

Channel Capital Group LLC

420 Lexington Avenue, 25th Floor
New York, NY 10170

May 27, 2009

Marcia E. Asquith
Office of the Corporate Secretary
FINRA
1735 K Street, N.W.
Washington, D.C. 20006-1506

RE: Proposed FINRA Rule 3210.

The change in the current rule to require all firms to send duplicate statements and confirmations to the member firm of all registered representatives is in our opinion unnecessarily burdensome for small member firms whose business does not involve trading, or research activities. We believe that the rule should require all firms to send duplicate confirmations and statements IF requested by the account holders' member firm employer.

We believe there are a large number of small former NASD firms that the activities of the firm do not require duplicate confirmations or statements for effective compliance supervision. Today's rule 3050 takes into account firms that do not require duplicate confirmations or statements. **Rule 3050 (a)(2) " upon written request by the employer member, transmit duplicate copies of confirmations, statements, or other information with respect to such account; and "**

Proposed Rule 3210(c) (c) When an executing member has actual notice that an associated person of an employer member has a personal financial interest in any account opened or otherwise established at the executing member, such executing member shall not execute any securities transactions in that account unless it has obtained the employer member's prior written consent. ***In addition, such executing member shall promptly obtain and implement an instruction from the associated person directing that duplicate account statements and confirmations be provided to the employer member.***

The rule could easily be changed to the current FINRA standard without any loss of member flexibility if the current language was reflected in Rule 3210(c) i.e.

When an executing member has actual notice that an associated person of an employer member has a personal financial interest in any account opened or otherwise established at the executing member, such executing member shall not execute any securities transactions in that account unless it has obtained the employer member's prior written consent. ***In addition, such executing member shall promptly obtain and implement an instruction from the associated person directing that duplicate account statements and confirmations be provided to the employer member upon written request by the employer member.*** We would also find it acceptable that the Rule require duplicate account statements and confirmations UNLESS the receiving member states in writing that it does not want the statements and confirmations.

The firms would retain the flexibility to decide if the business of the firm requires supervision of the securities transactions of its employees. There are entire groups of small firms that the business activities of the member do not currently require statements and confirmations as an example a firm that is only engaged in the business of mutual fund retailing or other types of third party marketing activities.

We urge you to consider the smaller members of FINRA when reviewing the current NYSE and NASD Rules and to incorporate as much as possible the regulatory flexibility that is in the current rules and that would not reduce market integrity and customer protection.

Respectfully Submitted


Brent E. Hippert
CCO CFO