

Ms. Marcia E. Asquith
Office of the Corporate Secretary FINRA
1735 K Street, N.W.
Washington, D.C. 20006-1506

Re: Regulatory Notice 09-22

Dear Ms. Asquith,

We appreciate the opportunity to comment on FINRA Regulatory Notice 09-22 and the new proposed FINRA Rule 3210 regarding personal securities transactions by or for Associated Persons (AP).

As written, the changes in the proposed rule would be overly burdensome and difficult for member firms to comply with.

Currently NASD Rule 3050 requires notification to the firm for accounts over which the AP has discretionary authority. The firm has the right, but not the obligation, to obtain duplicate copies of confirmations and statements for such accounts. The proposal would require that all firms "must" obtain duplicate confirmations and statements. All firms would be required to establish new systems to log all accounts in which the AP has any conceivable 'personal financial interest,' track the receipt of such statements on a regular schedule, identify if any such statements are not received, revoke the account with the executing member, or "...obtain promptly records from the executing member that the account was closed...".

In addition, as drafted the accounts for which the rule would apply are not objectively determinable. Without further guidance, the proposal could be construed to expand the number of accounts covered by the rule from the more objective classification of "discretionary authority" to the ambiguous requirement of any account over which the AP has a "personal financial interest". For example, does the AP have a "personal financial interest" in the accounts of room mates, domestic partners, siblings, parents, neighbors, UTMA's, other relatives or friends? While 'discretionary authority' or even 'ownership' rights are objective criteria, 'personal financial interest' is too vague and unmanageable. If the proposed rule is enacted as drafted this term must be further defined or deleted.

Discretion to receive duplicate confirmations and statements should continue to be the firm's prerogative based upon each firm's unique business model and supervisory systems. Responsibility for all accounts and transactions should remain with the executing firm.

To the extent the employing firm desires to maintain direct supervision over the AP's accounts, the employing firm can require all transactions to be executed solely through the firm as a condition of employment or continued registration/association. Clearly the executing firm has the most timely information and ability to refuse or rescind a transaction, report any suspicious activity and/or to contact the employing firm to discuss concerns or otherwise coordinate investigations as appropriate.

Limited broker-dealers may not generally have personnel qualified as general securities principals to review and supervise transactions.

Such employing firms would not have the ability to take action to correct or rescind a transaction deemed improper or otherwise in violation of any rule. Large limited firms, generally engaged solely in the sale of variable insurance products and mutual funds would be required to review a very large number of statements and/or confirmations, develop new systems to manage the work flows, again without qualified general securities principals to conduct such reviews.

We would urge that NASD Rule 3050 as currently written be adopted as the consolidated FINRA Rule 3210 and appreciate FINRA's review and consideration of our comments.

Sincerely,

Steve Klein
Chief Compliance Officer
Farmers Financial Solutions, LLC