

May 15, 2009

Mr. Ronald W. Thomas
Director
Virginia State Corporation Commission
Division of Securities & Retail Franchising
P.O. Box 1197
Richmond, VA 23218

RE: SEC-2009-00022 Order to Take Notice (April 7, 2009)

- Proposed Amendments: Virginia Securities Act

Dear Mr. Thomas:

On behalf of the Securities Industry and Financial Markets Association (“SIFMA”)^[1] I am writing to request your consideration of our comments to the Virginia State Corporation Commission’s (“Virginia Commission”) proposed new rule 21 VAC 5-20-135 governing continuing commission to retiring agents. The proposed new rule essentially mirrors no action relief recently granted by the U.S. Securities & Exchange Commission (“SEC No Action Letter”) so as to allow retiring representatives of a registered broker dealer to continue to receive compensation under prescribed terms and conditions. Overall, SIFMA fully supports the principle of the proposed rule and applauds the Commission’s leadership on this matter. We respectfully request, however, that the Virginia Commission make a few minor modifications to some of the specific conditions under which a registered agent would be eligible for compensation under this new rule in order to create consistency between the proposed rule and SEC No-Action Letter.

Specifically, with regard to condition number 1 of this new section, SIFMA recommends that the minimum number of years to be continually employed or associated be changed to three years instead of the proposed five years. We recommend a similar change to condition number 3 and 5 relating to number of years prior to retirement. Under both these sections, we ask that the threshold be changed from the proposed five years to three years.

^[1]The Securities Industry and Financial Markets Association brings together the shared interests of more than 600 securities firms, banks and asset managers. SIFMA's mission is to promote policies and practices that work to expand and perfect markets, foster the development of new products and services and create efficiencies for member firms, while preserving and enhancing the public's trust and confidence in the markets and the industry. SIFMA works to represent its members' interests locally and globally. It has offices in New York, Washington D.C., and London and its associated firm, the Asia Securities Industry and Financial Markets Association, is based in Hong Kong.

Additionally, we note that sections 6, 7 and 9 governing the annual certification requirement appear duplicative and therefore respectfully request the Virginia Commission modify these sections as well.

Once again, we applaud the Virginia Commission for their efforts in seeking to adopt rules in conformity with the SEC No Action Letter allowing retired agents and representatives of registered broker dealers to receive compensation under certain conditions. SIFMA's recommended modifications, we believe, create greater regulatory harmonization while retaining the core objectives of the proposed rule. We thank you for your consideration and respectfully request that should the Virginia Commission decline to accept SIFMA's recommended changes, a hearing be held on this matter for further consideration.

If you have any questions or need additional information, please call me at 212-313-1233 or contact me via email at nlancia@sifma.org.

Sincerely,

A handwritten signature in cursive script, appearing to read "Nancy Donohoe Lancia".

Nancy Donohoe Lancia
Managing Director
State Government Affairs