

April 27, 2023

VIA Electronic Mail (rule-comments@sec.gov)

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F. Street, N.E.
Washington, DC 20549

RE: Proposed Rule Change to Adopt Supplementary Material .19 (Residential Supervisory Location) under FINRA Rule 3110 (Supervision); File No. SR-FINRA-2023-006

Dear Ms. Countryman:

Davenport & Company LLC (“Davenport”) appreciates the opportunity to provide the Commission with comments on FINRA’s proposal to adopt Supplementary Material .19 (Residential Supervisory Location) under FINRA rule 3110 (Supervision). Davenport supports the proposal to define Residential Supervisory Locations (“RSL”) as non-branch locations and aligning the classifications of supervisory activity from a non-branch location with the existing residential exclusion in the branch office definition. This proposal eliminates the necessity to register certain private residences as an Office of Supervisory Jurisdiction (“OSJ”). This will have multiple beneficial effects, as set out further, below.

Davenport’s Supervisory Structure

Davenport is a full-service regional Brokerage-Dealer and Investment Advisory Firm that serves individual, limited institutional, corporate, and municipal clients.

Davenport’s retail business model consists of a network of public-facing branch offices to serve its client base. As a managerial approach to assure consistent supervision for routine processes, a centralized supervision unit was established. This unit resides in Davenport’s Richmond Branch headquarters and maintains “virtual” supervision for all branches in its footprint. These registered principals do not perform sales-related activities or meet with clients.

Davenport’s approach to a centralized supervision function allowed the firm to quickly respond to COVID-19 by moving to a remote workforce. Davenport supervision was already operating in a technology/electronic based environment that supported remote supervision. This process includes but is not limited to electronic review of email correspondence, trade reviews, account approvals, review of client forms, and potential customer complaints. In addition, virtual meetings with branch managers and supervision staff members is conducted at regular intervals.

Residential Supervisory Locations

Davenport supports the proposal to define RSL's as non-branch locations, with reasonable exclusions as outlined in the proposal. Davenport agrees with the proposals that these RSL's represent a lower risk than an OSJ and should not be subject to the same registration and inspection requirements.

The proposed definition maintains the privacy of home addresses from disclosure to the public. Any disclosure of the home address could give rise to confusion among Davenport's client base when searching for an "office", sending in correspondence, and could potentially put a Davenport employee at harm should there be conflict with a client.

Davenport further agrees with the key changes outlined in the current proposal:

- 1) Books and records may not be physically or electronically preserved or maintained at the RSL;
- 2) Expansion of ineligibility criteria to include member firms that have been suspended or have been a FINRA member for less than twelve months;
- 3) Making an office or location ineligible when an associate person is subject of an investigation or action relating to a failure to supervise; and
- 4) Requiring a submission of a roster of RSL's, to FINRA, on a quarterly basis.

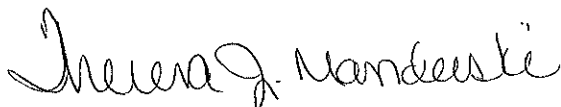
The proposal provides for optimization of firm resources devoted to supervision. The firm is able to expand the size of its supervision team, as necessary to support growth in our business, without the need to increase our investment in real estate and related expenses. Further, this proposal aligns with the firm's efforts to enhance the diversity of its workforce. We are able to consider individuals who are outside our geographic area and not open to relocation and also those whose personal situation does not lend itself to regularly commuting to and working in our corporate office. Finally, the firm believes that given the limited scope of activities that would be permitted at a RSL and the controls incorporated in the proposal, these advantages will accrue without negative impact to investor protection.

Conclusion

Davenport supports FINRA's proposal and supports their ongoing efforts to modernize rules and keep pace with expanding technology and workplace advancements. Davenport also agrees with the comments submitted by the Securities Industry and Financial Markets Association ("SIFMA").

Thank you for the opportunity to provide feedback on this proposal.

Sincerely,



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