



NORTHCAPITAL
PRIVATE SECURITIES

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May 27, 2025

VIA EMAIL

pubcom@finra.org

FINRA – Office of the Corporate Secretary
Attention: Jennifer Piorko Mitchell, Vice President of Corporate Governance and Deputy Corporate Secretary
1700 K Street, NW
Washington, DC 20006

Re: Regulatory Notice 25-04 (FINRA Launches Broad Review to Modernize Rules Regarding Member Firms and Associated Persons) – Member Feedback on FINRA Rule 6600 and Rule 6610 Procedures

Dear Ms. Mitchell:

Thank you for the opportunity to respond to this Regulatory Notice 25-04, soliciting member feedback regarding key areas where FINRA's rules or related regulatory requirements may affect or create unnecessary challenges for member firms' support of capital formation. We wish to address part (3) of this request, (3) other NASD or FINRA rules, guidance and processes impacting capital raising.

North Capital Private Securities Corporation operates the PPEX Alternative Trading System ("PPEX ATS") <http://www.ppex.com> for exempt securities. The PPEX ATS currently lists and trades approximately 500 equity listings, and all trades are reported by the Firm through CAT, which requires a unique symbol for each listing.

We respectfully request that FINRA modify its procedure for obtaining a symbol, so that a member can request and receive a symbol *prior to the commencement of trading* if it has a reasonable belief that the first trade will occur within 30 days.

PPEX ATS currently facilitates trades in over-the-counter equities (OTCE). FINRA rule 6600 "OTC Reporting Facility" and FINRA Rule 6620 "Reporting Transactions in OTC Equity Securities and Restricted Equity Securities" outline the standards that PPEX ATS follows to report OTCE security trades to the over-the-counter reporting facility (ORF). Additionally, PPEX ATS reports OTCE orders and trades to the Consolidated Audit Trail (CAT), established through SEC Rule 613. To fulfill trade reporting obligations to ORF and CAT, each OTCE security requires a symbol issued by FINRA.

Office of the Corporate Secretary – FINRA

RE: Regulatory Notice 25-04 - FINRA Launches Broad Review to Modernize Rules Regarding Member Firms and Associated Persons

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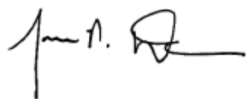
Currently, it is not possible to obtain a symbol until after a trade in the name has occurred. Because the PPEX ATS is a matching market for exempt and other unlisted securities, we have no ability to control or influence when a “first trade” might occur. Whenever a first trade does print, we promptly apply for a symbol and FINRA responds in a timely manner. However, every trade (including the first trade) that occurs prior to the issuance of a symbol must be reported as a late trade. Depending on how many new securities are traded for the first time on a given day, the volume of trades in such securities, and the total volume of trades in all securities on the PPEX ATS, this process triggers “late filing” red flags through CAT reporting, which creates cascading exception reports and examination requests that are extraordinarily time consuming but provide no useful information. It is predictable and explainable that trades will be reported late *whenever a new symbol is issued*, because there is no possible way to NOT report trades late given the design of the FINRA procedure.

There is a simple fix that could be easily implemented by FINRA: allow member firms to request symbols *before* trading begins, which would immediately eliminate 100% of erroneous late reporting that is a solely a result of the symbol request process. This is a low risk / high impact change that we urge FINRA to implement promptly.

Thank you for your consideration.

Sincerely,

North Capital Private Securities Corporation

A handwritten signature in black ink, appearing to read "James P. Dowd", with a stylized flourish at the end.

James P. Dowd, CFA, President and Chief Executive Officer