

# FORESIDE

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October 5, 2018

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 18-23 regarding FINRA's proposed changes to the rules governing the New and Continuing Membership Application Process (collectively, the "Rules").

The Foreside family of companies ("Foreside" or the "Firm") includes nineteen 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, 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..

We are very pleased that FINRA is proposing revisions to the NMA, CMA and Materiality Consultation Processes. The proposed revisions will dramatically save time and reduce a firm's administrative and regulatory burden. In addition, consolidating the standards to eliminate duplicative requirements and eliminate extraneous information will permit firms to work more efficiently through the membership process. Furthermore, clarifying definitions and reducing the response time for the overall application process is consistent with the ability to more quickly send and receive information through electronic means.

We, however, do not agree that the changes in control or ownership would in all instances be a risk to the investing public and would encourage FINRA to consider permitting the change in ownership or control in advance of the CMA approval in circumstances where FINRA has determined the application can be fast tracked.

We strongly agree with the proposed submission of one application for an event affecting two or more members. Given the numerous firms within the industry that share common control, business activities and ownership structure, as well as the Firm's nineteen affiliated broker-dealers, a single application would be a more efficient approach.

We would request that FINRA consider a similar approach for their Materiality Consultation process, whereby firms that are engaged in the activity in an affiliated broker-dealer, have the same compliance policies and procedures, supervisory structure and net capital requirements be permitted to engage in activities approved for the affiliated member firms.

In our view, FINRA's proposal strikes an appropriate balance between ensuring that FINRA's members are not unnecessarily burdened administratively and providing members with the guidance and ability to complete the application process which will not present additional risk to firms or the investing public. We commend FINRA for its proposal.

Thank you for your time and consideration.

Sincerely,



Nanette K. Chern  
Chief Compliance Officer



Susan K. Moscaritolo  
Chief Compliance Officer