

From: [Marc S. Dobin](#)
To: pubcom@finra.org
Subject: Comment on Regulatory Notice 25-07 Section B
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Attachments: [image002.png](#)

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I am a lawyer whose experience in the securities industry began prior to my graduation from law school. Over the years, I have observed significant developments in FINRA's registration systems, including the transition to electronic platforms and the increasing integration of registration functions across self-regulatory organizations, state regulators, and the SEC.

I write to address the filing timeline for the Uniform Termination Notice for Securities Industry Registration (Form U5), currently governed by Article V, Section 3 of the FINRA By-Laws. This provision requires that a Form U5 be filed within 30 days following the termination of a registered individual's association with a member firm.

This 30-day filing window appears to be a vestige of an earlier, paper-based, regulatory era. In today's environment—characterized by T+1 settlement, automated ACATS processing, and immediate digital access to regulatory systems—the rationale for such a prolonged deadline warrants reconsideration.

In my practice representing transitioning registered representatives, I have encountered numerous situations where the 30-day period impairs workforce mobility and enables potentially anti-competitive behavior. Some firms will not consider hiring a registered representative until the former firm files a U5, regardless of the nature of the separation. Moreover, certain state regulators prohibit overlapping registrations, resulting in delays that effectively block re-employment—even when the termination was voluntary and uncontentious.

While careful drafting of a U5 is essential where reportable disclosures are involved, I have observed firms that delay the filing of an otherwise unproblematic U5 for a voluntary resignation, knowing that such delay could competitively disadvantage the departing representative. In other instances, firms that were immediately aware of the cause of an involuntary termination have still waited the full 30 days to file the U5, effectively prolonging uncertainty in the CRD system without any justifiable reason.

To address these concerns, I propose the following amendments to the U5 filing timeline:

1. A general requirement that all Form U5 filings be submitted within ten business days of termination; and
2. A tiered subcategory requiring Form U5 submission within three to five business days where the termination is voluntary and no information necessitating a reportable disclosure on a DRP for the U5 has been identified.

This structure preserves the need for thoughtful drafting in complex or potentially litigated matters, while reducing the likelihood of strategic or punitive delays in straightforward cases.

This recommendation also aligns with the underlying principle articulated in numerous enforcement actions and arbitration rulings—that the U5 process should not be misused to create competitive barriers. Shortening the U5 timeline in routine cases would reinforce this norm and enhance the fairness, transparency, and efficiency of the registration system.



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