



VIA ELECTRONIC MAIL

April 8, 2011

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

Re: Comment Letter File No. SR-FINRA-2011-013, Proposal to Establish a Registration Category, Qualification Examination, and Continuing Education Requirements for Certain Operations Personnel

Dear Ms. Murphy:

National Planning Holdings, Inc., ("NPH") offers this comment letter on behalf of its subsidiary broker-dealers, all of which are Financial Industry Regulatory Authority ("FINRA") member firms:

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| ▪ INVEST Financial Corporation | CRD #12984 |
| ▪ Investment Centers of America, Inc. | CRD #16443 |
| ▪ National Planning Corporation | CRD #29604 |
| ▪ SII Investments, Inc. | CRD # 2225 |

The four NPH Firms have over 3,500 registered representatives providing financial solutions to their clients in all domestic jurisdictions. The NPH Firms are also members of the Financial Services Institute ("FSI") and support the advocacy activities of the FSI. We appreciate the opportunity to submit comments regarding proposed FINRA Rules 1230(b)(6) and 1250. The comments provided in this letter represent the collective view of the NPH Firms.

In reviewing the comments which FINRA has received to date on this issue, we seek to merely reiterate our primary concerns, but will refrain from commenting on the proposal point by point.

In careful review of the proposal there appears to be an assumption that there are a number of senior and/or influential employees of member firms who are not currently otherwise registered with one or more of the exempted registrations allowed for in the proposed rule: Series 4, 6, 7, 9/10, 14, 16, 24, 27, 28, 51, or 53. In an informal analysis of our existing employees and corporate structure, we find that the majority of individuals that would be subject to the new registration would meet the allowable exemption and would therefore qualify as an *Operations Professional* without taking the new exam or being subject to the new firm element requirement. From this we could deduce that the industry at large may experience similar results when assessing their existing staff. That said we remain uncertain as to the value in imposing this additional registration category with the exemption allowance being so broadly written.

If there is concern by FINRA that there is a large pool of unregistered senior or otherwise influential individuals operating from member firms that pose some level of perceived risk we urge FINRA to validate this assumption prior to implementing this new registration category. We would recommend FINRA engage in an industry-wide survey to request member firms to identify how many individuals would

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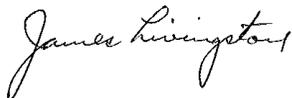
actually be subject to this new category, without an exemption. We feel this would provide FINRA with either additional support of the need for this new registration, or a more clear indication that perhaps the new registration may not be necessary.

We also remain concerned with the broad scope used for the term "operations". Currently in relation to the rule proposal this definition spans across many areas such as accounting, information technology, sales review/trading systems, and books and records. Member firms generally define operations as "Trading and Operations". It's a very distinct and specific area of the firm having to do with the clearing function of trades, daily disbursements, and account activity. By commingling a variety of areas into the new *Operations Professional* registration category, this may cause unintended confusion and blurring of well established roles and responsibilities.

And finally, large member firm organizations such as ours, which engage a shared resources model may be challenged in determining whether certain individuals previously not identified as associated persons would now be subject to the new registration, which would also require formal establishment of associated person status by way of Form U-4 completion, and other requirements included in that definition.

We understand and support FINRA's efforts to ensure employees of member firms are properly qualified to understand risks within their respective firm and are trained to escalate and address such issues to mitigate damage to the firm and/or its clients. However, our concern is that simply adding a new registration requirement which includes a liberal exemption carve out will not effectively establish the level of risk control FINRA is seeking. Trusting the member firm community to properly assess their risks, establish adequate procedures, address identified gaps, and escalate issues as needed should be more clearly supported by FINRA as a self-regulatory organization. Otherwise, a rules based regime will continue to outweigh any value that a risk based approach may offer. We respectfully request that the SEC and FINRA consider the issues we have raised relative to this rule proposal.

Sincerely,

A handwritten signature in cursive script that reads "James Livingston".

James Livingston
President/Chief Executive Officer
National Planning Holdings, Inc.