GWFS Equities, Inc. ***8515 E. Orchard Road, Greenwood Village, Colorado 80111***

July 30, 2009

Via Email
Ms. Marcia Asquith
Senior Vice President and Corporate Secretary
FINRA
1735 K Street, NW
Washington, D.C. 20006-1500

Re: Comments on Regulatory Notice 09-034

Dear Ms. Acquith:

GWFS Equities, Inc. ("GWFS") respectfully submits this letter in response to the Financial Industry Regulatory Authority ("FINRA") request for comments regarding the proposed consolidated FINRA Rule 2341. We recognize the objective of the proposed rules and appreciate FINRA's efforts to promote more effective disclosure to the investing public of potential conflicts of interest.

As background to our comments, GWFS is a limited broker/dealer that distributes mutual fund products primarily in the defined contribution markets. In many instances, it is the plan sponsor (or a committee for the plan), the plan sponsor's financial intermediary or the plan sponsor's consultant that selects the mutual funds that will be available as investment options for plan participants. Often, the selection may include a mix of mutual fund options as well as collective trust funds, and options available through a group annuity product. With this business model, GWFS does not have a set or constant line up of funds offered; rather, it deals with 180 fund families involving multiple individual funds within a given fund family with a total of approximately 9,500 individual funds.

In view of GWFS's business, GWFS has the following comments and questions concerning the referenced proposal:

1. **2341(l)(4)(A) – Investment company prospectus disclosure**

- Each fund family has relationships with a large number of member firms and it is the entity that controls what, if any, special sales charges or service fee arrangements it has with each firm. Moreover, it is the responsibility of the fund company to prepare and file the fund prospectus. Therefore, GWFS believes that if FINRA ultimately determines that prospectus disclosure of such arrangements is appropriate, then the burden of compliance for prospectus disclosure regarding compensation paid and the corresponding responsibility for not paying undisclosed compensation should properly rest with the fund company, not the broker/dealer firm, which does not have control of the data.

- GWFS does agree that the exceptions to prospects disclosure articulated in 2341(l)(4)(A), (A) and (B) are appropriate, as the role of principal underwriter is quite different than those services provided by other broker/dealers; moreover, the nature of compensation is likewise completely different than compensation paid as a sales charge or service fee arrangement with an offering broker/dealer.

2. **2341(l)(4)(A) – Broker/Dealer Disclosure of Cash Compensation to Customers**

- As proposed, the term "customer' is not defined. For GWFS's business model, we assume the customer is a plan sponsor; however, although FINRA has not done so in the past, GWFS requests that consideration be given to including the plan sponsor within the definition of "customer" inasmuch as it is the plan sponsor and not the participant that makes the selection of investment options available to the plan. GWFS believes this to be appropriate in light of the amount of dollars invested in investment company securities through defined contribution plans.

- The proposal includes a requirement that the firm provide to customers a list offerors in descending order of payments received in the past twelve (12) month period. GWFS queries the usefulness of this disclosure in that the amount of payments received may not necessarily correlate to or be indicative of a higher percentage of assets paid by an offeror. Further, where a broker/dealer neither recommends nor selects the investment options offered within a retirement plan, such as our business model, GWFS is uncertain this disclosure is meaningful. In addition, where a plan sponsor ultimately selects a mix of mutual funds, collective trust funds and investment options through a group variable annuity product, some of which has no corresponding disclosure requirement, is partial information of any value to the plan sponsor? Finally, the ending date for the "past twelve (12) months" is undefined and the proposal does not contemplate a "grace period" as to how soon information as of ending month must be available for inclusion in the calculation. GWFS recommends that a ten (10) business day grace period be included to permit the appropriate calculations to be made and confirmed through the firm's quality assurance process before disclosure.

- GWFS believes FINRA's intent is for the firm to provide disclosure specific to funds actually selected by a plan sponsor to ensure that the disclosure is meaningful to the recipient; however, confirmation of this belief is requested inasmuch as this is currently not specified in the proposal.

- GWFS believes FINRA may be aware of the numerous fee disclosure proposals related to the defined contribution plan market, in particular to those plans governed by ERISA. To that end, GWFS requests an exception to the compensation disclosure under 2341 to the extent that the conflict of interest disclosure goal is otherwise satisfied by other law, rules or regulations so that firms which must meet multiple requirements will not be in the time, resources, and cost burdensome position of developing different disclosures (e.g., type of disclosure or timing requirements) for the same purpose.

3. **How should firms be allowed to fulfill disclosure?**

- It is GWFS's view that firms should be allowed to provide generalized disclosures through the firm's web site unless otherwise requested by the customer.

Thank you for the opportunity to comment and we hope that you will take into consideration the concerns our firm has articulated herein.

Sincerely,

Beverly A. Byrne

Beverly A. Byrne
Chief Compliance Officer