



August 12, 2014

**VIA Email:** [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

NATIONAL  
ASSOCIATION  
OF  
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REITS:  
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Ms. Elizabeth M. Murphy  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-1090

Re: File No. SR-FINRA 2014-006--Notice of Filing of a Proposed Rule Change Relating to Per Share Estimated Valuations for Unlisted DPP and REITS (FINRA Proposal)

Dear Ms. Murphy:

The National Association of Real Estate Investment Trusts (“NAREIT”) is the worldwide voice for REITs and publicly traded real estate companies with interests in U.S. real estate and capital markets. NAREIT’s members are REITs and other real estate businesses throughout the world that own, operate and finance commercial and residential real estate.

REITs in the United States may be public companies whose securities are registered with the Securities and Exchange Commission (“SEC”) and listed on an established stock exchange (so-called, “Listed REITs”); public companies whose securities are registered with the SEC, but which are not listed on an established stock exchange (so-called, “Public Non-Listed REITs” or “PNLRs”); or private companies.

PNLRs participate at NAREIT through the Public Non-Listed REIT Council, which consists of all 40 NAREIT PNLR corporate members (the PNLR Council). The mission of the PNLR Council is to advise NAREIT’s Executive Board on matters of interest and importance to PNLRs.

NAREIT’s PNLR Council has carefully reviewed SR-FINRA 2014-006, and has developed the attached comment letter for submission and consideration by the SEC.



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NAREIT and its PNL Council look forward to working with the SEC and with FINRA on these and other issues as we move forward.

Please feel free to contact me if you would like to discuss our positions in greater detail.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "S. A. Wechsler". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Steven A. Wechsler

President & CEO



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Re: File No. SR-FINRA 2014-006--Notice of Filing of a Proposed Rule Change Relating to Per Share Estimated Valuations for Unlisted DPP and REITS (FINRA Proposal)

Dear Ms. Murphy:

This comment letter regarding SR-FINRA-2014-006 (the Proposed Rule) is submitted on behalf of the Public Non-Listed REIT Council (the PNL Council) of the National Association of Real Estate Investment Trusts<sup>1</sup> (NAREIT), and is signed by its Executive Committee, each of whom represents an established sponsor in the public non-listed REIT industry.

The PNL Council has supported this series of rulemakings undertaken by FINRA and the SEC to promote the goals of accurate and relevant customer account statement reporting and transparency. NAREIT's PNL Council is, therefore, pleased to support the FINRA Proposal to amend Rules 2310 and 2340 relating to per share estimated valuations for unlisted DPP and REIT securities.

Over the course of this regulatory effort, the PNL Council submitted four separate comments to FINRA and the SEC on proposals that culminated in the final amendments set forth in the FINRA Proposal.<sup>2</sup> At each juncture, we have appreciated the careful consideration that our submissions, and those of other PNL stakeholders, received and the open process that was maintained throughout. We are pleased to see that the final FINRA Proposal provides greater flexibility in deriving valuations and includes an 18 month transition period affording PNL sponsors an adequate time frame to adapt their systems, internal controls, due diligence procedures, legal documentation and investor educational materials.

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<sup>1</sup> The National Association of Real Estate Investment Trusts (NAREIT) is the worldwide voice for real estate investment trusts (REITs) and publicly traded real estate companies with interests in U.S. real estate and capital markets. NAREIT's members are REITs and other real estate businesses throughout the world that own, operate and finance commercial and residential real estate.

<sup>2</sup> [Letter from Steven Wechsler, President and CEO, National Association of Real Estate Investment Trusts \('NAREIT'\), to Ms. Marcia E. Asquith, Office of the Corporate Secretary, FINRA, dated November 11, 2011;](#) [Letter from Steven Wechsler, President and CEO, NAREIT to Ms. Marcia E. Asquith, Office of the Corporate Secretary, FINRA, dated April 11, 2012;](#) [Letter from Steven Wechsler, President and CEO, NAREIT, to Elizabeth Murphy, Secretary, SEC, dated February 14, 2014;](#) [Letter from Steven Wechsler, President and CEO, NAREIT, to Elizabeth Murphy, Secretary, SEC, dated March 12, 2014.](#)

The PNLR Council has been pleased to support these efforts by FINRA and the SEC to ensure that the PNLR marketplace is a fair, equitable and transparent one. Please do not hesitate to call on us for questions related to this, or future initiatives related to these ends.

Respectfully submitted,

Executive Committee  
NAREIT PNLR Council

CHAIR:



Daniel L. Goodwin,  
Chairman and CEO, The Inland Real Estate Group, Inc.



Robert S. Aisner,  
President & CEO, Behringer



Nicholas S. Schorsch,  
Executive Chairman & Partner, AR Capital, LLC



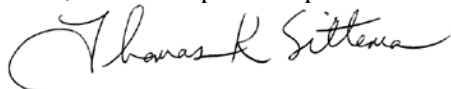
Charles J. Schreiber, Jr.  
CEO, KBS Realty Advisors



Sherri W. Schugart  
Senior Managing Director/ CEO, Hines Interests Limited Partnership



Kevin A. Shields  
CEO, Griffin Capital Corporation



Thomas K. Sittima  
CEO, CNL Financial Corporation