



*Why Go It
Alone?*

Richard Izzo, President
Association of Registration Management
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Bowling Green Station
New York, NY 10274

December 4, 2020

Ms. Jennifer Piorko Mitchell
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506
Alexandria, VA 22314

Re: Regulatory Notice 20-33 – FINRA Requests Comment on a Proposed New Expedited Proceeding Rule for Failures to Comply with the FINRA Qualification Examinations Rules of Conduct and Proposed Amendments to the Registration Requirements Rule and the Eligibility Proceedings Rules

Dear Ms. Mitchell,

The Association of Registration Management, Inc. (“ARM¹”) appreciates the opportunity to comment on Financial Industry Regulatory Authority (“FINRA”) Regulatory Notice 20-33 (“Notice 20-33”) regarding FINRA’s proposed formal procedures to address misconduct by both non-associated persons and associated persons of a member firm. ARM supports many aspects of FINRA’s proposal but believes it would be beneficial if FINRA made certain clarifications as outlined below.

Regarding FINRA’s proposal to subject non-associated persons to the Rules of Conduct and to allow FINRA to impose remedies when it determines a non-associated person violates any provision of the Rules of Conduct, ARM is supportive of the implementation of consistent rules for individuals sitting for regulatory examinations. ARM seeks clarification from FINRA on member firm access to information related to non-associated persons deemed to have violated the Rules of Conduct. Specifically, ARM would like additional guidance on pre-

¹ The Association of Registration Management is an industry association founded in 1975, comprised of registration professionals from broker-dealers and investment advisers who deal with the regulatory community on licensing matters and related issues.

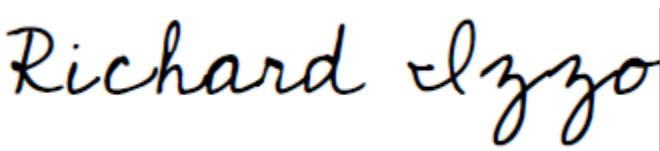
registration checks and the level of detail that will be made available to member firms related to non-associated persons. For example, a non-associated person may not have a CRD record created with FINRA at the time they take an introductory exam such as the SIE or any of the NASAA state exams. How would a prospective future employer be made aware of the violation and view the information since performing a Pre-hire in this scenario may not be feasible?

With respect to the proposed expedited proceeding process, ARM recognizes the benefits of a speedy resolution for individuals accused of a violation. ARM seeks additional guidance around the availability of documentation for individuals and member firms seeking to challenge a decision via a hearing. As the request for a hearing must set forth with specificity any and all defenses to the action, ARM suggests that respondents should be provided with access to all supporting documentation associated with a written notification of a violation.

ARM similarly requests additional details around the proposed eligibility proceedings and the availability of information for member firms as it relates to sponsoring individuals who fail to meet the Rule 1210.05 qualification requirements. Under FINRA's proposed rule, a member firm may request relief on behalf of an individual who fails to meet the qualification requirements in Rule 1210.05. As a consideration for sponsoring an eligibility proceeding, ARM believes that member firms would benefit from access to full documentation pertaining to the disqualification under Rule 1210.05.

ARM truly appreciates the opportunity to offer this feedback and FINRA's consideration of our views. Please contact me if you wish to discuss our comments in more detail, if you have any questions, or if I can assist with this initiative any further.

Sincerely,

A handwritten signature in black ink that reads "Richard Izzo". The signature is written in a cursive style and is positioned to the left of a vertical line.

Richard Izzo
President
Association of Registration Management, Inc.
armgmt@armgmt.org

On behalf of the ARM Board, Executive Committee and members of the Association of Registration Management, Inc.