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June 4, 2008

Marcia E. Asquith
Office of the Corporate Secretary
FINRA
1735 K. Street, N.W.
Washington, DC 20006-1506

*Re: Comment on Proposed Consolidated FINRA Rules
Governing Supervision and Supervisory Controls –
Regulatory Notice 08-24*

Dear Ms. Asquith:

ProEquities, Inc. a registered broker dealer (“ProEquities” or the “firm”), is submitting these comments on the above referenced proposed rule amendments. In general, the firm concurs with FINRA’s overall approach to rule consolidation relevant to creating a more flexible approach to certain supervision requirements, as well as the elimination of obsolete or duplicative requirements. Regarding this particular regulatory notice, the firm does want to note our specific concurrence with one particular item.

As an independent contractor firm, ProEquities has numerous OSJs located around the country who effectively supervise registered representatives (many of whom are located in a single rep office in rural communities). This structure, the firm believes, is the back bone of the securities industry in that the small investor is served by the many registered representatives similarly situated. Our OSJs, in turn are supervised by our Home Office Compliance Department principals.

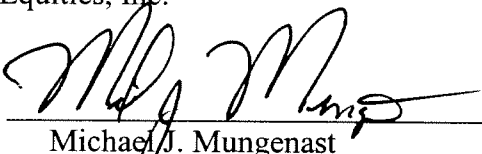
Particular to our firm, Conduct Rule 3012 presently requires a calculation be performed to determine if a particular producing OSJ is generating 20% or more in production for offices reporting to a particular Home Office Compliance Principal. If an OSJ produces 20% or more, then that OSJ is required to be put under special supervision. Most all of our producing OSJs, do very little in personal production, yet some of their assigned registered representatives may produce large amounts. In the calculation, all revenue attributed to the OSJ, whether produced by the OSJ manager or their registered representatives, must be included in this calculation. Placing an OSJ on heightened supervision is unwarranted and unnecessary as a minimal producing OSJ is afforded ample time to supervise assigned registered representatives, yet the OSJ may only have a

few larger producers who push the percentage over the 20% threshold. This prescriptive calculation is unnecessary and the firm whole-heartedly agrees with the elimination of this requirement. The firm does believe in proper and appropriate supervision of OSJs and does concur with the proposed language to address potential conflicts of interest and the prohibition of a supervisor from supervising their own activities.

ProEquities appreciates this opportunity to comment on the Proposed Rule. If you wish to discuss the Proposed Rule, this letter, or any thoughts, comments, questions or suggestions that you may have, please call me at 800-288-3035.

Very truly yours,

ProEquities, Inc.

By: 
Michael J. Mungenast
President