



Trusted Advisors for Generations

John M. Ivan
Senior Vice President
General Counsel

Office of General Counsel
1801 Market Street, 11th Floor
Philadelphia, PA 19103-1675
215.665.6086
Fax: 215.561.0762
jivan@jmonline.com
www.jmonline.com

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Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: Release No. 34-59-616; File No SR-FINRA-2009-008
Proposed Changes to Forms U-4 and U-5

Dear Ms. Murphy:

Janney Montgomery Scott LLC appreciates the opportunity to comment on the referenced proposed rule amendments by the Financial Industry Regulatory Authority ("FINRA"). The proposed amendments would, among other things, add six new questions to the Form U4 and Form U5¹ designed to identify more readily for FINRA firms and individuals subject to statutory disqualification pursuant to Section 15(b)(4)(D) or (E) of the Exchange Act of 1934 due to "willful violations" of federal securities and commodities law. Janney supports the disclosure objectives of this rule filing and comments below only on the proposed implementation period of the rule.

FINRA's proposed 120-day implementation period is not adequate for Janney to verify and file in CRD the necessary information for its over twelve hundred associated persons. (It should also be noted that the questions actually must be asked of/verified with every single Janney employee, whether or not registered, which brings the number of affected personnel to close to 2000). Janney's Registration and Licensing group (which also handles the very manually-intensive insurance licensing and appointment process for Janney sales personnel), as currently staffed, has no capacity (without additional staffing) to take on the substantial tasks this proposed rule would require. The ordinary work of this staff includes filing the required amendments to update existing employees' registrations (e.g., for changes in address; notification of legal proceedings, garnishments, and the like; to add new state registrations etc.) as well as the very time-intensive initial filings for new employees. On a typical day, the amendments and initial filings made by the Registration and Licensing staff can number in the hundreds and affect the records for dozens of Janney employees. Absent the relief discussed below, Janney would need to add temporary staff to implement the updates required under the current proposal. Adding staff in these very challenging economic conditions, as you might well imagine, is a difficult prospect, in addition to the potential

¹ Form U4 refers to the Uniform Application for Securities Industry Registration or Transfer. Form U5 refers to the Uniform Termination Notice for Securities Industry Registration ("Form U5") (collectively, the "Uniform Forms").



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for increased filing errors when relying upon temporary employees. Certainly the Firm must weigh the need for such resources against other expenses such as compliance monitoring or technology.

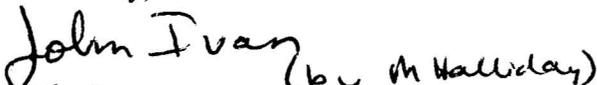
Besides the sheer volume of work the updates will entail, which we believe is impossible to accomplish in the time currently proposed, we are also concerned that the 120-day proposed time frame will not allow firms to implement a process that is designed to be effective and prevent erroneous filings. The proposed time frame will not, realistically, allow firms any time in which to test the system that will be used for tracking and verifying affirmative responses. Only by pre-testing this complicated update process will firms be able to avoid an even more burdensome requirement to obtain manually-signed answers as well as the potential problem of filing erroneous information on employee CRD records that might then later have to be corrected. However, at this stage, Janney cannot even be sure which process we might employ to make the updates (let alone to begin test it). The various external vendors we have reviewed have not been able to provide final solutions or pricing because they are awaiting the final rule for clarification on key points; any possible internal systems resources we might develop in-house are still being explored and, similarly, cannot be finalized without more clarification from the final rule.

Lastly, and perhaps most importantly, the rule fails to provide even a 120-day implementation period for instances where a firm must file unrelated Form U4 amendments on behalf of registrants following the effective date. Instead, those firms would be required to answer the six questions for their registrants the first time a member firm makes any amendment to the Form U4 (e.g., an address change of the person) after the effective date of the proposed rule change. Thus, for many firms, the implementation period would conceivably commence immediately upon the effective date, but in a very chaotic and piecemeal fashion. Failure to affirmatively answer any of the new questions would result in the Form failing the "completeness check," thereby delaying the additional registration request for member firms that file daily Form U4 amendments on behalf of registered persons through FINRA's Electronic File Transfer ("EFT") system.

In summary, the proposed implementation period does not recognize the significant amount of careful work that must be undertaken by Janney's small registration staff for over one thousand registered personnel files and many other firms similarly situated. Janney respectfully requests relief from the proposed rule in its current form by amending the proposal to 1) permit firms to not have to affirmatively answer the new questions for registrant Form 4 amendments that occur between the initial and final effective dates of the rule; and 2) allow firms to upload their personnel answers (where there are no 'yes' answers) in a bulk spreadsheet format rather than individual entry.

Janney appreciates the opportunity to provide comments. Please feel free to contact the undersigned if you have any questions or require further information.

Sincerely,


John Ivan
General Counsel