



November 5, 2021

Ms. Jennifer Piorko Mitchell
Office of the Corporate Secretary
Financial Industry Regulatory Authority
1735 K Street, NW
Washington, DC 20006-1506

RE: FINRA Request for Comment – Regulatory Notice 21-32

Dear Ms. Mitchell:

With respect to the above-referenced Request for Comment, the Financial Industry Regulatory Authority (“FINRA”) has sought guidance with respect to changing its policy to permit the assignment of OTC symbols for those firms who can demonstrate their best efforts to obtain a Committee on Uniform Securities Identification Procedures (“CUSIP”) identifier, and provide documentation that establishes the security as an unrestricted equity.

Orchard Securities, LLC (“Orchard”) appreciates the opportunity to share its perspective with respect to the issuance of OTC symbols for non-traded real estate investment trusts (“REITs”). In the past year, Orchard has had occasion to investigate the existence of a CUSIP identifier for 16 different non-traded REITs. In only two of these instances was Orchard unable to obtain CUSIP identifiers, as the sponsor or issuer had not elected to obtain a CUSIP. But Orchard believes that there is a larger issue that should garner FINRA’s attention—specifically, with respect to the 14 submissions asking for symbol assignment after Orchard identified the CUSIP, FINRA was unable to assign a symbol in nine instances. Orchard believes that the fact that FINRA is unable to assign a symbol, despite the existence of a CUSIP identifier, seems to indicate a larger problem than the inability to obtain CUSIP identifiers. Based on its experience, Orchard believes that the existence of the

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CUSIP identifier is but an arbitrary factor with respect to the issuance of an OTC symbol.

Additionally, Orchard recently encountered a situation with FINRA OTC symbol staff where staff were unwilling to disclose available symbols to Orchard. In particular, the FINRA OTC symbol staff indicated that to do so would be a violation of FINRA's license agreement with Standard & Poors ("S&P"). Orchard believes that this is an unnecessary inefficiency that does not seem congruent with FINRA's self-regulatory obligations. As a FINRA Member firm, Orchard should be able to obtain CUSIPs from FINRA, rather than have to unnecessarily waste resources to gather this information from other sources. The FINRA licensing agreement with S&P should be modified to permit FINRA to share CUSIP information with its members.

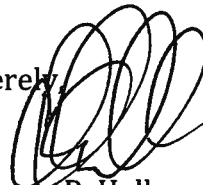
Orchard also believes that FINRA's trade reporting requirements are not tailored to the market for non-traded REITs, and the information required to be reported to FINRA is not useful to investors. Due to the illiquid nature of these non-traded REITs, the transactions often occur at prices not indicative of their net asset value. Indeed, these transactions are not in any way representative of a true market, or valuable to investors. If anything, the requirement to publish these transactions only serves to cause confusion for retail investors who are unaware of the reason for the disparity between the non-traded REIT's stated value on their account statements and the transaction prices publicly disseminated by FINRA.

Because the publication of these transactions in non-traded REITs does not serve a public interest, FINRA should reconsider where it is focusing its efforts. Rather than focusing on a process for obtaining a CUSIP identifier or symbol, Orchard believes that any future trade reporting policy for non-traded REITs should focus on the value of trade reporting these transactions. In other words, from Orchard's perspective, rather than focusing on modifying certain issues within FINRA's existing reporting framework, FINRA's resources would be better used revisiting the framework itself to implement changes that support its members and are beneficial to investors.

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We appreciate the opportunity to comment on FINRA's proposed policy and would welcome an open dialog regarding trade reporting of non-traded REITs.

Sincerely,



Cameron R. Hellewell
General Counsel

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