



March 29, 2012

**By Electronic Mail (rule-comments@sec.gov)**

Ms. Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

Re: SR-FINRA-2011-035

Dear Ms. Murphy:

The Compliance and Regulatory Policy Committee of the Securities Industry and Financial Markets Association ("SIFMA")<sup>1</sup> appreciates the opportunity to comment on the proposed consolidated Financial Industry Regulatory Authority ("FINRA") rules governing communications with the public.

SIFMA believes a substantial amount of progress has been made throughout this rulemaking proceeding and is generally supportive of the proposal, as amended. We have, however, one final comment:

SIFMA requests that FINRA amend proposed Rule 2210(b)(1) regarding the approval of "retail communications," which is a defined term that will include what is now an "advertisement" under existing NASD Rule 2210, to explicitly permit a supervisor who holds a Series 9/10 license (or its predecessor) to approve retail communications. In particular, existing NASD Rule 1022(g)(2)(iii), which defines the scope of appropriate supervisory activities of a General Sales Supervisor (i.e., a licensed 9/10), and which prohibits such a supervisor from making a "final

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<sup>1</sup> SIFMA brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association ("GFMA"). More information about SIFMA is available at <http://www.sifma.org>.

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approval of advertisements as these are defined in Rule 2210.” It is noteworthy that in Regulatory Notice 09-70, published in December 2009, FINRA submitted a Board-approved rule filing with the SEC to explicitly “amend the General Sales Supervisor registration category to remove the restriction from providing final approval of advertisements.” In that Regulatory Notice, FINRA proposed a rule that eliminated the prohibition on a General Sales Supervisor approving final advertisements (See Proposed Rule 1230(a)(10)(C). Indeed, FINRA proposed that a General Securities Sales Supervisor could add “approval of customer accounts” to the list of permissible supervisory activities, and to “approve retail communications to the same extent a General Securities Sales Supervisor may currently approve sales literature.”

Thus, consistent with FINRA’s rule filing from 2009, SIFMA requests that FINRA adopt one of the following:

(1) amend Rule 2210(b)(1)(A) to add the phrase “or General Securities Sales Supervisor” after the words “qualified registered principal”;

(2) amend Rule 2210(b)(1)(D) and add a subparagraph (iv) that would read: “any retail communication that formerly met the definition of advertisement under NASD rule 2210(a)(1), and which can be supervised and approved by a General Securities Sales Supervisor”; or

(3) consider adding a new section to the Supplementary Material to proposed Rule 2210(b)(1) that specifically authorizes a General Securities Sales Supervisor to make final approval of retail communications that would have met the definition of “advertisement” under NASD rule 2210(a)(1).

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If you have any questions or require further information, please contact Melissa MacGregor, Managing Director and Associate General Counsel, at 202-962-7385 or [mmacgregor@sifma.org](mailto:mmacgregor@sifma.org).

Very truly yours,

John Polanin  
Co-Chair, Compliance and  
Regulatory Policy Committee 2012

Claire Santaniello  
Co-Chair, Compliance and  
Regulatory Policy Committee 2012

cc: Mr. Marc Menchel  
Ms. Patrice Gliniecki  
Ms. Patricia Albrecht