

---

**From:** George Pickett [mailto:gpickett@pba-centerpoint.com]  
**Sent:** Thursday, June 25, 2009 7:42 PM  
**To:** Comments, Public  
**Subject:** FINRA Regulatory notice 09-25

I am writing in opposition to the idea of expanding FINRA suitability oversight to matters which are not related to securities. I have been licensed as a securities representative for over 35 years. I have also been licensed as a life and health insurance agent for over 35 years. In addition to my undergraduate degree, I earned the Chartered Life Underwriter designation which is made up of curriculum requirements approximating 30 hours of college classroom credit. I also earned the Juris Doctorate degree. I am active in professional organizations whose purposes are to raise standards of service, knowledge, ethics and productivity among practitioners in the financial services field. I am also involved as a volunteer capacity in governmental affairs.

I feel that persons who engage in unsuitable sales and misleading sales practices should be subjected to rigorous enforcement practices by appropriate authorities. In the field of insurance, I feel those are already in place and being applied in the vast majority of instances with appropriate expertise. Exceptions can be found in every field including insurance, practices of registered reps, broker dealers and even RIA's such as Mr. Madoff and Mr. Stanford. No regulatory process is perfect, and FINRA takes policing actions routinely in order to redress inappropriate behavior which continues to occur despite your best efforts to set and enforce suitability standards. Your success rate isn't 100%. Neither are other regulators' but that doesn't mean FINRA would be better than those others.

Rather than expand the scope of FINRA regulatory purview to including areas where others possess far greater expertise, I would hope that FINRA would focus its attention more sharply on the existing shortcomings which are already sanctioned by your rules but which continue to occur frequently. One very common problem I see is that registered reps and their broker dealers have executed multiple small mutual fund transactions with different fund families, rather than focusing customers in a single family in order to maximize breakpoint benefits for the investor. The rep initiates the purchase. The broker dealer has no system in place to prevent it. Apparently FINRA has no effective means to interrupt this kind of misbehavior which I have observed throughout my career.

In the bigger picture, there are major discussions taking place around the country as to the appropriate regulatory framework that should be implemented for sale of securities, provision of investment advice, mortgage lending, credit card lending practices, banking services and fees and delivery of other financial products and services. These discussions involve multiple organizations such as FINRA and also governmental entities like both houses of Congress, OCC, the Federal Reserve, the SEC and others. They also involve thousands who are employed in distribution and servicing of the entire array of financial services.

In view of the scope of these present discussions, it would be unwise and unconstructive for FINRA to attempt to preempt thoughtful dialogue among all of these parties. It would appear to be a power grab. The results would be predictably chaotic. They would not serve the long term best interests of the American people, our economy and our financial system.

I hope and pray that FINRA will continue to focus on the areas in which its efforts have historically been channeled and continue to be involved in the ongoing discussions with other interested and affected entities on the appropriate means of effectively and suitably serving the public going forward.

Sincerely,

George B. Pickett, J.D., CLU, AEP  
Principal - Pickett, Bradford & Associates, P.A.

P. O. Box 137, Jackson, MS 39205  
414 E. Capitol St. , Jackson, MS 39201  
601-969-3456 / Fax 601-969-3517 / Cell 601-209-5897