

From: Dennis P. Beirne
First VP Chief Compliance Officer
Chief Operating Officer
People's Securities
1000 Lafayette Blvd.
Bridgeport, CT 06604

To: Marcia E. Asquith
Office of the Corporate Secretary
FINRA
1753 K Street, N.W.
Washington, D.C. 20006-1506

Re: Request for Comments 09-22: Personal Securities Transactions for or by
Associated Persons

June 4, 2009

Dear Sir or Madam:

People's Securities, Inc. ("PSI") would like to address several aspects of the proposed language for new FINRA Rule 3210 concerning Personal Securities Transactions for or by Associated Persons. Specifically, PSI has concerns about the ability of executing firms to verify the employment of account holders that may be registered employees of another member firm prior to the release of sensitive account information. PSI would also like to raise the possibility of incorporating the records of outside securities accounts and employer's permission to maintain those accounts through the FINRA CRD.

I would like to begin by briefly describing the methods PSI currently employs to monitor our employees' securities accounts held at other member firm's. When a new employee is hired, or yearly as part of our annual certification process, we ask our employees if they have any securities accounts at other member firms or if they have a monetary interest or discretionary authority over any such account (to include the accounts of spouses or family members within their household).

If the employee discloses that they have such an account, then a Compliance Officer requests the name of the outside brokerage, the exact title of the account, the account number, and the mailing address for correspondence on the account. The Compliance Officer then mails a form letter to the other member firm stating that permission is granted for the employee to hold such account and requesting duplicate paper copies of statements and confirms. PSI is currently exploring the possibility of receiving these documents electronically, but the number of accounts currently monitored in this way may not be sufficient to warrant this expense.

The nature of PSI's business does not provide any reason to restrict the ability of employees to have such accounts, provided that they are disclosed and duplicate confirms

and statements are made available for Compliance review, so permission to maintain the account is uniformly granted. When the Compliance Department begins receiving duplicates, they are reviewed to ensure that the registered representative's activities are consistent with our WSP.

If the firm receives correspondence from a member firm informing it that an employee has opened an account at that member firm, then the form letter indicating permission and requesting duplicate statements and confirms is sent in response. Likewise, when PSI received requests for duplicate statements and confirms, then appropriate steps are taken to provide those documents in an ongoing basis.

New FINRA Rule 3210(a) places the obligation to seek prior written consent to open an outside brokerage account on the associated person, as well as the obligation to arrange for duplicate statements and confirms to be forwarded to the associated person's employer. This approach may create a gap in supervision in that the employer firm may not be aware that the associated person has opened an account.

One concern that should be addressed in new FINRA Rule 3210 is the obligation of the executing firm to confirm the employment of the associated person at the firm requesting duplicate statements and confirms in cases where the employer firm sends correspondence requesting such documents. It has been PSI's practice to honor requests for duplicates from other brokerage firms.

PSI would propose that any correspondence seeking the release of such duplicate account documents should be signed by the account owner, which may or may not be the associated person, and that the firm and individual CRD numbers should appear on the request. Ideally, FINRA could publish a form that includes this information and standard language requesting the required documents. Currently, all the requests we receive from employer firms requesting duplicates of account documents lack any signature or other authentication from the account owner.

PSI also believes that the addition of a section on the U4 form indicating the firm and account number for all outside securities accounts would be beneficial. If employers could use the data in the form U4 to track the location of their employees' accounts, then giving permission to maintain the account and requesting duplicate confirms could be accomplished at the time a new hire is registered. When a registered person moves from one firm to another, the new employer firm would have access to the information in a timely manner. Most importantly, an executing firm would be able to confirm ongoing permission for the conduct of trades in these accounts through the CRD at the time of each trade. This way, the executing firm would be able to ensure that the employer firm has not withdrawn permission for the employee to maintain the account.

One other point of clarification PSI would like to see codified in the new FINRA Rule 3210 language is the extent of the obligation to provide duplicate statements and confirms that pre-date the time of the receipt of such a request. PSI recently received a request for all statements and confirms going back to January 1, 2006. It seems

unreasonable that an executing firm would have to provide this type of historical account research. PSI believes that the updated rule should clarify whether this type of request is compulsory and whether or not the broker producing the records can require compensation for historical research.

People's Securities has already begun to implement many, if not all, of the proposed requirements as a "best practice." The intent of our efforts is to not only comply with existing regulation, but to maintain a standard of compliance greater than the minimum required. People's Securities supports the proposed new rules concerning personal securities transactions by or for associated persons, subject to the comments above.

Sincerely,

Dennis P. Beirne
First VP - People's Securities, Inc.
Chief Operating Officer
Chief Compliance Officer