

The proposed regulatory changes claim to be for the protection of the consumer but are just the opposite. It makes one wonder whether the regulators are in fact reading and thinking about their regulations.

In the case of selling private placements away, the registered person reports to the member. If the Member disapproves the activity, the Member has no further obligation to supervise.

A similar issue arises in connection with activities at a 3rd party IA. Subject to the proposed rule, but in a limited manner - a registered person must provide prior notice to the member, but the member is not required to perform a risk assessment of or supervise the activity. If the brokerage firm DENIES the outside Activity, IT THEN HAS NO FURTHER OBLIGATION (TO SUPERVISE).

This exposes consumers to intolerable risks and then deprives them of a cause of action against the non-supervising member. This proposal bears no reasonable relation to the protection of the public.

I have been in practice 42 years and represent consumers in FINRA proceedings. Please don't make my job any harder than it already is.



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