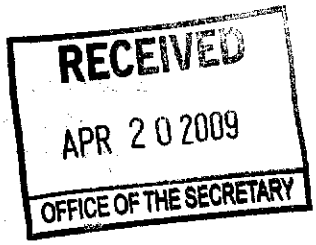
CADARETGRANT

Arthur F. Grant
President

April 9, 2009



Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: FINRA Proposed Changes to Forms U-4 and U-5

Dear Ms. Murphy:

One of the most cherished presumptions in our Constitutional system of government is that persons accused are innocent until proven guilty. Some commentators have traced this concept to Deuteronomy and also to the laws of Sparta and Athens. There can be no question that the Roman law was pervaded with the presumption:

> "Let all accusers understand that they are not to prefer charges unless they can be proven by proper witnesses or by conclusive documents, or by circumstantial evidence which amounts to indubitable proof and is clearer than day." Code, L. IV, T, XX 1, 1.25

As far back as 1895 our Supreme Court emphasized the importance of the presumption in Coffin v. United States, 156 U.S. 432:

> "The principle that there is a presumption of innocence in favor of the accused is the undoubted law, axiomatic and elementary..."

Consequently, given that predicate, we are moved to strongly object to FINRA's proposed rule that would require certain - - ~~and we~~ believe - - unnecessary changes in Forms U-4 and U-5 in terms of disclosure.

In particular, we are concerned about a proposed revision with regard to questions 141(4) and (5) in Form U4 and Questions 7E(4) and (5) of Form U5, that would require the reporting of allegations relating to sales practice complaints made against a registered person that are referred to in a civil action or arbitration proceeding even though the registered person is not named as a party in such a proceeding. Such disclosures, if required, would obviously be in the public domain and also reported to securities regulators.

Especially insidious is that part of the proposal requiring disclosure if the registered person "could reasonably be identified from the body of the arbitration claim or civil action...as one...involved in one or more of the alleged sales practice violations."

Such reporting requirements are devoid of any notice or opportunity to defend requirements. Such disclosures are also vulnerable to possible abuse by persons seeking to pressure a targeted registered person to act in one way or another, even though that person is not named in any civil complaint or arbitration statement of claim.

Given the unfortunate tendency in this day and age, to report and dramatize items in various media outlets without regard to veracity, the proposed disclosure requirements could unduly sully the reputations of perfectly innocent persons, and even impair their livelihood.

It is our strong feeling that these particular proposals should be rejected by the Commission in the interest of fairness, or as FINRA itself expresses it in Conduct Rule 2010, "...just and equitable principles..."

While we do not focus on the implementation of action regarding the proposals in this letter, suffice it to say that the implementation process, should the proposals be adopted, will impose a heavy burden upon securities firms.

Cadaret Grant appreciates the opportunity to provide comments in this matter. Please feel free to contact the undersigned if you have any questions or require further information.

Sincerely,