Comments on FINRA NTM 2009-008 with respect to the provisions relating to Proposed Rule Change to Amend Form U4 & Form U5.

This proposal would potentially require thousands of FINRA registered Broker/Dealers to review all outstanding DRP related disclosures to identify individuals that may have willfully violated certain securities or commodities laws. That review would be time consuming and put the firms in the position of having to determine, in many cases, whether any finding against the individual did, in fact, involve willful activity.

I see a much simpler solution. Since the disclosure only applies to situations where the SEC or CFTC has specifically found a willful violation, why isn't it more appropriate for those two agencies to identify for FINRA any individuals where those findings have been made?

The number of cases that make it to the SEC or CFTC for review and determination is relatively small, and their staffs are in a much better position to make any determination that the individual in question was found to have willfully violated the applicable rules, regulations or statutes.

Wouldn't it be considerably more cost effective for the legal staff of FINRA to work with the above agencies to identify the willful violators and notify the firms that their U-4 and/or U-5 filings need to be updated to reflect a YES answer to the new questions?

I believe this proposal should be withdrawn while FINRA considers the possibility of their staff actually doing this work in connection with the regulators. It certainly seems both more cost efficient, and more likely to lead to fewer vague areas as to whether language in a decision might be deemed to indicate willful violations, which are more appropriately made by the regulators anyway.

Respectfully submitted,

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