



VIA ELECTRONIC MAIL: pubcom@finra.org

November 5, 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: Regulatory Notice 18-26: Request for Comment on Enhancements Under Consideration by the Securities Industry/Regulatory Council on Continuing Education

Dear Ms. Mitchell,

Please accept this letter by Cambridge Investment Research, Inc. (“Cambridge”) in response to the proposals contained in Regulatory Notice 18-26 noted above.

Cambridge understands FINRA is exploring potential changes to the Regulatory Element program and welcomes the opportunity to provide its view on these prospective enhancements. Cambridge supports FINRA’s goal to deliver relevant content to registered persons in a timely fashion and by means reflective of advances in technology and learning theory. However, Cambridge hopes FINRA will bear in mind the cumulative weight continuing education requirements already place on registered persons when considering these proposed changes.

Cambridge recognizes the beneficial effect of FINRA continuing education, and that completion of the Regulatory Element requirement annually would ensure registered persons are informed in a timely manner of regulatory changes, industry updates, and those issues FINRA considers important to the industry. The increased frequency could reduce knowledge gaps among registered persons, increase awareness of new products and the risks attendant to such, and would increase uniformity of training among registered persons. While these considerations are all beneficial, Cambridge believes that simply increasing the frequency of the Regulatory Element requirement could result in a more onerous burden on registered persons than FINRA anticipates.

Cambridge, like many other member firms, expends a great deal of time and resources in an effort to ensure its registered persons comply with all FINRA required continuing education elements. In our experience, we have found that registered persons can become confused and

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frustrated with the volume and number of compliance requirements necessary to maintain their various licenses and certifications. As a result, Cambridge dedicates staff to assist registered persons directly to ensure timely and satisfactory completion of all these requirements. Considering the number of requirements already in place, and the additional time necessary to fulfill another annual compliance requirement as suggested by this proposal, the prospective increase in the frequency of Regulatory Element training would not necessarily result in a better training, but rather could engender more frustration among registered persons with the process of meeting compliance requirements.

Cambridge respectfully submits there may be a more efficient and less burdensome approach to accomplish FINRA goals. At present, FINRA requires Regulatory Element and Firm Element training under Rule 1240, and an annual compliance meeting under Rule 3110. Complying with these rules presently requires registered persons to complete a large number of small trainings throughout the year. If FINRA seeks to train registered persons annually, FINRA could consider adopting the mandatory components of Firm Element in Rule 1240(b) into the Regulatory Element component under Rule 1240(a), relieve member firms of the burden of training annually in response to FINRA's priorities, and allow member firms to continue to train their registered persons on those topics appropriate to the business of the member and in such a format as the member firm deems best suited to its business, whether that be at an annual compliance meeting, face to face, electronically, or otherwise. Thus, FINRA could eliminate the Firm Element component under Rule 1240(b), and merge those requirements with Rule 1240(a) and Rule 3110(a)(7) as appropriate.

Furthermore, Cambridge believes that if FINRA focuses on providing a robust, purposeful training on an annual basis, covering the relevant, meaningful, up to date content on which FINRA desires registered persons focus that year, member firms could eliminate a number of the additional trainings they produce each year. For example, Cambridge is already sourcing its anti-money laundering, cybersecurity, and many elective training requirements from FINRA's E-Learning Library. FINRA could take over administering the annual training pertaining to the securities knowledge, skill, and professionalism topics FINRA deems important, and any of the additional specific training requirements of which it feels members should be aware. Then FINRA could allow member firms to focus on relevant trainings tailored to their business and registered persons, and their roles, licenses, and needs.

Thus, Cambridge feels that combining these three requirements into two would alleviate the prospective additional burden, and would allow for more focused meaningful training on such important topics. 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