



Financial Industry Regulatory Authority

**Carla Carloni**  
Associate Vice President  
Office of General Counsel

Direct: (202) 728-8019  
Fax: (202) 728-8264

October 22, 2008

Florence E. Harmon, Acting Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090

**RE: File No. SR-FINRA-2008-046 – Response to Comment**

Dear Ms. Harmon:

On September 8, 2008, FINRA filed with the Securities and Exchange Commission (“Commission”) SR-FINRA-2008-046, a proposed rule change to amend the By-Laws of FINRA Regulation to realign the representation of industry members on the National Adjudicatory Council (“NAC”) to follow more closely the categories of industry representation on the FINRA Board. FINRA partially amended SR-FINRA-2008-046 with the filing of Amendment No. 1 on September 17, 2008. On September 30, 2008, the Commission published for comment the proposed rule change, as amended through Amendment No. 1, in the Federal Register.<sup>1</sup>

The Commission received one favorable comment in response to the Federal Register publication.<sup>2</sup> The commenter generally favored the proposed rule change, but suggested that FINRA maintain the “regional flavor of NAC members” by including on the NAC registered persons from different regions of the country. While the proposed rule change eliminates the mandate that industry NAC members come from different geographic regions, FINRA will remain sensitive to the concern expressed by the commenter. As indicated in FINRA’s proposed rule change, the District Nominating Committees, which are situated across the country, will be available to consult with the Nominating Committee before the Nominating Committee communicates to the FINRA Board its nominees for NAC seats. The commenter’s concern is therefore addressed by the availability of input from multiple geographic regions, but a particular geographic composition of the NAC is not guaranteed.

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<sup>1</sup> Securities Exchange Act Release No. 58626 (September 23, 2008), 73 FR 190 (September 30, 2008) (notice of filing of SR-FINRA-2008-046).

<sup>2</sup> The Commission received a comment letter from Neal E. Nakagiri, Esq., NPB Financial Group, LLC, Burbank, California, dated October 20, 2008.

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If you have any questions, please contact me at (202) 728-8019, or at [carla.carloni@finra.org](mailto:carla.carloni@finra.org).

Very truly yours,

A handwritten signature in cursive script that reads "Carla Carloni". The signature is written in black ink and is positioned above the printed name and title.

Carla Carloni  
Associate Vice President and  
Associate General Counsel