

Stephen A. Kohn

Marcia E. Asquith
Office of the Corporate Secretary
Financial Industry Regulatory Authority
1735 K Street NW
Washington, DC 2006-1506

Re: Regulatory Notice 14-37 – Comprehensive Automated Risk Data System

Dear Ms. Asquith,

Having read all of the comments posted as of this date, it appears that the overwhelming majority are in opposition of the Comprehensive Automated Risk Data System, CARDS.

Many of the letters address the same issues and seem to be signatures added to a boilerplate document. Perhaps, in this case, FINRA should have presented a petition to all of its members eliciting a simple “Yes or No” response. As simplistic as this may appear, I’ll bet that the response to this highly sensitive and intrusive issue would have been overwhelming, adding “opposed to” responses to those “few” Broker/Dealers who are unafraid of being heard above the din of overregulation for fear of retribution.

CARDS seems to be another nail in the already full coffin of privacy abuses in this country.

In a larger spectrum, we are all besieged with intrusions in our lives. We live in fear of being hacked and our identities stolen, in fear of legislation that whittles away at our freedoms, little by little, in the guise of “protecting” us from, it seems, ourselves. Where does it end?

As the owner of a Small Broker/Dealer, I have taken the time to poll my Reps and a smattering of my Firm’s clients. The consensus has been **“Where is FINRA going with this?”**

In all, the overwhelming response has been unequivocal opposition to CARDS in any iteration.

I don’t think CARDS serves any constructive purpose since, I would bet, the information that it proposes to gather is, most likely, readily accessible at any of several governmental agencies. The additional spin about finding bad brokers tells me that our regulator has recently visited “green” Colorado.

I’ve said this before, locks are for honest people. Anyone intent on perpetrating fraud will figure a way to do so. My experience, after speaking with many Small Firms during the course of several FINRA election processes is that the overwhelming majority of people in our industry are hard-working, honest folks, protective of their clients’ privacy and that would certainly bring any shady stuff to their compliance officer. Perhaps I’m being naïve but I have found this to be true in my 30 years in this industry, most of which have been in management.

So, once this information is gathered, and if it's gathered as advertised, absent investor name, address, suitability information, etc., how easy would it be, sometime down the road, to turn on a switch that provides **ALL** of the clients' personal information?

I think we're being set up. The cost burden of Cards will be borne by the membership, 93% of which is comprised of small Broker/Dealers. The costs are not only for providing the "information" but the personnel to scour the billions and billions of bytes of data that CARDS will provide.

This "project" rivals the pyramids in size and creates a mystery as complex as that surrounding King Tut.

It has been previously published that FINRA is stretched-thin in accomplishing all of the "sales practice exams" and other tasks on its plate. On top of that, FINRA wants to oversee and examine RIA's. Now FINRA wants to monitor every customer and every trade!?! Again, who's going to foot the bill for that? It's obvious to me, **ME!**

While I support thinking out of the box, I am totally opposed to CARDS and pray that it suffers the fate of the Mastodon. How many of them have you recently seen?

Thank you for the opportunity to raise my voice on this issue.

Sincerely,

Stephen A. Kohn
President & CEO