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Member FINRA/SIPC

October 24, 2014

Via e-mail: *rule-comments@sec.gov*

Mr. Brent J. Fields, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: File No. SR-FINRA-2014-038 Proposed Rule Change to Adopt FINRA Rule 3110(e) and Supplemental Material 3110.15

Dear Mr. Fields:

Wells Fargo Advisors, LLC (“WFA”) appreciates the opportunity to comment on the Financial Industry Regulatory Authority (“FINRA”) proposal to adopt Rule 3110(e) *Responsibility of Member to Investigate Applicants for Registration*, along with Supplementary Material 3110.15, *Temporary Program to Address Underreported Form U4 Information*, as detailed in SR-FINRA-2014-038 (“the Proposal”).¹

WFA is a dually registered broker-dealer and investment advisor that administers approximately \$1.4 trillion in client assets. It employs approximately 15,189 full-service financial advisors in branch offices in all 50 states and 3,472 licensed financial specialists in 6,610 retail bank branches in 39 states.² WFA is a non-bank affiliate of Wells Fargo &

¹ Regulatory Notice 14-35, FINRA Requests Comment on a Revised Proposal to Adopt Consolidated FINRA Rule 2231 (Customer Account Statements), (September 2014), <http://www.finra.org/web/groups/industry/@ip/@reg/@notice/documents/notices/p600772.pdf>

² Wells Fargo & Company is a diversified financial services company providing banking, insurance, investments, mortgage and consumer and commercial finance across the United States of America and internationally. Wells Fargo has 275,000 team members across more than 80 businesses. Wells Fargo’s brokerage affiliates also include Wells Fargo Advisors Financial Network, LLC (“WFAFN”) and First Clearing, LLC (“FCC”), which provides clearing services to 76 correspondent clients, WFA and WFAFN. For the ease of discussion, this letter will use WFA to refer to all brokerage operations.

Company (“Wells Fargo”), whose broker-dealer and asset management affiliates comprise one of the largest retail wealth management, brokerage and retirement providers in the United States. WFA and its affiliates help millions of customers of varying means and investment needs obtain the advice and guidance they need to achieve financial goals. Furthermore, WFA offers access to a full range of investment products and services retail investors need to pursue these goals.

WFA fully supports the Securities Industry and Financial Markets Association’s (“SIFMA”) comment letter to FINRA on Proposed Rule 3110(e), specifically their comments on the length of the refund program under Supplementary Material 3110.15, as highlighted below.

FINRA Should Extend the Length of Time to Address Underreported Form U4 Information

Supplementary Material 3110.15 establishes a temporary program to refund members Late Disclosure Fees that were assessed for the late filing of responses to Form U4 Question 14M (unsatisfied judgments or liens) if the following conditions are met³:

- (1) The Form U4 amendment is filed between April 24, 2014 and March 31, 2015;
- (2) The judgment or lien is under \$5,000 and more than five years old (from the date the judgment or lien is filed with a court as reported on Form U4 Judgment/Lien DRP, Question 4); and
- (3) The registered person was not employed by, or otherwise associated with, the firm filing the amended Form U4 on the date the judgment or lien was filed with the court.

WFA supports the purpose of the refund program. However, the proposed rule creates additional obligations that have not yet been fully clarified⁴. Once finalized, firms will need time to assess and implement the rule’s provisions, which may include process changes, new policies and procedures, and the performance of additional registered representative diligence reviews. Accordingly, due to the significant number of registered individuals employed by WFA and the amount of time required to conduct an appropriate review in accordance with the finalized rule requirements, WFA fully supports SIFMA’s request that FINRA extend the length of the refund program to December 1, 2015, or in the alternative, adopt a permanent refund program.

³ Supplementary Material 3110.15

⁴ The SIFMA comment letter on FINRA’s proposal to require verification of the accuracy and completeness of information contained in an applicant’s Form U4 no later than 30 calendar days after filing (File No. SR-FINRA-2014-38)

Conclusion

WFA appreciates the opportunity to comment on Proposed Rule 3110(e) and Supplementary Material 3110.15, and commends FINRA's efforts obtain industry feedback. If you would like to further discuss this issue, please contact the undersigned at [REDACTED] or [REDACTED].

Sincerely,



Robert J. McCarthy
Director of Regulatory Policy