



December 6, 2010

Ms. Kristen Lever
Branch Chief
Office of Compliance Inspections and Examinations
U. S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Dodd-Frank Wall Street Reform and Consumer Protection Act

Dear Ms. Lever:

This letter provides documents and information responsive to the requests made in your email dated November 30, 2010 to Helen Moore of FINRA in connection with the above-referenced matter. Specifically, you requested the following information regarding FINRA fee based account (reverse churning) disciplinary matters: (1) the firms FINRA disciplined; (2) the disposition (AWC, decision, cautionary letter, etc.); (3) the sanctions imposed including any fine, restitution, suspension, etc. and/or any monetary amounts reflecting retail investor loss of profit; (4) the exam (sweep) start date; and (5) the disposition date. In response to this request, we are providing a chart that includes the information you requested titled Enforcement Sweep Fee Based Matters and Non-Sweep Fee Based Matters. Moreover, as you requested, FINRA is not requesting Confidential Treatment for this letter and its attachment under the Freedom of Information Act. This will facilitate the Commission's public use of the information provided in furtherance of one of the studies you are obliged to conduct under the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act.

If you have any questions or require additional information, please feel free to contact me at (240) 386-5309 or Helen Moore at (240) 386-5662.

Very truly yours,

Kathleen A. O'Mara
Counsel
Office of Oversight, Liaison & Counsel
Regulatory Operations

Enclosures

Enforcement Sweep - Fee Based Matters¹								
Matter ID#	Matter Close Date	Firm Name	Firm CRD#	Action	Issue Date	Rule Violations Charged²	Sanctions	Restitution
	08/11/2005	Sweep Matter 1		No Action	N/A			
	01/06/2006	Sweep Matter 2		No Action	N/A			
	08/11/2005	Sweep Matter 3		No Action	N/A			
	07/13/2005	Sweep Matter 4		No Action	N/A			
	08/11/2005	Sweep Matter 5		No Action	N/A			
	07/13/2005	Sweep Matter 6		No Action	N/A			
	03/23/2006	Sweep Matter 7		No Action	N/A			
	03/23/2006	Sweep Matter 8		No Action	N/A			
	03/23/2006	Sweep Matter 9		No Action	N/A			
	03/23/2006	Sweep Matter 10		No Action	N/A			
	01/12/2005	Sweep Matter 11		No Action	N/A			
	08/04/2005	Sweep Matter 12		No Action	N/A			

¹ The purpose of this sweep was to review for inappropriate use of policies and procedures relating to fee-based accounts. Initial sweep letters were sent out beginning in mid 2003. Additional letters were sent out in March 2005 and March 2006 to various regional firms.

² Charges included here relate to the supervision of fee based accounts. Other rule violations charged in the AWCs, (e.g., advertising and breakpoints) were not included.

Matter ID#	Matter Close Date	Firm Name	Firm CRD#	Action	Issue Date	Rule Violations Charged ²	Sanctions	Restitution
	08/01/2005	Sweep Matter 13		No Action	N/A			
	08/04/2004	Sweep Matter 14		No Action	N/A			
	02/01/2005	Sweep Matter 15		No Action	N/A			
EAF03006400	05/20/2005	RAYMOND JAMES & ASSOCIATES, INC.	705	Acceptance Waiver and Consent	4/25/2005	NASD Rules 3010 and 2110	\$750,000 fine and Independent Consultant if fee-based business	\$138,000 plus interest
EAF03011600	11/14/2008	MORGAN STANLEY DW INC.	7556	Acceptance Waiver and Consent	8/1/2005	NASD Rules 3010 and 2110	\$1.5 million fine	\$4,640,582 plus interest
EAF04010100	12/19/2006	BANC OF AMERICA INVESTMENT SERVICES, INC.	16361	Acceptance Waiver and Consent	12/19/2006	NASD Rules 3010 and 2110	\$500,000 fine	\$89,625 plus interest
EAF04008400/ SAF20040013	08/04/2004	WACHOVIA SECURITIES, LLC	19816	Acceptance Waiver and Consent	6/21/2007	NASD Rules 3010 and 2110	\$2 million fine plus undertaking	\$2 million (est) plus interest

Non Sweep - Fee Based Matters

20070094878	1/5/2009	ROBERT W. BAIRD & CO. INCORPORATED	8158	Acceptance Waiver and Consent	12/03/2008	NASD Rules 3010 and 2110	\$500,000 fine	\$434,510 plus interest
E0720050123	10/16/2008	SUNTRUST INVESTMENT SERVICES, INC.	17499	Acceptance Waiver and Consent	10/15/2008	NASD Rules 3010 and 2110	\$700,000 fine	\$713,362 plus interest
20060060641	10/3/2007	BANC ONE SECURITIES CORPORATION	16999	AWC	11/1/2007	NASD Rules 3010 and 2110	\$50,000 fine	\$46,000 plus interest
20070108241	3/23/2009	H. BECK, INC.	1763	AWC	3/23/2009	NASD Rules 3010 and 2110	\$147,000 fine	\$32,431.56 plus interest
E9B20030298	11/17/2004	EDWARD FRANCIS SADOWSKI	832094	AWC	11/19/2004	NASD Rules 3010 and 2430	\$10,000 fine and 2 years suspension	\$60,070
20050022694	7/20/2007	AXA ADVISORS, LLC	6627	AWC	9/5/2007	NASD Rules 3010 and 2210	\$1.2 million fine	\$1,391,427 plus interest

¹ The purpose of this sweep was to review for inappropriate policies and procedures relating to fee-based accounts. Initial sweep letters were sent out beginning in mid 2003. Additional letters were sent out in March 2005 and March 2006 to various regional firms.

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