



April 17, 2009

BY EMAIL TO: www.sec.gov

Florence E. Harmon
Deputy Secretary
Securities and Exchange Commission
100 F. Street, NE
Washington, DC 20549-1090

RE: Release No. 34-59616; File Number SR-FINRA-2009-008
Proposed Changes to Forms U4 and U5

Dear Ms. Harmon:

The National Association of Independent Brokers-Dealers, Inc. (NAIBD) was formed in 1979 to positively impact rules, regulations, and legislation by facilitating a consistent, productive relationship between industry professionals and regulatory organizations. The organization is national in scope and direction with a network of more than 350 Broker-Dealer and Industry Associate Members. We appreciate the opportunity to comment on the above-referenced rule proposal regarding proposed amendments to Forms U4 and U5.

1. Proposed Revisions to Raise Monetary Threshold for Settlements Reporting

NAIBD supports the proposed changes to raise the monetary threshold for reporting settlements of complaints, arbitrations or civil litigation.

2. Proposal to Allow Firms to Amend Form U5 for Date and Reason of Termination

Further, NAIBD supports the amendment that would allow firms to amend the "Date of Termination" and the "Reason for Termination" on Form U5 as such facility would permit firms to present accurate and complete data to the regulators and to the investing public.

3. Proposed Revisions Regarding Willful Violations.

The NAIBD recognizes the value of complete and accurate disclosure of willful violations of federal securities laws to investors, other firms and regulators, and therefore supports the proposal to incorporate timely disclosure of such violations via regulatory systems. Nonetheless, NAIBD's members include firms with more than 1,000 registered persons. These and other firms will experience significant logistical hardship in attaining the wet signatures from all their registered persons within the proposed 120 day time frame. NAIBD requests that the SEC consider allowing firms the benefit of the calendar

year in which to collect this data, such that accurate disclosures would be made in connection with annual licensing renewals. We feel that this allowance would permit firms to accomplish the collection of new data within their customary and routine processes.

4. Proposed Revisions to Elicit Reporting of Allegations of Sales Practice Violations Against Registered Persons Made in Arbitrations or Litigation in which the Registered Person is not a Named Party.

NAIBD urges SEC to reject FINRA's proposed revisions that would revise the Forms U4 and U5 to require the reporting of allegations of sales practice violations against a registered representative even if such individual is not named in the arbitration claim or civil litigation. Firstly, we fear that reporting allegations of violations on a Form U4 or Form U5 when a registered representative has been afforded no right to be adequately notified, no opportunity to dispute the charges, and no opportunity to be heard at proceedings body would constitute a clear abuse of due process and is fundamentally unfair. Secondly, the burden on firms to ascertain the merits of a claim against an individual in the absence of a clear allegation and/or prior to adjudication places an unreasonable burden on firms' legal and compliance personnel. Finally, FINRA has a mechanism in its Rule 3070 regulation system to expand reporting requirements from firms to regulators, without risk to the public reputation of an individual. In lieu of implementing the amendment as proposed, NAIBD respectfully suggests that FINRA convene a task force to evaluate the opportunities that may exist for coordinated reporting via alternative systems such as its existing Rule 3070 mechanism in an effort to enhance both the scope of disclosure and the efficiency afforded to firms and regulators in reporting complaints.

5. Proposed Technical and Conforming Changes

NAIBD requests clarification regarding FINRA's proposal to expand the reporting and disclosure requirements regarding internal investigations with respect to whether or not the individual's wet signature would be required, and as to how or if the reports would be integrated with other reporting systems such as the Rule 3070 system.

In general, NAIBD feels that a compelling opportunity exists for FINRA to upgrade and integrate existing systems such as CRD, Form BR and regulation systems including Firm Notification and Rule 3070. In this context, which NAIBD feels presents no compromise to the intent of the proposed regulation, NAIBD again recommends that an industry task force be convened to assist the regulators in identifying gaps and associated opportunities to streamline existing systems for the purpose of achieving higher efficiency and accuracy. Ultimately, NAIBD feels that any resulting enhancements would greatly benefit the investing public, the industry and regulators alike.

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NAIBD appreciates the opportunity to comment on this proposal. If you have any questions or would like to request clarification, please contact the undersigned at 619-283-3107.

Sincerely,

// Lisa Roth //

Lisa Roth, NAIBD Member Advocacy Committee Chair
Keystone Capital Corporation, CEO/CCO