

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-58832; File No. SR-FINRA-2008-053)

October 22, 2008

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of Proposed Rule Change to Amend Section 4(c) of Schedule A of the FINRA By-Laws to Increase Certain Qualification Examination Fees

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 15, 2008, Financial Industry Regulatory Authority, Inc. (“FINRA”) (f/k/a National Association of Securities Dealers, Inc. (“NASD”)) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

FINRA is proposing to amend Section 4(c) of Schedule A to the FINRA By-Laws (“Schedule A”) to increase certain qualification examination fees. Below is the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets.

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SCHEDULE A TO THE BY-LAWS OF THE CORPORATION

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Section 4—Fees

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

(a) and (b) No change

(c) The following fees shall be assessed to each individual who registers to take an examination as described below. These fees are in addition to the registration fee described in paragraph (b).

Series 4 Registered Options Principal	[\$80] <u>\$90</u>
Series 6 Investment Company Products/Variable Contracts Representative	[\$75] <u>\$85</u>
Series 7 General Securities Representative	[\$250] <u>\$265</u>
Series 9 General Securities Sales Supervisor — Options Module	[\$60] <u>\$70</u>
Series 10 General Securities Sales Supervisor — General Module	[\$100] <u>\$110</u>
Series 11 Assistant Representative — Order Processing	[\$60] <u>\$70</u>
Series 14 Compliance Official	[\$300] <u>\$320</u>
Series 16 Supervisory Analyst	[\$200] <u>\$210</u>
Series 17 Limited Registered Representative	[\$65] <u>\$70</u>
Series 22 Direct Participation Programs Representative	[\$75] <u>\$85</u>
Series 23 General Securities Principal Sales Supervisor Module	[\$75] <u>\$85</u>
Series 24 General Securities Principal	[\$95] <u>\$105</u>
Series 26 Investment Company Products/Variable Contracts Principal	[\$75] <u>\$85</u>
Series 27 Financial and Operations Principal	[\$95] <u>\$105</u>
Series 28 Introducing Broker[/]_Dealer Financial and Operations Principal	[\$75] <u>\$85</u>
Series 37 Canada Module of S7 (Options Required)	[\$150] <u>\$160</u>
Series 38 Canada Module of S7 (No Options Required)	[\$150] <u>\$160</u>

Series 39 Direct Participation Programs Principal	[\$75] <u>\$80</u>
Series 42 Registered Options Representative	[\$60] <u>\$65</u>
Series 55 Limited Representative — Equity Trader	[\$85] <u>\$95</u>
Series 62 Corporate Securities Limited Representative	[\$75] <u>\$80</u>
Series 72 Government Securities Representative	[\$85] <u>\$95</u>
Series 82 Limited Representative — Private Securities Offering	[\$75] <u>\$80</u>
Series 86 Research Analyst — Analysis	[\$150] <u>\$160</u>
Series 87 Research Analyst — Regulatory	[\$105] <u>\$115</u>
(1) through (3) No change	
(d) through (h) No change	

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II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FINRA included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Any person associated with a member firm who is engaged in the securities business of the firm must register with FINRA. As part of the registration process, securities professionals must pass a qualification examination to demonstrate competence

in each area in which they intend to work. These mandatory qualification examinations cover a broad range of subjects on the markets, products, a person's responsibilities in a given position, securities industry rules and the regulatory structure. Some qualification examinations are sponsored (i.e., developed) solely by FINRA while others are sponsored by the Municipal Securities Rulemaking Board ("MSRB"), the North American Securities Administrators Association ("NASAA"), the National Futures Association ("NFA"), the Federal Deposit Insurance Corporation ("FDIC"), other self-regulatory organizations ("SROs") or jointly among these entities.³

FINRA administers qualification examinations via computer through the PROCTOR[®] system⁴ at test centers operated by vendors under contract with FINRA. FINRA charges an examination fee to candidates for FINRA-sponsored and co-sponsored examinations. For qualification examinations sponsored by a FINRA client and administered/delivered by FINRA, FINRA charges a delivery fee that represents either a portion of or the entire examination fee for a particular examination.

³ For example, FINRA administers and delivers the Series 6, 24 and 27 examinations, which are sponsored by FINRA. FINRA also administers and delivers client-sponsored examinations, such as the Series 9 and 10, which are sponsored jointly by several SROs (NYSE Alternext US LLC ("NYSE Alternext") (formerly American Stock Exchange), Chicago Board Options Exchange ("CBOE"), MSRB, FINRA, NYSE Arca, Inc. ("NYSE Arca") (formerly Pacific Stock Exchange, Inc.) and NASDAQ OMX PHLX, Inc. ("Phlx") (formerly Philadelphia Stock Exchange)).

⁴ PROCTOR[®] is a technology system that supports computer-based testing and training.

The proposed rule change would amend Schedule A to increase certain qualification examination fees.⁵ Each year, FINRA conducts a comprehensive review of the examination fee structure, including an analysis of the costs of developing, administering and delivering qualification examinations. FINRA's 2008 review revealed that certain operational costs have increased and will continue to increase over the next few years. In particular, these costs consist of: (1) the cost of providing the extensive network of test delivery centers; and (2) technology costs required to maintain the PROCTOR[®] system. Based on these findings, the proposed rule change would increase examination fees with no single examination increasing more than \$20. FINRA believes that the proposed rule change would result in a better alignment of program fees to associated operating costs.

Specifically, the proposed rule change would amend Schedule A as follows:

Series 4	Registered Options Principal (Sponsored jointly by NYSE Alternext, CBOE, FINRA, NYSE Arca and Phlx)	From \$80 to \$90
Series 6	Investment Company Products/Variable Contracts Representative	From \$75 to \$85
Series 7	General Securities Representative	From \$250 to \$265
Series 9	General Securities Sales Supervisor – Options Module (Sponsored jointly by NYSE Alternext, CBOE, FINRA, MSRB, NYSE Arca and Phlx)	From \$60 to \$70
Series 10	General Securities Sales	From \$100 to \$110

⁵ Schedule A sets forth examination fees for those examinations that are sponsored or co-sponsored by FINRA and/or that may be required by FINRA for its members.

Supervisor – General Module
 (Sponsored jointly by NYSE Alternext,
 CBOE, FINRA, MSRB, NYSE Arca
 and Phlx)

Series 11	Assistant Representative – Order Processing	From \$60 to \$70
Series 14	Compliance Official	From \$300 to \$320
Series 16	Supervisory Analyst	From \$200 to \$210
Series 17	Limited Registered Representative	From \$65 to \$70
Series 22	Direct Participation Programs Representative	From \$75 to \$85
Series 23	General Securities Principal Sales Supervisor Module	From \$75 to \$85
Series 24	General Securities Principal	From \$95 to \$105
Series 26	Investment Company Products/ Variable Contracts Principal	From \$75 to \$85
Series 27	Financial and Operations Principal	From \$95 to \$105
Series 28	Introducing Broker-Dealer Financial and Operations Principal	From \$75 to \$85
Series 37	Canada Module of S7 (Options Required)	From \$150 to \$160
Series 38	Canada Module of S7 (No Options Required)	From \$150 to \$160
Series 39	Direct Participation Programs Principal	From \$75 to \$80
Series 42	Registered Options Representative	From \$60 to \$65
Series 55	Limited Representative- Equity Trader	From \$85 to \$95

Series 62	Corporate Securities Limited Representative	From \$75 to \$80
Series 72	Government Securities Representative	From \$85 to \$95
Series 82	Limited Representative – Private Securities Offering	From \$75 to \$80
Series 86	Research Analyst - Analysis	From \$150 to \$160
Series 87	Research Analyst - Regulatory	From \$105 to \$115

The effective date of the proposed rule change would be January 2, 2009. Specifically, the proposed examination fees would become effective for “120-day examination windows” opened in the CRD[®] on or after January 2, 2009.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) of the Act,⁶ which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system that FINRA operates or controls. FINRA believes that the proposed rule change to increase certain qualification examination fees in the fee table in Schedule A reflects FINRA’s increased costs in developing, administering and delivering qualification examinations.

B. Self-Regulatory Organization’s Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

⁶ 15 U.S.C. 78o-3(b)(5).

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-2008-053 on the subject line.

Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-FINRA-2008-053. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FINRA-2008-053 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Florence E. Harmon
Acting Secretary

⁷ 17 CFR 200.30-3(a)(12).