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BUSINESS ENTERPRISE

January 18, 2022

Jennifer Piorko Mitchell
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

Dear Ms. Mitchell,

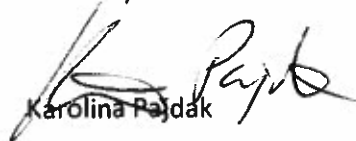
R. Seelaus & Co., LLC is pleased to offer comments on FINRA Regulatory Notice 21-40, "FINRA Requests Comment on Amendments to Rule 11880 Shortening the Settlement of Syndicate Accounts" (the "Notice"). As a FINRA-registered broker-dealer who frequently participates as comanager on corporate bond underwritings, we fully support the proposal in the Notice to shorten the deadline in FINRA Uniform Practice Code Rule 11880 for syndicate managers to settle syndicate accounts and pay revenue to comanagers.

As a comanager in corporate bond underwriting syndicates, our firm's role is to share with other syndicate members the risks associated with the underwriting and the responsibility for distributing bonds to investors. Under current Rule 11880, once a corporate bond transaction settles, comanagers must wait up to 90 days to receive funds we earn from the underwriting. Under the SEC Net Capital Rule, we cannot count the receivable we are owed from the senior manager towards our regulatory capital, which limits our ability to conduct business, including both more new-issue underwritings and secondary market trading. We also lose the "float" on these funds for as long as they sit with the syndicate manager, and we face the risk that the senior manager could become insolvent before they pay out deal revenue to comanagers.

The 90-day standard in Rule 11880 has been on the books since 1987. Since that time we have seen the emergence of many new technologies that have made the process of settling syndicate accounts much cheaper and faster. Yet the 90-day deadline has not been addressed in 35 years. There is no doubt that syndicate managers have the ability to settle accounts within 30 days, as the Notice proposes. That is the standard that has prevailed in the municipal securities market since 2009.

The time has come to modernize Rule 11880. We support the Notice's proposal to shorten the syndicate settlement deadline to 30 days and we urge FINRA to adopt the proposal expeditiously.

Sincerely



Karolina Pajdak

Chief Compliance Officer