

**ARM** *Association  
of Registration  
Management, Inc*  
Post Office Box 133, Bowling Green Station, New York, NY 10274

[www.armgmt.org](http://www.armgmt.org)

March 23, 2007

Ms. Barbara Sweeney  
NASD  
Office of the Corporate Secretary  
1735 K Street, NW  
Washington, D.C. 20006-1506

Dear Ms. Sweeney:

The Association of Registration Management<sup>1</sup> (“ARM”) appreciates the opportunity to comment on proposed amendments to NASD Rules 3010(g) (Supervision of “Office of Supervisory Jurisdiction”) and 2711 (Research Analysts and Research Reports – Definition of “Initial Public Offerings”) in connection with the Rule Harmonization Project with the New York Stock Exchange (“NYSE” or “Exchange”)

ARM applauds the Exchange and NASD for their efforts in working jointly to harmonize their rulebooks in order to eliminate duplicative rules, streamline regulation and assist the industry in meeting its reporting obligations in a less confusing and manually intensive manner. ARM believes that the majority of its membership, as dually registered firms of both the NASD and NYSE, utilize the current NYSE definition in Rule 472 and appreciate the NASD effort in codifying and harmonizing its Rule 2711.

While ARM would certainly be supportive of any effort by the NASD to review its current rules and rationale for proposed rule changes, we have some concerns and reservations as to the approach this proposal seems to encapsulate.

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<sup>1</sup> The Association of Registration Management is an industry association founded in 1975. It is comprised of registration managers of broker-dealers who deal with the regulatory community on matters relating to licensing and registration.

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ARM indisputably agrees with your proposal that a location of a member firm where the only regulated activity being conducted is the final review and approval of research material should not be classified as a branch office under Rule 3010(g). However, we feel that adding four new types of branch office registration categories is an approach that only serves to confuse the industry further, rather than specifically addressing the issue of no longer having to register such locations.

Furthermore, we are concerned with the already present lack of acceptance of the uniform definition of a branch office within several of the state and jurisdictional legislatures, where the presence of a principally registered individual is required at all times. We fear this proposal will only serve to delay progress towards uniformity, which the industry considers a necessity. In addition, the Association fears that adding these new titles of branch office locations will subject the industry to an arduous task of updating thousands of current Form BR applications, a task the industry was assured, at Licensing and Registration Council meetings, the NASD would attempt to avoid in earnest.

ARM would propose the NASD consider amending its current definition of "Sales Literature" as defined in NASD Rule 2210(a)(2) to exclude "Research Reports", thereby removing the association from the current definition of an Office of Supervisory Jurisdiction, under NASD Rule 3010(g).

In its Notice to Members, request for comment, the NASD advises that this proposal is part of its continuing effort to harmonize and consolidate the NASD and NYSE rulebook. Several members of our Association served on the Rule Harmonization Committee and believes that the committee's recommendation on this matter centered on its opinion that the NASD modify its interpretation of Sales Literature to conform to that of the current NYSE interpretation.

Although the Association truly appreciates what is clearly a sincere effort by the NASD to end duplication and reduction of regulatory efforts, we genuinely feel that the industry's true concerns and confusion over its current branch office registration reporting obligations are not addressed in this proposal. It is ARM's sincere hope that the NASD will consider the thoughts and opinions expressed herein and welcomes the opportunity to discuss them further.

ARM appreciates the opportunity to provide comment on this extremely important initiative and proposal

Sincerely,  
On behalf of the ARM Executive Board,

*Marian H. Desilets*

Marian H. Desilets  
President