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February 15, 2013

VIA E-MAIL

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

Re: Proposed FINRA Rule 2267;
File No. SR-FINRA-2013-002

Dear Ms. Murphy:

The Committee of Annuity Insurers (the “Committee”)¹ appreciates this opportunity to provide comments on FINRA’s proposed rule change to amend FINRA Rule 2267, Investor Education and Protection (the “Proposal”). FINRA’s proposed amendments would require firms to include links to BrokerCheck on their websites, social media pages, and any “comparable internet presence.” This requirement also would extend to those websites and applicable systems relating to the firm’s investment banking or securities business maintained by or on behalf of any person associated with a member. FINRA intends to provide firms with the text description and web address format for the link to BrokerCheck. The web address provided would be specific to the firm or associated person and direct the user to BrokerCheck’s search result screen. Ultimately, the user will have access to a detailed BrokerCheck report on the subject firm or associated person.

The Committee appreciates the goal set forth in Section 919B of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) for the Securities and Exchange Commission (“SEC”) to study ways to improve the access of investors to registration information about registered and previously registered firms and their associated persons. The SEC study that resulted from the directive in Section 919B of the Dodd-Frank Act (the “SEC Study”) identified four recommendations to further investor access, the following two of which

¹ The Committee of Annuity Insurers is a coalition of 28 life insurance companies that issue fixed and variable annuities. The Committee was formed in 1982 to participate in the development of federal securities law regulation and federal tax policy affecting annuities. The member companies of the Committee represent more than 80% of the annuity business in the United States. A list of the Committee’s member companies is attached as Appendix A.
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are most relevant to this rulemaking: (i) enhance BrokerCheck by adding education content to make the data currently available more useful to investors; and (ii) utilize investor testing to consider the feasibility and advisability of expanding the information provided as well as the method and format of publishing this information.

To further these recommendations, FINRA retained a consultant that convened focus groups and conducted surveys for feedback on BrokerCheck. FINRA also requested comments from interested parties, including investors on various issues such as: (i) the scope of information that should be displayed on BrokerCheck; (ii) the design, format and content of BrokerCheck's summary report; (iii) ways to improve investor awareness of BrokerCheck; and (iv) considerations associated with FINRA providing BrokerCheck information to for-profit companies.

We believe that the SEC should direct FINRA to move forward in addressing BrokerCheck's design, format and content before advancing the Proposal. Providing more useful information on BrokerCheck in a more organized manner is probably one of the most effective ways in which to further investor access to information about firms and associated persons.

The Committee is concerned that the Proposal presents significant operational implications and interpretative issues, discussed below, that warrant further deliberation before it is approved. The Proposal is vague in many respects and as a result it is very difficult to assess its full impact. While FINRA Regulatory Notice 12-10 requested input on general ways to improve investor access to BrokerCheck, it did not request comments on specific methods to increase access such as the proposed use of customized links to BrokerCheck. We request that the SEC refrain from moving forward with the Proposal until these open issues are addressed.

Further, we believe that this proposal should not advance until such time as any intended overall redesign of BrokerCheck has been completed. We believe it is more logical for FINRA to focus first on any necessary enhancements to the manner in which the information in BrokerCheck is organized and presented to investors, and then focus on ways to allow investors to effectively access BrokerCheck.

EXAMPLES OF ISSUES THAT NEED TO BE ADDRESSED TO ALLOW A FULL ASSESSMENT OF THE IMPACT ON BROKER-DEALERS

Costs/Systems Requirements. Before the Proposal advances, we believe that it would be helpful if FINRA addressed the anticipated system requirements that will be needed to establish and maintain these links. Related, we believe that it is critical for FINRA to summarize its consideration regarding the anticipated costs for the Proposal's implementation. In this regard, we note that at the associated person level, the cost and resources required to maintain and keep this information current could be significant. New system requirements may be necessary to enable an automated process for the inclusion of a unique URL on each associated

person's individual website. It would be extremely costly if this process cannot be automated. Additional details are needed from FINRA to better understand how the URL address information will be obtained on an ongoing basis and the timeliness of such information being available.

Social Media poses additional challenges. As far as we know, there currently is no automated method through which the FINRA-provided URL address can be delivered to each associated person's social media page that relates or refers to the associated person's securities business. This will require a process and procedure on behalf of member firms to require their associated persons to add this information to their social media profiles. The costs associated with complying with the initial request and the subsequent oversight and supervision to ensure this takes place is potentially high.

Scope of the Term "Any Comparable Internet Presence." Another concern relates to the ambiguous scope of the Proposal given its coverage with respect to "any comparable Internet presence." This term is not defined in the Proposal.

By way of example, it is not clear whether this phrase is meant to include the identification of a representative in an online directory. With the popularity of online directory listings, member firms would need to expend significant resources to bring these advertisements into compliance with the proposed amendments. Additionally, some online directories would presumably not allow this type of link.

Additional information on the intended scope of the Proposal should be provided at the proposal stage to allow firms to fully assess its potential implications. FINRA should also further evaluate and provide support for the perceived need for such links to be maintained in a number of internet locations.

Impact on Social Media Usage. Another issue that needs to be addressed is FINRA's intent with respect to those social media and other websites which do not permit (or easily facilitate) the attachment of a link as contemplated in the Proposal. FINRA should address at the proposal stage how it intends firms to handle situations where a website or social media site cannot accommodate the inclusion of a link. We recommend that FINRA gather additional information on the feasibility of including these links on commonly used social media and other websites before this Proposal advances.

CONCLUSION

We appreciate the opportunity to comment on the Proposal. We urge that the SEC not approve the filing in its current form and direct FINRA to more fully develop the Proposal with a view to the concerns discussed above. Please do not hesitate to contact Clifford Kirsch

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(212.389.5052, clifford.kirsch@sutherland.com) or Eric A. Arnold (202.383.0741, eric.arnold@sutherland.com) if you have any questions regarding the comments in this letter.

Respectfully submitted,

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FOR THE COMMITTEE OF ANNUITY INSURERS

APPENDIX A

THE COMMITTEE OF ANNUITY INSURERS

Allianz Life
Allstate Financial
AVIVA USA Corporation
AXA Equitable Life Insurance Company
Commonwealth Annuity and Life Insurance Company
(*a Goldman Sachs company*)
Fidelity Investments Life Insurance Company
Genworth Financial
Great American Life Insurance Co.
Guardian Insurance & Annuity Co., Inc.
ING North America Insurance Corporation
Jackson National Life Insurance Company
John Hancock Life Insurance Company
Life Insurance Company of the Southwest
Lincoln Financial Group
MassMutual Financial Group
Metropolitan Life Insurance Company
Nationwide Life Insurance Companies
New York Life Insurance Company
Northwestern Mutual Life Insurance Company
Ohio National Financial Services
Pacific Life Insurance Company
Protective Life Insurance Company
Prudential Insurance Company of America
SunAmerica Financial Group
Symetra Financial
The Transamerica companies
TIAA-CREF
USAA Life Insurance Company