

February 17, 2009

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

RE: Proposed FINRA Rule 5310

Dear Ms. Asquith:

There are two specific issues in the proposed rule on which I wanted to comment. The first relates to the proposed changes to the former "Three Quote Rule" requirements for execution of non-exchange-listed securities on behalf of customers. I want to commend FINRA for taking a more principle-based approach for these types of transactions in the proposed new rule. The previous requirements to accumulate quotes and document same often served to delay the execution of the client order, oftentimes with the end result that the market in the security had changed and the investor received a less advantageous price than when the firm began the process of collecting the information. The proposed more principle-based approach should allow for more efficiency when executing these types of orders. Ideally this will result in timelier executions, and potentially more favorable prices for the customer.

The second area of the proposed rule that I would like to comment on is related to codification of the "Regular and Rigorous Review of Execution Quality". I know that over the last few years FINRA has been made aware of the concerns of introducing firms regarding the requirement to achieve "best execution". The argument has been made that when an introducing firm is entering 100% of their orders into another member firms' systems (who would also be required to comply with best execution requirements), that the introducing firm should be relieved of the requirement to obtain "best execution", as they have no control over how the order has been routed within the clearing firm's system. Although I would have preferred an exemption to the "best execution" requirement for introducing firms that direct 100% of their orders through their clearing firm, the proposed rule does specifically address sufficient steps the introducing firm can take to validate they are monitoring and documenting their review for best execution to be in compliance with the rule. This is significantly greater than what firms had to rely on in the past. I appreciate the inclusion of these clarifying comments in the new proposed rule.

Thank you again for the opportunity to submit comments on proposed FINRA Rule 5310.

Sincerely,

Deborah Castiglioni

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