



November 17, 2011

Submitted via pubcom@finra.org

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

Re: FINRA Regulatory Notice 11-44

Ladies and Gentlemen:

This letter is submitted by Dividend Capital Securities LLC ("Dividend Capital Securities"), a broker/dealer registered with the Securities and Exchange Commission ("SEC" or "Commission") and a Financial Industry Regulatory Authority, Inc. ("FINRA") member firm, in response to the request for comments published by the FINRA in Regulatory Notice 11-44 (September 2011) (the "Proposing Notice"), with respect to proposed amendments to National Association of Securities Dealers, Inc. ("NASD") Rule 2340 (to be renumbered FINRA Rule 2231) to revise the per share estimated value required by Section (c) thereof to be included by FINRA members on customer account statements with respect to the securities of public non-traded direct participation program ("DPP") and real estate investment trust ("REIT") securities (the "Proposal").

Dividend Capital Securities currently operates solely as a Dealer Manager for offerings of real estate securities including public non-traded REIT offerings and, as such, we have a significant interest in this Proposal and appreciate the opportunity to comment. Dividend Capital Securities is currently offering one non-traded REIT and has filed a proposed follow-on offering with FINRA for review under FINRA Rule 2310 with respect to another non-traded REIT that completed its initial capital-raising approximately two years ago.

We, like most FINRA member firms, support FINRA's continued efforts to increase regulatory protections for investors and, in this case, enhance disclosure on customer account statements regarding the illiquidity and valuations of non-traded DPP and REIT (together, "Program") securities. We agree with FINRA that the protections provided by NASD Rule 2340(c) would be enhanced by prohibiting FINRA members from continuing to disclose the offering price of the securities of a DPP or REIT as the per share estimated value on customer account statements after an "Initial Offering Period", as that term is defined in the Proposal, as most REITs will then be in a position to develop a more relevant per share estimated value based on an appraisal of REITs' assets, liabilities, operations and other relevant factors.

However, we feel as do other commenters, that the disclosure of values for non-traded Program or REIT securities on customer account statements during the Initial Offering Period should not raise the same concerns as providing a value after the Program or REIT has had the opportunity to invest the proceeds of its initial capital-raising. Therefore, we oppose FINRA's Proposal to require that FINRA members include a per share estimated value during the Initial Offering Period that is calculated by deducting the organization and offering expenses of the offering, as defined in FINRA Rule 2310(a)(12), from the offering price. We believe that including any value other than the offering price for non-traded Program or REIT securities on customer account statements during the Initial Offering Period would not provide information to investors that was not already disclosed prior to investment through the prospectus and would not advance investor protection interests.

We believe that these views are aligned with comments submitted to FINRA by the Committee on Federal Regulations of Securities of the Section of Business Law of the American Bar Association (the "ABA"), the Investment Program Association (the "IPA"), and others. We support the arguments submitted by these commenters in opposition to the Proposal regarding the listing of a per share estimated value other than the offering price. In particular, we agree with the conclusion of the ABA that "[T]he Proposal would result in disclosure of an artificial value for non-traded Program securities during the Initial Offering Period that is (in comparison to the offering price) misleading to investors, difficult to calculate, and artificially low."

We also ask that FINRA clarify certain matters both outlined and omitted from the Proposal. Most important to us would be a clarification that FINRA member firms may disclose a per share estimated value based on an appraisal of the Program or REIT's assets, liabilities, operations and other relevant factors on customer account statements both during the Initial Offering Period and during any follow-on offering period once the Program or REIT issuer publishes such a value in any filing with or submission to the Commission. As discussed above, Dividend Capital Securities is the Dealer Manager for a non-traded REIT offering nearing the end of its initial offering period as well as a follow-on non-traded REIT offering currently in registration that would provide for increased liquidity and greater frequency of valuations. Therefore, this clarification would be important to not only us, but others in the same position or are considering underwriting non-traded REIT offerings with the same or similar structures.

We also request that FINRA clarify that FINRA members would be obligated to use the appraised value published by the Program or REIT issuer on customer account statements after the Initial Offering Period, regardless of the offering price of a follow-on offering by the Program or REIT issuer.

In addition, we would like to point out that the Proposing Release does not discuss FINRA's plans to implement the proposed rule change with respect to securities already being offered at the time of Commission approval of the proposed rule change. As discussed above, Dividend Capital Securities is currently offering one non-traded REIT offering and we have one in registration. Therefore, the timing of any proposed rule change would affect one or both of these offerings as well as plans for any future offerings. While we are not suggesting a particular structure for the implementation of the amendments, we believe it is important that FINRA

provide a clear explanation of the intended implementation of the anticipated amendments to Rule 2340 with respect to offerings that are not filed with the SEC, currently in registration but not yet effective, currently engaged in an offering and are either within or beyond the adopted definition for the Initial Time Period, or have terminated offerings of securities except for the Program or REIT's dividend reinvestment plan.

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Once again, Dividend Capital Securities appreciates the opportunity to submit these comments. Thank you for your consideration of these very important concerns.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Gordon Taylor', is written over a faint, stylized background graphic that resembles a large, abstract letter 'W' or a series of connected loops.

Gordon Taylor
Vice President, Chief Compliance Officer
Dividend Capital Securities LLC

CC:

Charles Murray, President, Dividend Capital Securities LLC