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June 29, 2017

Jennifer Piorko Mitchell
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

Dear Ms. Mitchell:

We are pleased to comment on the Regulatory Notice 17-20 regarding the Outside Business Activity and Private Securities Transaction rules.

The Foreside family of companies ("Foreside" or the "Firm") includes affiliated limited purpose broker-dealers. As the principal underwriter of investment companies or as placement agent for alternative investments, the Firm primarily facilitates dealer agreements, reviews fund advertising, acts as a paying agent for 12b-1 and other fund-related payments and performs other similar back office functions. The Firm may also hold the securities licenses of certain employees of a sponsor/investment adviser or third-party marketer engaged in marketing registered or privately placed products. These Registered Representatives ("Representatives") may engage in the marketing of registered or privately placed products to financial intermediaries, investment advisers and accredited or qualified investors that are primarily institutions. The Firm may also hold certain securities licenses of personnel employed by the Firm's parent company.

Representatives do not open or maintain customer accounts, accept any customer funds for investment, or handle purchase, redemption or exchange requests. Representatives do not handle monies for investment nor are accounts established at the Firm. Investment monies are either wired or mailed directly to the issuer, if applicable, the adviser, or to a third-party agent of the issuer. As a limited purpose broker-dealer, the Firm does not maintain shareholder accounts, does not process transactions, does not give investment advice and does not accept money for investment, and therefore a lot of the potential conflicts related to these rules do not arise.

Outside Business Activities:

Generally, the Firm believes that non-investment outside business activities do not present a conflict to any firm, and the rule creates an administrative and regulatory burden to track compliance. For example, temporary or seasonal part-time work, an officer position at a non-profit organization, or coaching positions in which the representative receives a stipend present no conflict to a firm. However, compliance staff still must pre-approve, maintain records and follow-up with regard to activities that do not appear to present a conflict but only serve to increase administrative burden.

We believe it would be helpful for FINRA to provide guidance in the following areas:

1. Under what circumstances are rental properties considered an OBA;
2. Under what circumstances is real estate ownership an OBA or PST;
3. Are passive investments considered a personal securities account or under what circumstances are they considered an OBA or PST;
4. There appears to be a disconnect between Form U4 and the OBA rule which presents some level of confusion. For example, it is required to report a non-investment related charitable officer position but it is not required to be reflected on the Form U4.
5. What is the expectation of oversight as the rule does not require the firm to supervise? In addition, since the rule does not require supervision of the OBA, firms often engage in burdensome administrative process to approve such activity.

Clarity in these areas may lessen the need for over-reporting and the resulting compliance burden.

Private Securities Transactions:

Similarly with Private Securities Transactions, as limited purpose broker-dealers, the Firms do not maintain shareholder accounts, do not process transactions, do not give investment advice and do not accept money for investment, and therefore a lot of the potential conflicts related to PSTs do not arise. The Firms do not conduct transactions for any customer and therefore the requirement to include an outside securities activity on the books and records of the Firms does not make sense. Under certain circumstances the activity may present no apparent or implied conflict to the Firms and any requirement to supervise the activity comes with a high compliance burden.

If one of the purposes of reviewing OBAs is to determine whether the activity is a PST, can FINRA provide guidance as to circumstances where the activity becomes financial-related and would be considered a PST. For example,

- an issuer-exempt private offering by insiders;
- shifting from a passive investor to an active investor; and
- a real estate investment

We also believe FINRA should make clear that employees of an investment adviser who may also be registered representatives of a broker-dealer would not be engaged in a PST due to the fact that any investment advisory activities are already regulated by the SEC.

Thank you for your time and consideration.

Sincerely,



Nanette K. Chern
Chief Compliance Officer



Susan K. Moscaritolo
Chief Compliance Officer