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