

March 9, 2020

Via ELECTRONIC Mail (pubcom@finra.org)

Jennifer Piorko Mitchell
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

Re: Regulatory Notice 20-02: Comment on FINRA Retrospective Review of Rule 4530

Dear Ms. Mitchell:

Please accept this submission as MML Investors Services, LLC's ("MMLIS") comments in response to FINRA's Regulatory Notice 20-02: FINRA Requests Comment on the Effectiveness and Efficiency of its Reporting Requirements Rule ("RN 20-02" or the "Notice.")

MMLIS is MassMutual's retail broker-dealer and is headquartered in Springfield, Massachusetts. The firm has 8,300 registered personnel and offers a variety of investment products and services to retail clients, including mutual funds and variable products.

Comment from the Firm

RN 20-02 proposes a retrospective review to assess the effectiveness of Rule 4530. The rule requires member firms to report certain events, internal conclusions of violations and statistical information to FINRA. Additionally, the rule requires firms to report written customer complaint information, copies of certain criminal actions, civil complaints and arbitration claims.

MMLIS welcomes the opportunity to share its experience with Rule 4530. The firm appreciates the supplementary material that accompanies the rule as well as the guidance FINRA has issued over the years - both formally and informally - regarding the rule's applicability in certain situations. Nonetheless, as described below, MMLIS believes there are opportunities to continue enhancing Rule 4530 from a technical perspective and to clarify certain scenarios.

A. FINRA Should Consider Making a Number of Technical Enhancements to the Statistical Reporting Requirements of Rule 4530

MMLIS has a number of suggestions to the technical aspects surrounding the statistical reporting requirements for Rule 4530. The following feedback is a reflection of the firm's practical day-to-day interactions with the rule:

- The firm recommends extending the quarterly deadline to provide 4530 statistical submissions from within 15 days after the quarter ends to within 30 days after the quarter ends. This would bring consistency around reporting deadlines within the rule as most other provisions of 4530 require reporting within 30 days after an event. For instance, in the scenario where a firm receives a complaint on the very last day of the quarter, the firm would only have 15 days to make a reporting determination – assuming that the complaint was routed immediately to the firm’s regulatory area for review. A quarterly reporting deadline that is consistent with other 30-day reporting deadlines would not only eliminate confusion, but would greatly assist firms in meeting their reporting obligations on a timely basis.
- FINRA should consider eliminating the requirement to report statistics regarding matters that have been previously reported on the U4/U5. This would eliminate duplicative reporting and would be consistent with FINRA’s previous rule change that allowed firms to not report certain settlements via 4530 if they were already reported on the U4.
- The firm also proposes that FINRA consider making the following changes to its reporting forms in an effort to increase efficiency and to become more user friendly:
 - Eliminate the “Security Information” section of the complaint form as it is often unnecessary or duplicative;
 - Give firms the ability to enter multiple representatives on one form when those representatives are involved in the same matter; and
 - Have the system not automatically save the form during drafting, which will enable the firm to more easily eliminate forms that were begun in error.
- FINRA should consider once again granting firms the ability to run their own reports on data that has been submitted as part of the 4530 reporting process. The firm found that this on-demand function was previously very useful for trending analysis. Also, allowing firms to self-access data on-demand would eliminate having to utilize FINRA’s resources to obtain such reports.
- The firm also recommends that FINRA enhance the search function for the electronic filing form. For example, when a user filters on all existing Draft filings, the system will list all draft filings. This feature is helpful. However, once a user selects a draft filing from the list, they are unable to return to the original filtered list and are required to start the filtering process again. This process creates inefficiencies and is cumbersome for the user. In addition, the firm requests that FINRA consider enabling search functions on individual names or product codes. The firm acknowledges that having the CRD number available to search is helpful; however, it requires additional cross referencing that makes the process less efficient. The firm encourages FINRA to consider making all fields searchable and exportable as was possible with the previous versions of the electronic filing form.

B. FINRA Should Consider Issuing Clarifying Guidance Regarding Multiple Complaints on the Same Incident

Over the years, customers have increasingly used electronic communications as their primary means of transmitting complaints versus submitting a physical letter. This means of communication has often resulted in the submission of multiple complaints regarding the same matter, sometimes submitted days or weeks apart. While U4 Question 14I(3)(a) is clear that matters are only re-reported if the allegation has been made more than 24 months prior, there is not similar direction or guidance with respect to Rule 4530. As such, the firm requests that FINRA consider providing guidance on whether firms are required to report

each complaint received or whether the original 4530 filing applies to the entire matter. In addition, the firm requests that FINRA clarify the period of time that the original complaint applies to the matter – or if the firm could apply the same 24-month standard from the U4/U5 forms.

Conclusion

MMLIS appreciates the opportunity to share its perspective as part of this retrospective rule review. If you should have any further questions regarding this comment letter, please do not hesitate to contact me.

Best regards,

A handwritten signature in blue ink that reads "Courtney B. Reid". The signature is written in a cursive, flowing style.

Courtney Rogers Reid
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