July 16, 2010

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

Via EMAIL: rule-comments@sec.gov

RE: File No. SR-FINRA-2010-021

Dear Ms. Murphy:

We appreciate the opportunity to comment on the above-referenced rule proposal regarding amendments to FINRA Rule 8210.

Pacific Select Distributors, Inc. (PSD) is a wholly owned subsidiary of Pacific Life Insurance Company (Pacific Life). It serves as distributor of investment company shares and variable insurance products issued by Pacific Life and its affiliates. To distribute those products, PSD maintains selling agreements with a large number of broker-dealers not affiliated with it or Pacific Life. Those broker-dealers range in size from small independents to some of the largest broker-dealers within the United States.

We recognize the importance of protecting non-public information from unauthorized access, use or disclosure. Furthermore we support FINRA's efforts with respect to the protection of information provided to FINRA by its member broker dealers. However, we believe for the reasons stated below that the proposed amendments to Rule 8210 to be impractical for many firms to effectively implement. We also believe that the proposal does not fully address the protection of data provided by firms to FINRA in connection with all of FINRA's operations.

We believe that the burden of the protection of data provided to FINRA by its member firms whether requested or required by FINRA should rest with FINRA itself and not with each of its over 4500 member firms.

As proposed, amendments to Rule 8210 would require that member firms assume all responsibility for properly encrypting portable media when transmitting any requested documentation (regardless of content) to FINRA. We question the practicality of this proposal for the following reasons:

First, many firms, particularly smaller ones, may lack the requisite technical expertise internally, and they likely will have to seek potentially costly third-party solutions. In addition all firms, even those with some expertise, will face the same challenge of keeping up to date with "industry standards for strong encryption." Given that this is an ever-changing area, complying with it would become an ever moving target not defined (outside of the term "strong") (at least within the proposal) by FINRA. We believe that it is inappropriate, for FINRA to require compliance with any standard unless it (FINRA) specifically establishes that standard by rule. Especially for those firms that do not regularly provide information to FINRA, the extra burden of determining "industry standards" and "strong" for encryption when complying with a request would be difficult and create confusion (presumably and especially whether customer information is included in the response or not).

Second, we believe that there will continue to be considerable federal and state lawmaking in the area of data protection over the coming months and years. Already, states including Nevada, Massachusetts and others have enforced specific controls and requirements regarding the transmission and retention of non-public information. To ensure that its member firms are not burdened by an array of confusing and in some cases conflicting lawmaking, we believe that FINRA should review and work with states and other jurisdictions to provide a uniform standard for use within the securities industry prior the implementation of this rule, if adopted.

Third, we question the need for encryption of all data provided to FINRA in connection with a request made pursuant to Rule 8210. While we understand the perceived need in connection with the production of customer related data, we question the need when producing other documents, especially documents that may be publically available such as prospectuses. We believe that the firm producing documents should be able to make a business decision with respect to the production of non-customer specific records (including records it may deem to contain proprietary information).

It is the question of the need for encryption in the first place that compels us to ask that FINRA be responsible for encryption. It begs the question of the adequacy of FINRA's practices with respect to safeguarding of information provided to it by its member firms. Because of the perceived need, we believe that it is best that FINRA first review its practices. After such a review it should be able fully determine necessary actions to ensure the safeguarding of information. Only then should it be the one administering (with oversight by the SEC) to the need for encryption (in lieu of other protection tools) as well as providing the tools for use in order to encrypt information to be produced at its (FINRA's) request.

Therefore, we suggest that FINRA consider the impact of its proposed amendments to Rule 8210 in a broader context looking beyond just its rule 8210. That consideration should include all of FINRA's operations. Other situations exist for member firms when working with FINRA that may risk exposure of non-public information in connection with firms meeting their regulatory and other obligations to FINRA. Examples include information provided to FINRA Dispute Resolution where information may be reproduced in hard copy for use during hearings conducted

in public places. Additionally, member firms routinely respond to FINRA generated requests where portable devices are not used, such as via email or regular mail.

To summarize, we believe that the proposal with respect to Rule 8210 should be modified only after FINRA establishes its own safeguards throughout its organization (and not just limited to requests made specifically pursuant to Rule 8210) for electronic as well as other forms of data. Additionally, before any such modification, FINRA should establish an industry standard (after working with other jurisdictions to eliminate inconsistencies) with respect to encryption for information to be provided in response to requests from FINRA, whether made specifically pursuant to Rule 8210 or not. We would support that such a standard be mandatory for the production of customer related data where requested by FINRA in connection with it regulatory duties. Such productions should be made using encryption software provided by FINRA (while we have noted the technology related issues that some firms may face, we believe the added benefit of protecting customer information and presumably uniform software would both justify and lessen the impact). Productions not involving customer data may, at the member firm's discretion, be encrypted, utilizing the encryption software provided by FINRA.

Again we appreciate the opportunity to provide input on the proposal. Please contact the undersigned if you have any questions.

Sincerely,

/s/

S. Kendrick Dunn
Assistant Vice President