

I take this opportunity to respond to staffs request for comments on this proposed regulation. In my comments I represent only myself as an owner of a retail member firm ( non clearing and introducing only ) which through the years has felt the full weight of increasing proscriptive regulation. To the detriment of the membership, current regulatory staff give little or no weight to the fact that each member firm has or out to have fully capacity to operate the independent broker dealer. This member remains proud of the fact that we are still standing after 25 years in the business, without any federal bailout. We have accomplished this because we have acted prudently in the operation of this firm as is the best interest of this firm and its management. Proscriptive rules such as this as proposed only complicate the management process and distract us from our primary mission, i.e. providing suitable investment choices for our clients. Please understand that as related to the use of third party providers, this firm for the most part has avoided their use; rather we have been proud of the fact that we have operated this firm largely by performing functions from within. An added benefit of this internal approach is that we more fully understand each operation as it is our own. However the reality is that in recent years proscriptive rules have overly complicated our business to the point now that because of finra we must now use third party providers. So we are now asked to apply additional due diligence measures to supervise what would otherwise be avoided- the third party vendors. Our general suggestion is that finra should stop focusing scrutiny upon investment processes; instead look to investment product. Halt attempts to micromanaging our private treaty businesses. Now as to specifics of the proposed rule: para 1. This is self explanatory and reflects in part the management philosophy expressed above. Para 2. Delete this para as misapplied and unnecessary to the operation of our businesses. Stop focusing of the internal management process. Hold us responsible for outcomes. Para 3. No comment. Due diligence et al. delete as unnecessary because this is obvious in the real world.c. Restriction applicable to clearing el al. no comment as outside the scope of my comments. Ditto d. and e. exceptions (f) intent is unclear. How do you define “ministerial activities”?

Respectfully submitted, Daniel W. Roberts , cco,ceo,