

T. ROWE PRICE INVESTMENT SERVICES, INC.

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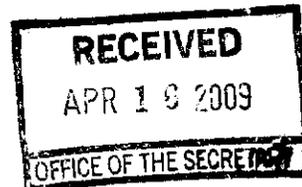
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VIA FEDERAL EXPRESS

April 15, 2009

Florence E. Harmon, Deputy Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090



Re: File Number SR-FINRA-2009-008

Dear Ms. Harmon:

T. Rowe Price Investment Services, Inc. ("**T. Rowe Price**") appreciates the opportunity to comment on the proposed rule change filed by the Financial Industry Regulatory Authority, Inc. ("**FINRA**") to amend the Uniform Application for Securities Industry Registration or Transfer ("**Form U4**") and the Uniform Termination Notice for Securities Industry Registration ("**Form U5**") as well as FINRA Rule 8312 (FINRA BrokerCheck Disclosure).

T. Rowe Price is a registered broker/dealer under the Securities Exchange Act of 1934 and a FINRA member firm. It acts as principal distributor of the T. Rowe Price family of funds ("**Price Funds**"). The Price Funds are offered directly to retail investors as well as through financial intermediaries such as broker/dealers, insurance companies, banks and plan recordkeepers. As of December 31, 2008, the Price Funds held assets of \$164.4 billion. T. Rowe Price also provides brokerage services to Price Fund shareholders and other retail customers as an introducing broker through its Brokerage Division and services customers who hold T. Rowe Price's two proprietary no-load variable annuity products. It also serves as the distributor for Section 529 College Savings Plans issued by two states.

T. Rowe Price generally supports the goals behind the proposed amendments as well as some of the specific provisions, but is concerned about some other aspects of the proposed changes as well as about the logistics of implementing some of the provisions, as discussed below.

Proposed Revisions Regarding Willful Violations. T. Rowe Price supports FINRA's goal of enabling FINRA and other regulators to identify more readily persons subject to statutory disqualification as a result of willful violations of certain regulations and laws and understands that the addition of the proposed questions to the Form U4 will further this goal. However, we do not believe that an implementation period of 120 days after the effective date of the proposed rule change provides enough time for T. Rowe Price to



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gather the necessary information for each of its approximately 1,860 registered representatives¹, who are located in over 20 offices across the United States.

Because these are new disciplinary questions, we anticipate that FINRA will require each of our representatives to acknowledge by signature his or her responses to these questions, regardless of whether the representative answers any of the questions in the affirmative. The process of collecting the responses and signatures will require a great deal of manual, time-consuming work on the part of the firm's registration staff. Therefore, T. Rowe Price respectfully requests that firms be given at least six months after the effective date of the rule change to comply with this new requirement.

T. Rowe Price would also like to confirm that the filing of these amendments for each of its representatives will not trigger the current \$95.00 per representative disclosure processing fee otherwise charged for disclosures on the Forms U4 and U5 and on amendments to those forms.

Proposed Revisions to Elicit Reporting of Allegations of Sales Practice Violations Against Registered Persons Made in Arbitrations or Litigation in Which the Registered Person Is Not a Named Party. T. Rowe Price agrees with the proposed rule change that would require a firm to report allegations of sales practices violations against a registered person in an arbitration claim or civil litigation complaint in which the registered person is not a named party if the registered person is clearly identified in the body of the arbitration claim or civil lawsuit as the person responsible for the alleged sales practices violation(s). We do not agree, however, that this reporting requirement should be further extended to persons not specifically named in the body of the arbitration claim or civil lawsuit.

We believe that the proposal to require a "yes" answer for a person who is neither a named party nor identified in the body of the arbitration claim or civil lawsuit as the person responsible for the alleged sales practices violations was drafted with the traditional broker/dealer model in mind, where each customer is assigned to one registered representative, with whom the customer has most, if not all, of his or her interactions. *The model is quite different at firms like T. Rowe Price, where most customers might deal with dozens of different registered representatives and with whom the customer may speak only over the telephone. In such a case, the customer may make allegations regarding specific instances by imprecise dates or general topics of conversation without identifying the representatives at all or by identifying them incorrectly.*

¹ As of February 28, 2009

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T. Rowe Price takes seriously its obligation to investigate allegations regarding the activities of its representatives. We believe, however, that not only does the proposed rule put a significant burden on the firm to determine who might have been involved in the alleged actions, it also puts at risk the reputations of representatives who might be identified in error either by the claimant or by the firm itself based upon the claimant's inexact identifications. For these reasons, T. Rowe Price does not believe that firms should be required to disclose allegations in an arbitration claim or civil litigation complaint regarding unnamed individuals.

Proposed Revisions to Clarify the Manner in Which Individuals and Firms Must Report Sales Practice Violations Alleged Against Registered Persons. T. Rowe Price objects to the proposed amendment to the Instructions to the Forms U4 and U5 noted in footnote #25 of the SEC Release that would add the words "written or oral" to describe an investment-related, consumer-initiated complaint to reflect, according to the footnote's text, "FINRA's longstanding interpretation that, for purposes of this question, a consumer-initiated complaint can be in either written or oral format."

The term "complaint" is not currently defined in the instructions for either Form U4 or Form U5. The only definition of complaint included in an approved FINRA rule is the definition found in FINRA's NASD Rule 3110(e), which states that a complaint "shall be deemed to mean any *written* statement of a customer or any person acting on behalf of a customer alleging a grievance..." (emphasis added).

We believe that this proposal to require disclosure of oral complaints again does not reflect the great diversity of business models among FINRA firms. In the more traditional model, where most interactions are in person or on unrecorded lines, there is no realistic way for a firm to determine if all oral complaints have been reported to the firm for assessment. At firms like T. Rowe Price, however, almost all interactions are recorded. We are concerned that the proposed revision to the scope of complaints that must be reported could be construed to put a higher, and unfair, burden on firms like T. Rowe Price to somehow identify any oral complaint.

Fundamentally, although we believe that all complaints, whether written or oral, require serious attention and follow up, we also believe that the requirement to disclose an oral complaint that may have been made off-the-cuff in a conversation is unfair to the representative. With the increasing use of email, T. Rowe Price and, we believe, most other firms, has seen an increase in the number of written complaints, since many customers find sending an email to be easy, convenient and essentially the equivalent of a telephone call. Given the ease of communicating in writing with a firm, we believe it is appropriate to require complaints to be in writing in order for them to be included in this reporting requirement. This approach will also serve to help eliminate subjective evaluations of oral statements.

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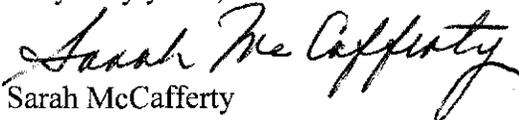
Proposed Revisions to Raise the Monetary Threshold for Reporting Customer Complaints, Arbitrations or Litigation from \$10,000 to \$15,000 on the Forms and Conforming Change to FINRA Rule 8312. T. Rowe Price supports the proposal to raise from \$10,000 to \$15,000 the monetary threshold for the reporting of settlements of customer complaints, arbitrations or litigations on the Forms U4 and U5 for the reasons advanced in the SEC's Release.

Proposed Revisions to Clarify the Definition of "Date of Termination" in Form U5 and to Allow Firms to Amend the "Date of Termination" and "Reason for Termination." T. Rowe Price also supports the proposal to permit a firm to amend the "Date of Termination" and "Reason for Termination" fields in a Form U5 it has previously submitted. As the Release notes, an error in a Form U5 cannot currently be corrected without an arbitration award or court order, even when both the firm and the former representative agree that the change is necessary. FINRA's proposal to notify other regulators and the firm with which the person is associated at the time of the amendment, if the person is associated at that time, of the amendment and retaining the original information in the CRD system in the form filing history would provide the necessary safeguards to ensure that these amendments are made only in appropriate situations.

Proposed Technical and Conforming Changes to the Forms. T. Rowe Price believes that the proposed revisions of the Forms U4 and U5 will make the forms more user-friendly and, in the case of the Form U4, more likely to elicit from the employee all pertinent information necessary to complete the form accurately and completely.

If you have any questions about T. Rowe Price's comments, please do not hesitate to contact me.

Very truly yours,


Sarah McCafferty

cc: J. Gilner, Esq.
D. Oestreich, Esq.