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Scott Schneidermann Investment Adviser Representative

As an independent financial advisor, I support reasonable efforts to preserve market integrity, protect investors and eliminate rogue brokers from the industry. However, I'm concerned that the excessively broad ranging initiative described in FINRA's CARDS concept release (RN 13-42) goes way too far in pursuit of these goals.

The CARDS proposal would allow FINRA to automatically collect account, activity, and security identification information from clearing firms on a daily or weekly basis. The purpose of CARDS is to assist FINRA in assessing business conduct patterns and trends in the industry, and to assist firms with their compliance and supervisory programs. Unfortunately, I believe the data security risk, data standardization challenge and cost of CARDS far outweigh the expected benefits.

Technology would be put to much more appropriate use in helping to identifying outlier transactions and brokers rather than collecting information on everything. Using predefined screening techniques, FINRA could use technology to get 'exception' based reporting to exponentially reduce the amount of data they need – helping everyone. This approach will reduced compliance burdens on firms and brokers, and give FINRA high quality, targeted data – ultimately of greater, more actionable use to them.

Specifically, I'm concerned about the following:

- Data Security: A database containing clients' trading history and other data will be an extremely attractive target. I'm concerned that the collection of account numbers and other data elements will leave my clients vulnerable to hackers. This is an unnecessary risk.

- Data Standardization: In order to simplify and standardize data collection, it would appear FINRA will impose data standards that specify the format of client suitability and other data elements. Since the data currently contained on my clients' new account form is unlikely to meet these specifications, I'm concerned FINRA will require me to repaper all of my client accounts. This would be a very large and costly undertaking that would not benefit my clients.

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- Cost: I expect the cost of implementing and maintaining CARDS to be very high. These costs will inevitably be passed along by the clearing firms and my broker-dealer to me and my clients. Higher costs fixed costs per household have the effect of limiting my ability to service smaller accounts. I have a number of starter accounts due to the nature of my marketing efforts and I am proud to offer services to households that typically are not serviced by the industry. It would be unfortunate if I had to abandon my clients with smaller accounts in order to remain profitable after CARDS is established.

For these reasons, I believe the CARDS concept proposal is simply unworkable. Therefore, I hope FINRA will pursue other means of addressing its regulatory oversight needs.

Thank you for considering my comments.

Sincerely,

3/20/2014

Scott E Schneidermann

Investment Adviser Representative