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July 30, 2010

Marcia E. Asquith  
Office of the Corporate Secretary  
FINRA  
1735 K Street, NW  
Washington D.C. 2006-1506

**RE: Comment on Proposed Rule Registration Requirement for Operations Professionals (“OP”) RN10-25**

Thank you for providing us with this opportunity to respond to RN 10-25. We appreciate the rule development process and the membership’s responsibility to comment on proposed rules in an effort to meet all the needs of the members towards the development of our industry.

We respect the intent and spirit of invoking licensing and registration requirements in order to protect the public and hold individuals directly responsible for their actions. This proposed rule however would ultimately create the opposite of its intended goal. We have reviewed RN 10-25 and generally find it unnecessary, too broad, and will actually create consequences we are certain the industry regulatory authority has not completely thought through.

We believe it to be unnecessary because we already have rules in place requiring supervisors to be licensed and registered as principals. The consequences created by this proposed rule will produce a back office environment whereby senior officers (Registered Principals) who are presently designated with overseeing and supervising back office operations will end up shielding themselves by delegating their overall primary responsibilities to a department head. This is regulation overreach at a new level.

The result is that Finra will now have jurisdiction over our back office personnel who are appointed with basic day-to-day task in their departments. Once again, Finra has proposed a rule that is prejudicial to the smaller regional self-clearing organizations, if there are any left. After this rule is passed Finra will develop more rules and regulations that they will mandate as a result of this qualification. That is the natural progression of regulation and it is all completely unnecessary. By way of example, if the Firm fails to sell a client out for non-payment involving a Regulation T violation Finra enforcement will now be inclined to bring a cause for action against the margin department manager instead of the registered principal who previously was directly responsible. The primary purpose for our regulations is to protect the public and clearly this proposed rule will not add any additional public protection. Back office personnel are generally not involved with the public and current rules and regulations already provide for adequate registration oversight, accountability and supervision for the clearing operations.

Wall Street doesn't need to register their back office people they simply need to enforce the rules and regulations that already exist. Lets hold the people who are responsible for managing the Firm's business responsible, not the rank and file department heads clearing the Firm's transactions and providing administrative functions.

### **Clarification**

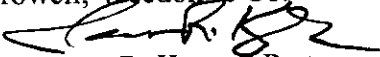
Certain sections need to be clarified; Section B (xv); this category is too general and broad. We would suggest that it be eliminated. This should not be a conditional function because too many individuals in the back office have update capability to post entries to the Firm's books and records. This will ultimately lead to the requirement that if a clerk has update capability they must be supervised. Firms already supervise and regulate individuals through their control access to make changes to the Firm's books and records. These functions are determined through validation access assignments on the Firm's data processing systems, not through the supervision of every journal entry.

Does the Firm need to assign or designate an Operation Professional? It is somewhat unclear the way the notice reads, if individuals have certain functions then they have to be an OP, but what if that person is already a Registered Principal? Does the firm still need to designate that person as an OP or is it unnecessary like the proposed rule?

Thank you again and we hope that the membership recognizes that this is a rule that will not add any value to the public's interest.

Respectfully,

Crowell, Weedon & Co.

  
By: James R. Kruger, Partner