

PUBLIC POLICY, MARKET-STRUCTURE & AMENDATORY COMMENT

Date:	October 2, 2026
Agency:	U.S. Securities and Exchange Commission
File No.:	4-935
Release:	Release No. 33-11449 (Sept. 30, 2026); Federal Register publication pending
Title:	Rule 501(a)(10) — Potential Designations of the Investment Banking Representative License (Series 79) and the Research Analyst License (Series 86 and Series 87)

The Native Claim Firm supports designating the Series 79 and the Series 86 and 87 licenses under Rule 501(a)(10). They are the most natural extension of the Commission’s 2020 order: the same self-regulatory organization, the same continuing-education regime, and the same BrokerCheck verification. The designations should issue with four targeted amendments. The Notice’s findings are narrower than the designations it proposes, the Research Analyst license is not described precisely, the Notice is silent on the conflict rules that already bind these registrants, and the economic record is thin.

This comment responds to the Commission’s request for comment on whether to designate holders of the Series 79 or the Series 86 and 87 and whether the designations raise investor-protection concerns unique to those who would qualify. It does not ask the Commission to withhold either designation, add experience prerequisites, or revisit the 2020 order.

I. Executive request

- Rules 501(a)(10)(ii)–(iii): align each designation with its findings by designating passage of the Series 79 Exam and of both the Series 86 and Series 87 Exams, so exemption, waiver, and transition routes are not swept in without findings.
- Series 86 and 87: define the Research Analyst license as requiring both exams.
- Good standing and verification: state the status test and what a BrokerCheck confirmation does.
- Conflicts: confirm that FINRA Rule 2241 and other personal-trading and conflict rules continue to apply.
- Economic record: add FINRA’s de-duplicated count of holders not already designated.
- Common provisions: time-of-sale, change-notice, and severability text proposed identically in all five dockets.

II. The designation is broader than the findings

Section II.B.2 finds that passing the Series 86 and 87 Exams satisfies Rule 501(a)(10)(ii), and it relies on the Series 86 Exam’s Valuation and Forecasting section, about 46 percent of that exam. But note 36 reports that a candidate who passed Levels I and II of the CFA Program or of the Chartered Market Technician certification may request an exemption from the Series 86 Exam. Those registrants hold the license without passing the exam the Notice analyzes, and nothing in the record analyzes the CMT exams. On the same date, the CFA notice (File No. 4-933) declines accredited status to a person with CFA Levels I and II and no charter. The Commission would be treating the same partial credential as sufficient in one order and insufficient in another.

The Series 79 has the same problem. Note 34 records that from November 2, 2009 to May 3, 2010 Series 7 registrants could opt in to the Investment Banking Representative position without taking the Series 79 Exam, and that FINRA may waive the

exam under Rule 1210.03. Section II.B.2 nonetheless states that obtaining a Series 79 “requires passage of the Series 79 Exam.”

The fix costs almost nothing. The opt-in cohort necessarily held a Series 7 or equivalent (n.34), which the 2020 order already designates. The Notice states that BrokerCheck shows which exams an individual has passed (Section II.A.5). Designating passage of the exams, as shown on BrokerCheck, aligns each designation with its findings. Registrants who reached a license by exemption or waiver may still qualify through another route, including the Series 7, the CFA charter if designated, or the income and net worth tests. The cost of leaving the gap is a designation of roughly 62,900 registrants (57,000 Series 79 and 5,900 Series 86 and 87) whose findings do not describe an unknown subset, issued alongside a notice that treats the same partial credential differently.

Add Order ¶ 1: “Pursuant to Note 1 to 17 CFR 230.501(a)(10), the Commission designates as qualifying a natural person for accredited investor status (a) holding the Investment Banking Representative registration (Series 79) in good standing, where the person passed the Series 79 Exam; and (b) holding the Research Analyst registration (Series 86 and Series 87) in good standing, where the person passed both the Series 86 Exam and the Series 87 Exam. A person who obtained a registration through an exemption from, or waiver of, a required exam, or through a transition provision, is not designated by this paragraph on that basis. Each designation is independent. Passage of an exam is as shown in FINRA’s BrokerCheck or a successor record.”

Staff should ask FINRA to confirm in writing that BrokerCheck distinguishes exam passage from exemption or waiver and, if it does not, to add that distinction. The designation operates only as to persons whose record shows passage, so a gap in the display narrows the designation rather than overextending it.

III. Name the Research Analyst license precisely

The Notice’s title uses “Series 86 and Series 87,” its summary says each license “independently” qualifies, and its conclusion refers to “holding a Series 86 and 87.” Paragraph 1(b) resolves the ambiguity: the designated credential is the Research Analyst registration, which requires both exams, and no one qualifies on one exam alone. It also uses the word FINRA actually issues, a registration.

IV. Good standing and verification: one sentence each

The Notice treats inactive, terminated, or suspended registrations as not in good standing and points to BrokerCheck for verification. The order should say so in operative text and tell issuers what a BrokerCheck result does for Rule 506(c).

Add Order ¶ 2: “A registration is held in good standing if FINRA’s records show it as current and active, and not as inactive, terminated, or suspended. A BrokerCheck report, dated no more than 30 days before a sale, showing a current registration and passage of the required exam or exams will ordinarily constitute reasonable steps to verify the purchaser’s status for purposes of 17 CFR 230.506(c)(2)(ii).”

V. Preserve existing conflict and personal-trading rules

Series 79 registrants advise issuers on offerings and mergers and regularly hold material nonpublic information. Series 86 and 87 registrants publish research on the companies and sectors they cover. Both groups are subject to FINRA conflict and personal-trading rules, including FINRA Rule 2241 for research analysts. The companion CPA notice (File No. 4-932, n.73) acknowledges that a credential holder may be constrained by professional rules; this Notice is silent. A designation that is silent invites the reading that accredited investor status overrides those rules. The cost of the gap is misreading by issuers and registrants and avoidable enforcement uncertainty. The cost of the fix is one sentence.

Add Order ¶ 3: “Nothing in this designation modifies FINRA Rule 2241 or any other rule, policy, or procedure of FINRA or of a member firm governing personal trading, conflicts of interest, or the handling of material nonpublic information by an associated

person.”

VI. Add the number the Commission lacks

The Notice’s only income evidence is a single average base salary for Series 79 holders from Payscale (\$127,000, excluding incentive compensation; n.62). It has none for the roughly 5,900 Series 86 and 87 holders, and it cannot say how many registrants already hold a Series 7, 65, or 82 (nn.25, 62), which the 2020 order already designates. FINRA’s Central Registration Depository holds the answer. Staff should obtain from FINRA, and add to the record before issuance, a de-identified count of Series 79 holders, and of Series 86 and 87 holders, who do not also hold a Series 7, 65, or 82. The cost of the gap is an economic analysis that cannot say whether the designation adds anyone. The cost of the fix is a database query.

VII. Common provisions

The five notices were issued together and share three omissions: none says when a holder’s status is tested, none provides for changes in the credentialing body’s requirements after designation, and none says the designations are severable. We propose identical text in each docket, with the credentialing body named, so the Commission can issue the five orders on one form.

Add Common Provisions ¶ C: “(a) Time of sale. Whether a natural person holds a designated credential in good standing is determined at the time of the sale of securities to that person. A later lapse, expiration, suspension, termination, or revocation does not affect the person’s status for that sale, or an issuer’s reliance on 17 CFR 230.501(a), if the issuer reasonably believed at the time of sale that the person held the credential in good standing.

(b) Change notice and reservation. The Commission may amend or withdraw this designation by order, after notice and opportunity for comment, if the requirements on which this designation rests are materially changed by FINRA. The Commission requests that FINRA notify the Office of Small Business Policy, Division of Corporation Finance, at least 60 days before such a change takes effect.

(c) Severability; no effect on other law. Each designation in the orders issued with this order is separate, and the invalidation, stay, or withdrawal of any one does not affect the others. A designated holder qualifies only in the holder’s own right and may not rely on that status to purchase securities on behalf of another person. Nothing in this order alters Federal or State antifraud law or any restriction on a person’s participation in an offering arising under other law, rule, or contract.”

VIII. Proven least-cost alternative

Registrants incur no new cost. Exam fees (\$395 for the Series 79, \$295 for the Series 86, \$195 for the Series 87, and \$100 for the SIE; n.46) are already incurred for professional purposes. Narrowing the designation to exam passage excludes almost no one who is not already designated by another route, and it changes nothing for the registrants the Commission’s findings actually describe.

Gap	Cost of leaving the gap	Cost of the fix
Designation broader than findings (exemption, waiver, opt-in routes)	Arbitrary-and-capricious exposure across roughly 62,900 registrants; a partial CFA credential accepted here and refused in File No. 4-933	Designate exam passage; the opt-in cohort is already designated through the Series 7; BrokerCheck already shows exam passage
License not precisely defined	Ambiguity over whether one of the two exams suffices	One clause in ¶ 1(b)
Good standing and verification unstated	Rule 506(c) uncertainty; reliance on an inconsistent status test	One paragraph (¶ 2)
Silent on conflict rules	Misreading that status overrides FINRA Rule 2241 and firm policies	One sentence (¶ 3)
Thin economic record	No count of newly eligible persons; no income evidence for the Series 86 and 87	A de-identified CRD query
Retroactive lapse when registrations terminate	Job moves and terminations can be argued to unwind completed sales	Time-of-sale rule in ¶ C(a)

IX. Track A / Track B alternative

Track A — preferred. Adopt Order ¶¶ 1 through 3 and Common Provisions ¶ C on issuance, with FINRA’s overlap count added to the record.

Track B — phased fallback. If FINRA cannot supply the overlap count before issuance, adopt Order ¶¶ 1 through 3 and Common Provisions ¶ C on issuance and state in the economic analysis, as the other four notices do, that overlap with existing designations cannot be quantified.

Track B is defensible because the count informs the economic analysis, not the operation of the designations, and the other four notices already proceed on the same basis.

X. Technical corrections

Section II.A.2 calls the co-requisite the “Securities Investment Essentials Exam (‘SIE’).” The exam is the Securities Industry Essentials Exam, as notes 40 and 46 reflect.

Use “Research Analyst registration (Series 86 and Series 87)” consistently and avoid “a Series 86 and 87” as a noun. Section II.B.1 describes the licenses as “professional certification[s]”; the order should say “registration,” which is what FINRA issues.

Carry note 25’s observation that some Series 79 holders also hold a Series 7 or Series 82 into the economic section as the overlap point it is. Do not elevate cosmetic punctuation or spacing to a principal rulemaking objection.

XI. Conclusion

The Series 79 and the Series 86 and 87 are credible, verifiable designations that fit the Commission’s 2020 framework. They will hold up if each designation covers what the findings cover, the license is named precisely, existing conflict rules are preserved, and the record states how many people the designation actually adds. The amendments above achieve each of those at negligible cost.

The Commission should issue the order with Order ¶¶ 1 through 3 and Common Provisions ¶ C set out above. Thank you for the opportunity to comment.

Respectfully submitted,

/s/ Shawn SN

Chief Executive Officer

The Native Claim Firm

Date: October 2, 2026