



**WOODFOREST**

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May 15, 2012

Marcia E. Asquith  
Senior Vice President and Corporate Secretary  
FINRA  
1735 K Street, NW  
Washington, DC 20006-1500

RE: Request for comments  
Regulatory Notice 12-18  
Expungement Procedures

As a former FINRA District Committee chairman, I applaud FINRA's efforts to correct what I have always felt was a terrible disservice to registered persons. In previous District Committee meetings from 2009 – 2011, I often expressed my concerns over the changes FINRA made to the U-4 and U-5 reporting requirements. It is refreshing to see those comments and discussions actually created action on behalf of registered persons.

Realizing this would be a complicated process, it seems FINRA has given much thought to many potential concerns and potential problematic issues. While I do agree with FINRA's three basic premises, in my opinion, there are a few areas of concern remaining.

First is the potential time frame before the *In re* expungement proceedings can begin. From the time an Unnamed person has their U-4 or U-5 modified as required under FINRA regulations, several years and potentially a decade could pass before an arbitration is resolved especially if appeals are brought and the court system gets involved.

Since the proposed rule requires 1) the Unnamed person to file notice with FINRA of their potential plans to request *In re* expungement, 2) FINRA to notify all parties involved in the arbitration of that potential and 3) FINRA to notify all the arbitrators involved of this potential as well, FINRA should also be required to post this notice on the Unnamed person's U-4. This would allow the general public who can access U-4 information via Broker Check, to also know the registered person has the potential to challenge this potentially damaging U-4 entry.

Second is the selection of arbitrators for the *In re* proceedings. I cannot see how FINRA can consider it fair to the registered person not to have the same panel decide the *In re* expungement

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proceeding as decided the customer claim. Maintaining the three arbitrator panel who heard the original claim is in my opinion critical to the perception of fairness to all parties involved.

Therefore I would prefer to see the same panel involved in the *In re* proceedings as were involved in the customer proceeding.

Third concerns the production of documents from the original proceeding. Since the proposed rule requires the Unnamed person to pay all costs of any witness appearances AND is limited in their ability to request documents from the original parties involved, FINRA should be REQUIRED to provide to the Unnamed person a full and complete set of documents, transcripts, digital recordings etc. This requirement should not be accomplished in paper form but in electronic form and in total. FINRA should have up to 90 days to provide this data to the Unnamed person.

Fourth is the timing of the filing of the second notice to FINRA by the Unnamed person. Without the ability to review the proceedings from the completed customer action, I cannot see how or why FINRA could require the filing of the *In re* Submission Agreement AND the payment of a non-refundable \$ 750 fee without allowing the Unnamed person time to review the documents FINRA has delivered.

The Unnamed person should have a minimum of 90 days instead of the 60 days mentioned in the Regulation notice summary to file the *In re* Submission Agreement.

Finally it seems the two attachments need some reference to direct FINRA to the correct proceeding the unnamed person is attempting to get expunged. I was unable to find any place on the form where that information was requested.

Again I applaud FINRA's efforts.

Regards



Frederick T. Greene  
Senior V.P., Portfolio Manager  
Financial Advisor