



July 10, 2015

**FINRA**

c/o Marcia E. Asquith  
Office of the Corporate Secretary FINRA  
1735 K Street, NW  
Washington, DC 20006-1506

**Lisa Roth**  
630 First Avenue  
San Diego, CA 92101  
619-283-3500

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Re: Regulatory Notice 15-20

Dear Ms. Asquith,

Thank you for the opportunity to comment on the rule proposal noted above.

My comments to specific questions in the Notice are provided below:

*FINRA is proposing to move to a general knowledge examination and specialized knowledge examinations for the representative-level qualification examinations. Does moving to this type of structure make sense? Would it help member firms better manage and develop individuals?*

- a) I believe the process you propose will help to streamline the application process for individuals and provides a sensible new approach to licensing.
- b) I encourage FINRA to adopt a similar process for rolling out the Series 14 Compliance Officer Examination. In other words, identify the set of knowledge that is common to the CCO role, then relegate any remaining specific content to specialized supplementary examinations.
- c) Further, I encourage FINRA to reach out to the MSRB for purposes of consolidating the MSRB new Series 50 examination for Municipal Advisors into the 'family' of specialized examinations. Included in the dialogue should be grandfathering individuals with equivalent licenses (Series 7 and/or Series 53) as well as redundancies in the content outlines of the existing versus the proposed examinations.

*FINRA is proposing to create the SIE covering fundamental securities industry knowledge. Do you consider the content listed in the sample content outline to be common knowledge? Is there other knowledge not listed that you believe should be included on the SIE? What is an appropriate level of depth?*

- a) In addition to Types of broker-dealers, I believe the Market Structure section should include a discussion of other market participants such as investment advisers, private equity managers, municipal advisers because knowing where lines of jurisdiction are drawn is important fundamental knowledge for a registered person.
  - b) I believe that Account Types, Types of customer account registrations and Account Statements, Confirmations and Settlement is better placed in the General Sales exam, and does not belong in the SIE because there are many types of FINRA members that do not open customer accounts.
  - c) I think topics regarding communications with the public should be added to the outline for the SIE including but not limited to the categories of communications, electronic communications and advertising.
  - d) Topics missing from or underrepresented in the outline that are fundamental to an RR's knowledge
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foundation include confidentiality and privacy (including electronic devices and cyber security) and loans to/from customers.

*FINRA is proposing to allow any individual, including an individual who is not associated with a member firm, to take the SIE. Further, a passing result on the SIE would be valid for four years. Does this approach make sense? Is four years a reasonable length of time for a passing result on the SIE examination to be valid?*

- a) I am opposed to allowing an individual who is not otherwise employed by a member firm to take the examination for several reasons:
  - i) The Rules of Conduct do not address restrictions on how an individual might hold him or herself out to the public after passing the examination.
  - ii) Even if the Rules of Conduct clearly articulated that an individual must be licensed with a broker-dealer in order to conduct business under the license, there is no supervisory system in place to monitor for non-compliance.
- b) Despite efforts to promote understanding, the investing public is not savvy to the existing licensing landscape. Investors are routinely confused about broker-dealers and investment advisers, and importantly, investors are mostly unaware of the differences between RRs and IARS. Adding yet another status to the mix will be a source of confusion and worse, may provide unnecessary leeway for misrepresentations to the public.
- c) Not discussed in the proposal is whether or not an otherwise unemployed/unaffiliated person SIE status would be found on BrokerCheck and available to the general public. Please advise the industry on your proposal for restricting the availability of SIE information for individuals who are not employed with a member firm.

Thank you for the opportunity to respond to Regulatory Notice 15-20.

Best regards,

//Lisa Roth//

Lisa Roth, President

Monahan & Roth, LLC