November 11, 2011

Ms. Marcia E. Asquith
Office of Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

RE: FINRA Regulatory Notice 11-44

Dear Ms. Asquith,

We appreciate the opportunity to comment on Regulatory Notice 11-44. This Firm is a 26 year old Broker Dealer which has significant experience in offering non-listed REITs and DPPs to our clients.

Industry rules and regulations already require prominent disclosure of selling commissions, dealer management fees, and other organizational costs so that the prospective investor is clearly shown the net amount available for investment. This firm does not believe that the proposed changes in valuations shown on customer statements will increase an investor's understanding of their investment's value.

Our firm always emphasizes the longer anticipated holding period for non-traded REITs and DPPs to our investors. Additionally, most of the non-traded REITs and DPPs that we offer continue to raise money from investors and purchase assets over an extended time frame. During that period, market values of acquired properties may go up or down. Generally, money raising increases as an offering reaches its maximum size or its official closing date. As a result, we do not believe that continuing to report the investment's value at the initial offering price is misleading to our clients.

We believe the proposed rule would unfairly single out non-traded REITs and DPPs for price adjustments which are not required for other investments. For example, when a client buys a five year CD, we are not required to lower the CD's value on our statements by the amount of any early withdrawal penalty. And on variable annuities, we are not required to adjust the variable annuity's value by any surrender penalty that may be in effect at the time the statement is prepared. On those products (and others), the point of sale and prospectus disclosures are deemed adequate disclosure to investors. We do not think that non-traded REITs and DPPs should be treated differently than other investments.

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We have long believed that real estate is an important asset class that should be part of a diversified portfolio for most clients. Industry research has consistently shown that many investors' performance suffers from bad timing – buying near tops and selling near bottoms. The projected long term holding periods (and illiquidity) of non-traded REITs and DPPs gives each investor a better long term opportunity to realize the capital appreciation potential of a portfolio of professionally managed real estate. We do not consider it an advantage to our investors to give them any impression that these are liquid investments that can be sold at any time.

Some industry observers believe that the purpose of Regulatory Notice 11-44 is to reduce the selling commission paid by non-traded REITs and DPPs. We believe that the current level of commissions is not inappropriate given the projected long holding period for these investments.

Thank you in advance for your consideration of our comments.

Respectfully submitted,

James M. Stanfield
Chief Executive Officer