

January 11, 2018

Jennifer Piorko Mitchell
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

Re: Regulatory Notice 17-38 - Remote Branch Office Inspections

Dear Jennifer:

We are writing in response to FINRA's request for comment on its proposal to amend Rule 3110 by adding Supplementary Material .15. We appreciate FINRA's goal of providing member firms with greater flexibility with respect to inspections. Namely, we support FINRA's aim of allowing firms to conduct remote inspections for offices that meet the criteria set forth in proposed Rule 3110.15(b). While reducing the burden of on-site inspections for certain offices, we also believe that such treatment for offices that meet the specified criteria will not result in any protection reduction for our investors.

The purpose for our comment, however, is to confirm our understanding with respect to one phrase used in proposed Rule 3110.15(b). Subsection (1) within this Rule states that "Not more than three associated persons that conduct business for the member are *designated to the location*" (emphasis added). We have not identified any prior use of that emphasized phrase and would like to confirm our understanding of its meaning. Specifically, we understand that phrase to mean the address from which an associated person conducts business for the member, which would be reflected as the "Office of Employment" or "Located At" field on an associated person's Form U4. Therefore, that phrase would *not* mean the address from which an associated person is assigned for supervisory purposes, which would be reflected as the "Supervising Address" or the "Supervised From" field on an associated person's Form U4.

If this understanding is correct, then the proposal will reduce our requirement for on-site inspections of certain wholesalers of our mutual funds. If, however, our understanding is incorrect and that phrase is meant to capture offices supervising associated persons (while still complying with the other conditions of proposed Rule 3110.15), then the aim of the proposal to reduce regulatory burdens will not be met for us. Specifically, we have offices that meet all the other requirements of the proposal (and seem to be the target of this regulatory flexibility), but that also supervise more than three associated persons (and are indicated as the "Supervised From" location on associated persons' Forms U4).

Based on discussions with personnel at FINRA, we believe that our understanding comports with FINRA's intention and the overall purpose of the proposal, but would appreciate formal acknowledgment of that understanding.

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In the alternative, to reduce any potential confusion we would recommend using a more common phrase, possibly one that specifically identifies the Form U4 field or information relevant to fulfilling the condition in Subsection (1) of the proposed Rule.

Again, we appreciate your efforts to give member firms additional flexibility with respect to their regulatory obligations. If any additional information or context is needed, do not hesitate to contact us.

Many thanks.

Sincerely,



Daniel K. Richardson
Assistant General Counsel



Amy D. Shelton
Senior Vice President & Chief Compliance Officer