

February 26, 2010

**BY EMAIL TO: [pubcom@finra.org](mailto:pubcom@finra.org)**

Ms. Marcia E. Asquith  
Office of the Corporate Secretary  
Financial Industry Regulatory Authority  
1735 K Street, NW  
Washington, D.C. 20006-1506

**Re: Regulatory Notice 09-70 – Registration and Qualification Requirements**

Dear Ms. Asquith:

Edward Jones appreciates the opportunity to submit comments on the Financial Industry Regulatory Authority's (FINRA) proposed consolidation of the existing rules governing industry registration and qualification requirements. The firm supports the spirit of the proposed measures and would like to extend our thanks to the FINRA staff for encouraging the registration of a broader scope of professionals within the financial services industry. We believe allowing broader registration of individuals and the retention of existing registrations by those working at affiliates will achieve the desired goals of a better educated and informed pool of associates and a heightened awareness of compliance with industry rules.

The firm wishes to note our support of the comment letter submitted by the Securities Industry and Financial Markets Association (SIFMA) concerning the proposed rule modifications. Edward Jones joins SIFMA in their request that the rule providing a two year window for reinstatement of a non-active registration be extended to include individuals deemed Inactive registrants or Retained Associates. We further request FINRA consider implementing an automatic waiver provision that would allow Retained Associates who gave up their registration to work at an affiliate more than two years ago but less than four years ago to re-register without testing.

In addition, the firm requests clarification regarding the proposed amendment to the rule creating the "Active" and "Inactive" registration categories. The firm seeks to ensure the creation of this distinction will not result in an undue administrative or financial burden and not discourage member firms from exercising the broadened registration authority being proposed. As the proposed rule is currently drafted, there does not appear to be any difference from a regulatory standpoint between being registered in an Active versus Inactive status. FINRA does not provide an explanation as to why the distinction is being created and such an explanation is not readily evident based on a plain reading of the proposed rule. FINRA makes it clear in the body of the proposed rule that associated persons holding an Inactive registration are subject to the same fees to acquire and maintain the registration, the same reporting and disclosure requirements, as well as the same continuing education requirements, supervision requirements and annual compliance requirements as Active registrants. As associated persons, regardless of registration status, they are also subject to FINRA's jurisdiction for examination and inquiry, including the potential for disciplinary action. It is not apparent how an individual with an Inactive registration would differ in the eyes of FINRA or any other regulator from an individual with an Active registration.

Edward Jones joins FINRA in its belief that allowing more associated persons to become registered will greatly enhance our associates' knowledge and expertise in U.S. securities laws and regulations. This opportunity will be cultivated by the firm to develop a depth of qualified associates at every level of our organization which can only enhance our compliance

efforts. The firm is concerned, however, that requiring members to notify FINRA of registration status will have unintended consequences. In the proposed rule, FINRA is asking members to identify registered associates whose registrations are considered Inactive and then notify FINRA of the Inactive status. Further, FINRA wants to be notified if an associate's registration status changes due to a change in function performed by the associate. FINRA does not provide guidance on how this notification will be made or how often it will be required. Edward Jones believes this aspect of the proposed regulation could create an undue administrative burden on the firm to identify and monitor the business activities of all registrants solely for the purpose of notifying FINRA of a change in registration status should the associate start or stop performing a function requiring registration. This will require the coordination of the firm's Registration Department, Human Resources Department and supervisors at every level to ensure the proper reporting of any registered associate who moves into or out of a position requiring registration, takes on additional responsibilities requiring registration, or relinquishes responsibilities requiring registration. We believe the requirement to distinguish between Active and Inactive registrations coupled with a reporting requirement could actually discourage expanding the ranks of permissively registered associates and possibly even result in the firm limiting the registrations and concurrently the continuing education of those associates whose registrations are presently considered permissive in an effort to keep down the administrative burden and cost of complying with this provision.

Edward Jones respectfully requests FINRA reconsider its proposal to create the categories of Active and Inactive registration. Short of this request; please consider permitting firms to maintain this information subject to inspection from FINRA staff and eliminate the requirement to notify FINRA of a registered associate considered to be in an Inactive status. If FINRA believes a distinction between Active and Inactive registrations is necessary, then we further request FINRA modify CRD to allow for the identification and tracking of an individuals' status of registration (Active, Inactive, or Retained) through the Central Registration Depository.

Edward Jones genuinely appreciates the opportunity to comment on this rule proposal. If you have any questions regarding the firm's comments and recommendations please contact me at (314) 515-0375.

Sincerely,

A handwritten signature in black ink, appearing to read 'CH', with a long horizontal line extending to the right.

Christopher Haines  
Compliance Counsel  
Office of Regulatory Counsel