

## Regulatory Notice 14-35

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# FINRA Requests Comment on a Revised Proposal to Adopt Consolidated FINRA Rule 2231 (Customer Account Statements)

At a time when the SEC is seeking oversight of Crowdfunding, at a time when Technology dominates the Investment scene, online and off, at a time when the proverbial envelope is being pushed farther/faster, at a time in a world of Internet fraud, hacking, electronic signatures can 'be' anyone from anywhere in the world, anyone but the named/signed person, it is mandatory FINRA do as the Russians do, move accountability back to typewriters and paper, not move forward to Electronic Signatures.

Electronic signatures, often just initials, two or three letters, with infinite anagram possibilities, are here this second and gone in a flash. With increasing unknown, unseen eyes and hands on private information, the Algorithmic gold, facilitated by entities like Silk Road, TOR Project and an email world of BCC, never before has it become more crucial to keep everything above board and tangible, especially with FINRA, a 501(c)(6) that operates by its own By-Laws, Rules and Codes of Procedures, misstated to be compliant with the FAA, Federal Arbitration Act.

The FAA is neutral. FINRA arbitrations, in which Signatures are Prima Evidence, are not neutral. FINRA General Counsel Terri Riecher states there is a get-out-of-jail-free lifeline for FINRA SRO members, brokers and brokerages and for Investment Advisors signing FINRA broker arbitration agreements to submit to FINRA cloaked arbitrations.

Real signatures are Investor gold. Real Signatures are Investor justice. Well, almost. Not in a FINRA forum where, like on Halloween, strange things happen and go 'bumped' in the night, by hackers alleged to be Chinese. Allegedly. Every financial firm has an IT architect inside, employed today at the firm and gone tomorrow. These IT architects know the Firms tech guts intimately, even after leaving the Firm's employment, a fact very hard to dispute when Documentation is in hand showing a Firm's IT architect hacked client over 6 years after the IT architect left. And the Firm that got hacked, knew, never notifying the Client.

So, real ink signatures are needed.

All well intentioned Dodd-Frank was crafted to be, Dodd-Frank fails protecting investors and bank clients. The system is already too big that it can only fail. There aren't enough eyes to look everywhere,

moreso, many employees would not recognize the crime when they saw it, at first blush. Clients, for sure, would not recognize the crime in that in an IT world IT crime allows the their to create different lives for the client's accounts- what the client sees and what the client does not see, by design.

Clients do not see papers inside their accounts ever. FINRA protects the sordid behaviors of ethnic SRO's that away. And if an arbitration is launched, FINRA protects their SRO members even more, having two sets of standards for FINRA arbitration participants. FINRA Case Managers do not compel Industry arbitration participants to produce Discovery the SEC compels be kept 6 years. FINRA trained arbitrators compel Investors to produce everything showing where Investor assets are kept. Investors learn nothing of where Industry assets are kept or co-mingled.

The Investor knows little about their Industry financial manager they day he Investor files an Arbitration complaint, finagled by FINRA in to the FINRA forum rather than being sent to a neutral forum as required in FINRA By-Laws, Rules and Code of Procedures.

Customers presume the Home Office of an investment firm has oversight of what investment managers do in field Offices. The fact is there are Investment firms parent companies that do not have access to the field office the Investor is a customer of.

The debate should not be allowing Electronic Signatures but, quarterly, sending clients cover-to-cover copies of the clients file, signed off with real signatures, possibly scanned, but for sure, followed up with a real ink signature sent through the US mails. Customers should have access to ALL of their file from before becoming a customer through exits.

Real signatures are lie detectors. Electronic signatures are lie facilitators. The Investor's goal is to mitigate their becoming involved with fraudulent Industry persons shielded by Financial SRO's.

Overstating? No. Watch American Greed.

Electronic fraud, internet fraud are exponentially increasing. Paper rules. Customers must be encouraged to go back to paper. Without proof, without that ink on paper signature, the Investor is left chasing phantoms, a signature that was there and now isn't, gone completely or replaced with different initials.

FINRA loves electronic signatures. Electronic signatures is a win-win for FINRA's incestuous SRO. FINRA isn't about Investor's winning. FINRA conducting non- FAA compliant arbitration is about FINRA members winning, the Investor losing.

With Customers getting cover-to-cover copies of their files, every note, every email exchange between the IA, the Clearing Corp, inter -office emails, intra-office emails etc, and with Customers receiving real ink in paper signatures then clearer pictures of crimes in liners accounts will surface faster. Congress, regulators and law enforcement will get to do their job faster, protecting other Customers.

Remember what. Madoff said.... "They" knew.

They did. Documented.

Sincerely

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