

June 9, 2008

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

Re: Comment on proposed consolidated FINRA rules governing supervision and supervisory controls per Regulatory Notice 08-24

Dear Ms. Asquith:

I am writing on behalf of Liberty Life Securities LLC (CRD# 47737) (“LLS”) in opposition to the proposal in Regulatory Notice 08-24 to incorporate NYSE Rule 342.21 into FINRA Rule 3110 Supplementary Material.

This proposal does not reflect the FINRA stated goal, within the rule consolidation effort, to recognize that one size does not fit all. It fails to recognize the business models of many limited purpose firms, which do not conduct general securities business, are not a public company or affiliated with a publicly traded company, and have developed other risk-based methods of supervisory control over potential insider trading by the firm or its employees.

LLS, a limited broker-dealer, is wholly owned by Liberty Life Assurance Company of Boston, a member of the Liberty Mutual Group. Liberty Mutual operates as a mutual holding company and LLS has no affiliated companies that are publicly traded. Furthermore, LLS does not hold customer accounts or securities, does not trade for its own account or invest its assets in securities, sells or distributes only variable insurance contracts and mutual funds, and has no clearing arrangement with another broker-dealer.

The proposed requirement to require supervision of employee’s trading activity, which would be wholly with other firms, creates a burden with little benefit. It would not be clear what any supervisory personnel would be looking for in terms of potential insider trading and, therefore, the review of employee statements and confirmations would not be an efficient use of resources.

I recommend that firms, which comply with the following restrictions, be allowed to develop their own supervisory controls over firm and employee trading activity, based on their business model and circumstances:

- Firms that are not NYSE members
- Firms that are not publicly traded
- Firms that do not have publicly traded firms within their affiliated organizations
- Firms that do not conduct a general securities business, either directly or through clearing arrangements
- Firms that do not buy and sell securities for their own account or place a portion of their investable assets in the securities markets

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The following procedures should comprise reasonable supervisory controls for a firm that meets the restrictions above:

- Procedures requiring the firm to adopt adequate controls should any of the restrictions above change
- Procedures requiring the firm to investigate and adopt trade review practices concerning any potential risk situation identified by the firm
- Procedures requiring that registered representatives receive initial and annual training on insider trading restrictions and provide annual certification that they have not engaged in such activity
- Procedures requiring initial and annual training on requirements to obtain the firm's pre-approval to open a personal securities account, to engage in a private securities transaction or an outside business activity.
- Procedures requiring annual certification that registered representatives understand their obligations to the firm and that they have not engaged in such activities or if they have, that no material changes have occurred since the approval was obtained.

We believe such risk-based controls provide reasonable supervisory controls for firms that meet the criteria for exemption from the requirements of NYSE Rule 342.21. Approval of relief from NYSE Rule 342.21 for limited purpose broker-dealers which meet the criteria above would demonstrate that FINRA recognizes the significant differences among broker-dealers and the additional burden such requirements would pose. We believe that providing this rule exemption would not lessen the meaningful additional protections for the investing public intended by the rule. To the contrary, this change would allow exempted firms to concentrate their limited resources to focus on areas of risk-based concern not in unproductive activity unlikely to uncover rule infractions.

We urge you to consider this recommendation in your efforts to make the consolidated rules provide needed investor protection without creating unproductive burdens on certain types of firms.

Sincerely,

John T. Treece

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