



P.O. Box 2600
Valley Forge, PA 19482-2600

December 7, 2011

Filed Electronically

Elizabeth M. Murphy, Secretary
U.S. Securities and Exchange Commission
Station Place
100 F Street, N.E.
Washington, DC 20549-1090

Re: Request for Comment on Proposed New Rules Governing Communications with the Public (SR-FINRA-2011-035)

Dear Ms. Murphy:

Vanguard¹ appreciates the opportunity to comment on the most recent proposed amendments to the Financial Industry Regulatory Authority's ("FINRA") rules governing communications with the public.² Vanguard continues to support FINRA's efforts to consolidate and streamline NASD and NYSE rules into the Consolidated FINRA Rulebook. However, Vanguard remains concerned that proposed Rule 2210.01 could result in duplicative, inconsistent, and unnecessary regulation by covering internal conduct that is already governed by NASD Rule 3010.³

¹ Vanguard offers more than 170 U.S. mutual funds with assets of approximately \$1.65 trillion. We serve more than 10 million clients. Vanguard Marketing Corporation, a Vanguard subsidiary, is an SEC registered broker-dealer and FINRA member. Vanguard Marketing Corporation offers brokerage services through its Vanguard Brokerage Services operating division and provides marketing and distribution services for the Vanguard funds, certain 529 plans and annuity programs.

² See FINRA Notice of Filing of Partial Amendment No. 1 and Order Instituting Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change, as modified by Partial Amendment No. 1, to Adopt FINRA Rules 2210, 2212, 2214, 2215, and 2216 in the Consolidated FINRA Rulebook, 76 Fed. Reg. 68800 (November 7, 2011), available at <http://www.gpo.gov/fdsys/pkg/FR-2011-11-07/pdf/2011-28716.pdf>. See also FINRA Notice of Filing of Proposed Rule Change to Adopt FINRA Rules 2210, 2212, 2214, 2215, and 2216 in the Consolidated FINRA Rulebook, 76 Fed. Reg. 46870 (August 3, 2011) available at <http://www.sec.gov/rules/sro/finra/2011/34-64984.pdf> and FINRA Regulatory Notice No. 09-55 (September 2009).

³ See Letter to Elizabeth M. Murphy, Secretary, U.S. Securities and Exchange Commission from Sandra J. Burke, Principal, Vanguard, dated August 24, 2011 (commenting on the August 3, 2011 Proposal) available at <http://www.sec.gov/comments/sr-finra-2011-035/finra2011035-5.pdf>.

Proposed Rule 2210.01 provides that a member's internal written (including electronic) communications that are "intended to educate or train registered persons about the products and services offered by a member" are considered "institutional communications" pursuant to proposed Rule 2210(a)(3). This requirement would subject these internal written communications to the general content standards, principal review and compliance standards under the communications with the public rules. Vanguard continues to believe that this requirement is duplicative and supports the Investment Company Institute's recommendation that Proposed Rule 2210.01 be eliminated, as internal communications are already subject to sufficient and appropriate oversight under NASD Rule 3010, the rule which is specifically designed to address a member's supervision of its registered representatives' activities.⁴

* * * * *

Vanguard appreciates the opportunity to comment. If you have any questions about Vanguard's comments or would like any additional information, please contact Shayna M. Beck, Associate Counsel, at (610) 503-6334.

Sincerely,

/s/ Sandra J. Burke

Sandra J. Burke
Principal

cc: Honorable Mary L. Schapiro, Chairman
Honorable Elisse B. Walter, Commissioner
Honorable Luis A. Aguilar, Commissioner
Honorable Troy A. Paredes, Commissioner
Honorable Daniel M. Gallagher, Commissioner

⁴ Rule 3010 provides, in part, that "[e]ach member shall establish and maintain a system to supervise the activities of each registered representative, registered principal, and other associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable NASD Rules."