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November 26, 2008

Ms. Florence E. Harmon  
Acting Secretary  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-1090

**Re:    File No. SR-FINRA-2008-053 – Response to Comments**

Dear Ms. Harmon:

This letter responds to comments received by the Securities and Exchange Commission (“SEC” or “Commission”) to the above-referenced rule filing, a proposed rule change to amend Section 4(c) of Schedule A of the FINRA By-Laws to increase certain qualification examination fees. The proposed rule change was published for comment in the Federal Register on October 29, 2008.<sup>1</sup>

The Commission received one comment letter in response to the Federal Register publication.<sup>2</sup> The commenter opposes FINRA’s proposed increase in qualification examination fees due to the harmful effect it could have on the operating budgets of regulated firms in the current financial climate. Though the commenter understands that FINRA’s costs to provide qualification examinations to regulated firms have increased, the commenter believes that the proposed examination fee increases would impose a significant burden on regulated firms and result in fewer registered representatives. Further, the commenter notes that, while no examination fee will increase more than \$20 under the proposed rule change, the effect on firms will not be insignificant since the proposed increases for the most common examinations required for the commenter’s registered individuals (Series 6, 7 and 24) will result in an increase in the cost of these examinations between 6% and 13.3%. Lastly, the commenter questions the proposed fee increases since the consolidation of NASD and NYSE Regulation into FINRA was intended to bring about operational and economic efficiencies and stabilize or reduce firms’ fees and regulatory expenses. The commenter hopes that the proposed fee increases are not indicative of a future trend.

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<sup>1</sup> See Securities Exchange Act Release No. 58832 (October 22, 2008), 73 FR 64374 (October 29, 2008) (Notice of Filing of File No. SR-FINRA-2008-053).

<sup>2</sup> See Letter to Secretary, SEC, from Dennis P. Beirne, VP Chief Compliance Officer, People’s Securities, dated November 12, 2008.

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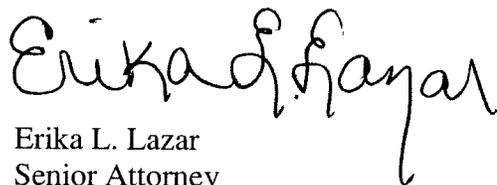
FINRA understands the commenter's concerns regarding the challenges that many regulated firms are experiencing in the current economic climate. FINRA has always been sensitive to the economic burden that may result from any change in examination fees and has been dedicated to keeping such fees as low as possible without negatively impacting the quality of the examination program as well as the overall regulatory program. In fact, FINRA has not increased the cost of any qualification examination since 2006. For many examinations, the fee has not increased in over ten years.

Prior to proposing the examination fee increases, FINRA conducted a test using a sample of its regulated firms to assess the impact of the proposed increases. The results revealed that the proposed fee changes would increase a regulated firm's overall examination fees on average by less than 10% per year, based upon actual testing activity. While FINRA understands that many regulated firms are making efforts to reduce costs, FINRA has experienced its own increasing costs in developing, administering and delivering qualification examinations during the past several years, and must now raise the price of its examinations to maintain the examination program in a manner that will best serve the regulatory program in general and, specifically, protection of the investing public.

In conclusion, FINRA will continue to work to maintain an examination fee structure at a reasonable cost in light of the considerations stated above.

Thank you for the opportunity to respond to the comment letter. If you have any questions, please contact me at (646) 315-8512 or John Kalohn, Associate Vice President, Testing and Continuing Education, at (240) 386-5800.

Very truly yours,

A handwritten signature in black ink that reads "Erika L. Lazar". The signature is written in a cursive style with a large, stylized initial "E".

Erika L. Lazar  
Senior Attorney