

January 27, 2009

VIA E-MAIL

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

RE: Regulatory Notice 08-80:
FINRA Request Comment on Proposed FINRA Rule
Addressing Best Execution

Dear Ms. Asquith:

We are submitting this letter in response to Regulatory Notice 08-80, "FINRA Requests Comment on Proposed FINRA Rule Addressing Best Execution".

The proposed rule would have four primary amendments. First, the proposed rule would adopt a new provision providing that a member firm has met its best execution obligations regarding orders for foreign securities with no US market if certain conditions are met. Second, the replacement of NASD Rule 2320(g) with Supplementary Material addressing a member firm's obligation when handling orders for securities with limited quotation information. Third, the codification of a member firm's obligation to regularly and rigorously review execution quality. Lastly, the adoption of Supplementary Material addressing a member firm's obligation when handling an order that the customer has instructed the firm to route to a particular market for execution. Please see our comments which follow.

Best Execution for Foreign Securities

Proposal. As part of transferring NASD rule 2320 into the Consolidated FINRA Rulebook, FINRA is proposing to adopt a new provision addressing orders for foreign securities with no US market. Under the proposed provision, a firm would be deemed to have met its best execution obligations with respect to an order if: (1) the order is for a non-US traded security; (2) the firm has adopted written policies and procedures regarding its handling of the orders; (3) the firm reviews those policies and procedures at least annually, or more frequently; (4) the firm has obtained its customers' consent to its policies and procedures regarding the handling of orders for non-US traded securities; (5) and the firm handles the order in accordance with its policies and procedures.

Comment. We support the proposed rule adopting a new provision addressing orders for foreign securities with no US market with exception to obtaining its customers' consent to its policies and procedures. We believe that the proposed requirement would not serve the Securities Industry by allowing customers' consent to be a factor in a Broker Dealer determination of Best Execution.

Three Quote Rule

Proposal. Proposed FINRA Rule 5310 emphasizes a firm's best execution obligations when handling an order involving a non-exchange-listed security for which there is limited pricing information available, the Supplementary Material would require that member firms have written policies and procedures in place to address the steps the firm will take to determine the best market for such a security in the absence of multiple quotations and require that firms document how they complied with those policies and procedures.

Comment. We support the proposed rule adopting a new provision to have written policies and procedures in place to address the steps the firm will take to determine best execution.

Regular and Rigorous Review of Execution Quality

Proposal. Proposed FINRA Rule 5310 would add Supplementary Material that would codify a member firm's obligation to regularly and rigorously review execution quality likely to be obtained from different market centers.

Comment. We support the proposed rule that would codify a member firm's obligation to regularly and rigorously review execution quality to be obtained from different market centers.

Customer Instructions Regarding the Routing of Orders

Proposal. Proposed FINRA Rule 5310 would include Supplementary Material that addresses situations where the customer has, on an unsolicited basis, specifically instructed the firm to route its order to a particular market. Under those circumstances, the firm would not be required to make a best execution determination beyond that specific instruction.

Comment. We oppose the Supplementary Material proposing FINRA Rule 5310 that addresses situation where the customer has, on an unsolicited basis, specifically instructed the firm to route its order to a particular market. We believe that it is the firm's responsibility to always make a best execution determination in all cases whether specifically instructed to route its order to a particular market or not.

First Allied Securities, Inc. appreciates the opportunity to comment on the above proposed Rule changes and amendments. We would be happy to answer any questions you may have about our comment letter.

Sincerely,

Michele Samuelson
Compliance Trading Specialist
Compliance Dept.

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