

While we appreciate that recent conduct in the marketplace has given rise to the SEC's interest in this Proposal, and concur with FINRA's objective of ensuring "that investor protection mechanisms are in place in all areas of a member firm's business that could harm a customer, a firm, the integrity of the marketplace or the public" by enhancing "the regulatory structure surrounding a member firm's back-office operation," we believe that certain provisions of the Proposal should be revised to clarify its applicability, eliminate unnecessary costs, burdens and unintended consequences, and improve its overall effectiveness in achieving FINRA's goal.

First, we believe that FINRA should carefully evaluate the objectives and consequences of the new testing requirement on potential test takers and consider increasing its reliance on internal firm element training to deliver a portion of the required content. Second, we suggest that the class of persons subject to the requirement be refined. Finally, we suggest clarifying and limiting the scope of the Proposal's covered functions.

The qualification examination, which will be challenging for many test takers, must not become a de facto "competency" exam. We recommend that firm element training be utilized to deliver the proposed product, market and operations knowledge content.

We support the concept of limiting the scope of the new regulatory requirements to supervisory personnel rather than the inclusion, at this juncture, of "rank and file" operations personnel. We concur in the premise behind the proposal that limiting its scope to supervisory personnel will be sufficient in meeting the objective of sensitizing back office functions to important ethical considerations. Having said that, we find the scope of the subject supervisory personnel set out in the Proposal to be unduly expansive. Accordingly, we believe that the proposed categories need to be clarified and refined.

The Proposal identifies thirteen (13) different categories of "covered functions," the managers of which would be subject to the proposed rule. Certain of those categories identify reasonably concise functions. Others, however, raise issues of breadth of scope and lack of clarity as were discussed above with respect to the categories of covered persons. As previously stated, it is not unlikely that, to err on the side of caution, FINRA member firms will broadly interpret the categories of covered functions to include activities not intended to be covered by the Proposal, resulting in unnecessary cost and expense. We urge FINRA to provide clarity with respect to the categories of covered functions to avoid this result. We believe our member firms will be adequately managed, and public investors adequately protected, if the front-line supervisors to whom these support roles provide services are sufficiently sensitized.

Thank you for the opportunity to comment on this proposal.

Sincerely,

Z. Jane Riley

Certified Securities Compliance Professional® (CSCP™)

Chief Compliance Officer

The Leaders Group, Inc./TLG Advisors, Inc.

26 W. Dry Creek Circle

Suite 575

Littleton, CO 80120

Phone: (303) 797-9080 x 101

Fax: (303) 797-7297
Member FINRA/SIPC

This E-mail message (including attachments, if any) is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, proprietary, confidential and exempt from disclosure. Any review, transmission, dissemination, copy or other use of, or taking action in reliance upon this information by persons or entities other than the intended recipient is strictly prohibited. If you are not the intended recipient, you are notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender and erase this material from your computer immediately.