

Dear FINRA:

After tremendous industry outcry from FINRA's previous CARDS proposal, FINRA has now made minor changes to its proposal to gain a foothold into broader intrusions in this industry. FINRA has provided no reasonable argumentation for why it must have this information and why it must have this information in real time. FINRA moves further and further into management of this industry, as opposed to regulation of this industry. And can any reasonable person who has witnessed the massive expansion of FINRA's reach and the growth of the fees and fines to feed the beast, not believe that this CARDS program will continue to grow in its real time demands for information?

While FINRA pretends that it will not use this information to make suitability or other judgments about transactions on the front end, I believe it will. And after decades of having to explain basic things to FINRA reps who come into our offices to examine our operations, I do not believe that FINRA has the ability to make such judgments. Certainly, it cannot make correct judgments without the benefit of the personal relationships we have with our customers. Once firms allow this CARDS program in any form some traction, it will continue to grow into something far larger and far more encompassing than the early proposals. It will add great expense to the operations of firms in this industry, and it will embroil firms in litigation with FINRA and other entities full time. Firms will be in a constant cycle of reconciling the reporting made to FINRA with any concerns FINRA might have.

FINRA has grown out of control, and small firms in particular are defenseless to stop it. In theory, self regulation is designed to bring credibility to an industry while protecting it from more pernicious government regulation. Instead, what our industry has achieved with FINRA is a general public who feels that broker/dealers have FINRA in their back pocket, while we small firms feel like FINRA constantly breathes down our necks, treating us like rogue opportunists preying on the vulnerable. FINRA continues to add new and costly requirements on firms, even when they achieve nothing for the investing public. At some point FINRA will overplay its hand(I believe it has already), and the small firms will seek the abolition of FINRA. Dealing directly with the SEC or any other government agency would at least give the small firms the ability to petition their government when the intrusions become untenable.

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