

Greetings,

To begin, let me say that I appreciate that we, as interested parties and registered brokers/dealers, always get the opportunity to comment on proposed rules and rule changes, whether we be large or small firms. I believe that it is an important part of the regulatory process and applaud your efforts to continue this practice.

In light of us being a small firm, I believe it important to make comment about one particular section of Regulatory Notice 09-03. That particular section is 4523; "Assignment of Responsibility for General Ledger Accounts and Identification of Suspense Accounts". Sub paragraph (a) states...

"Each member shall designate an individual who shall be responsible for each general ledger bookkeeping account and account of like function used by the member and such individual shall control and oversee entries into each such account and shall determine at all times that the account is current and accurate. A supervisor shall, as frequently as is necessary considering the function of the account but, in any event, at least monthly, review each account to determine that it is current and accurate and that any items that become aged or uncertain as to resolution are promptly identified for research and possible transfer to a suspense account(s)."

Small firms often have only one person (the FINOP) in accounting and accounting related functions. As that is the case, assigning an individual responsible is not generally a problem, but assigning an additional supervisory layer can prove very difficult. With this in mind, I would pose the following:

- Is there some provision/small firm exemption that would allow the person responsible to also be the supervisor? It seems to me that there should be some form of small firm exemption or additional language to clarify how this could work procedurally for a small firm.
- Additionally, it seems that there will have to be some evidentiary proof of review (an additional record keeping requirement). Will there, in fact, be some clarification on how it is to be performed/kept, or will it just be up to the firm to produce "something"? I believe that the proposal should clearly lay out if there is additional record keeping required, and if there is, to what extent is that record.

Thank you in advance for your consideration.

Kind Regards,
Terry

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