

August 4, 2015

Ms. Maria E. Asquith  
Office of the Corporate Secretary  
FINRA  
1735 K Street, NW  
Washington, DC 20006

RE: Comment Filing  
FINRA NTM 14-52

Dear Ms. Asquith:

Please allow me to start by saying that Capital Investment Group, Inc.'s (CIG) believes that transparency is paramount to the success of our industry. We value our customers and consider it an honor to not only educate, but assist our customers in their financial management needs.

With that said, as a member subject to the proposal outlined in FINRA Notice to Members (NTM) 14-52, CIG is greatly concerned with the rule package proposal as outlined below.

#### Consistency

Currently, FINRA rules require broker-dealers to disclose mark ups and mark downs on confirmation statements that pertain to equity trades. These figures are denoted in a fractional denomination that is associated with the principal transaction amount and appears in the memorandum line of the confirmation. The rule proposal, as outlined in NTM 14-52, suggests that firms will be required to identify the actual dollar value of any mark up, or mark down, and the differential amount between the price paid by the broker-dealer to that of the customer. This differs from the previous practice, thus potentially causing confusion to customers.

#### Disclosure

CIG is concerned with the effectiveness of further disclosure. Again, we are sympathetic to the regulatory initiative of transparency. To-date, we believe that such systems like TRACE and other real-time market databases provides for quick, reliable information about market conditions for point of sale transactions. We do, however, remain concerned that over-disclosure to the retail investor may not suffice the initiative of transparency. Furthermore, the question exists whether such disclosure is necessary for sophisticated and/or institutional investors. Aside from that, particularly with retail investors, it is quite conceivable that confusion will be created for clients due to the multiple prices being listed; especially when multiple trading necessitates the need for weighted average pricing, the computation, differences between price points, etc...In addition to this, other factors such as the

17 Glenwood Avenue • Raleigh, North Carolina 27603 • (919) 831-2370

Mailing Address: Post Office Box 32249 • Raleigh, North Carolina 27622

positioning of these disclosures and logistically identifying variables between fractional and nominal denominations creates further concern; especially from costs that likely will grow to be very restrictive.

#### Costs

CIG definitely is concerned with increasing costs as a result of implementation of the regulations as proposed. In order to foster effective implementation, and ongoing processes, these regulations are very likely to create electronic infrastructural changes for firms; especially those firms like our clearing agent and full-service clearing broker dealers. Currently, we are not aware that systems utilized today have the capability or capacity required for this type of change. It is our opinion that augmentation of computer systems will likely occur; thus requiring further costs associated with such changes to be assessed on firms like ours, which ultimately transmits to our customers.

#### Staffing Concerns

The new rule, as proposed, will impose burdensome requirements for FINRA members that are smaller in size. Not to discredit the need for stringent reviews of transaction activity, but the level of detailed review required to identify whether transactions are subject to the proposed regulations creates onerous demands of the staff. Hiring additional staff is likely to result in addition to acquiring further technology. However, as previously referenced, the potential for high costs associated with implementing electronic resources, or augmentation to those systems in place, make for difficulty with implementation of the proposed regulation.

In conclusion, transparency of information and having informed customers is paramount. However, attempting to do so to the point that we may create conflict or become detrimental to the cause is not wise. Unfortunately, we feel that implementation of this proposal, as outlined in NTM 14-52, will do just that without deriving overwhelming benefit for our customers. Our customers need to be informed and they need to understand what is occurring at the point of sale. It is this effort that we work diligently to preserve and improve upon so that the service we provide is beneficial for all.

We thank you for the opportunity to provide comments and remain committed to providing further assistance.

Sincerely,



Richard Bryant  
President

VIA EMAIL: [pubcom@finra.org](mailto:pubcom@finra.org)