

October 23, 2014

By e-mail (pubcom@finra.org)

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



Re: Regulatory Notice 14-35

Dear Ms. Asquith:

We appreciate this opportunity to comment on proposed FINRA Rule 2231 (Customer Account Statements). We are a member firm engaged strictly in an agency order execution capacity for institutional investors with settlement by means of receipt against delivery and delivery against payment to third party custodians selected by our customers (RVP/DVP). We do not hold customer funds or securities. We will be materially affected by proposed Rule 2231.

Our concern goes to paragraph 2231(b) and to request for comments items 2 and 5 in Regulatory Notice 14-35.

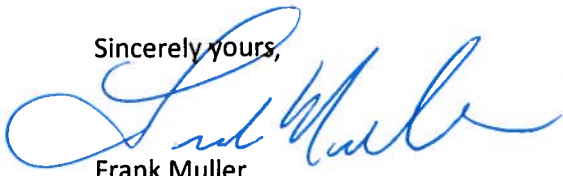
We recommend that proposed Rule 2231(b) be amended to provide an exemption from the requirement to issue periodic account statements in the case of RVP/DVP customers of a member firm that use a third party custodian selected by the customer that is required to issue periodic account statements to the customer. In such cases periodically issued brokerage firm account statements are duplicative, unnecessary and increase costs for the broker, the customer and the third party custodian. Further, such accounts statements will compel the customer and its custodian to reconcile their records with the statement from the broker and require all three parties to expend additional time and energy and cost on a matter that is already handled through the normal clearance and settlement process. To the extent there is a regulatory concern that customers have information as to the contents and activity in their brokerage account, the statements from the customer's third party custodian will provide that information. This statement will be compared by the institutional investor against the trade comparisons received from the broker to assure that all executed trades have properly settled. This is further heightened by the fact that the customer will receive a confirmation from the broker-dealer that will also be sent to its custodian together with the customer's instruction to accept and pay for the securities purchased or to deliver against payment the securities sold. To the extent that there is a concern that regulators will not be able to see activity in a customer's account, we note that SEC Rule 17a-3 requires the broker-dealer to maintain a record by customer of the transactions for each customer. We could understand if this exception is limited to institutional accounts of member firms.

The SEC has recognized this approach in the case of investment advisers. Investment Advisers Act Rule 206(4)-2 permits an investment adviser not to give periodic account statements where the customer has a custody account with a qualified custodian that sends the customer, not less frequently than quarterly, account statements.

Therefore, we suggest that proposed Rule 2231(b) exclude from the rule's requirement a member firm that has a customer RVP/DVP account with a third party custodian authorized by law to hold customer funds and securities where that custodian renders periodic account statements to the customer.

Please feel free to contact the undersigned if you wish additional information or would like to discuss this comment further.

Sincerely yours,



Frank Muller

Managing Director