

As an independent financial advisor, I respect and expect an organization such as FINRA to be active in establishing and maintaining integrity of this industry.

The purpose of my letter today is to underscore the dangers inherent in the CARDS proposal currently under review. Basically, it would allow FINRA to automatically collect account, activity, and security identification information from clearing firms on a daily or weekly basis.

I believe the data security risk, data standardization challenge and cost of CARDS far outweigh the expected benefits, and I urge the organization to consider that while it's likely very tedious to make the request for information from us on an audit basis, that method is by far the best for clients and the industry as a whole.

Specifically with this proposed requirement, I'm concerned about the following:

- Data Security: A database containing clients' trading history and other data will be an extremely attractive target. Even if the database does not contain their personally identifying information, I'm concerned that the collection of account numbers and other data elements will leave my clients vulnerable to hackers. This is an unnecessary risk.

- Data Standardization: In order to simplify and standardize data collection, it would appear FINRA will impose data standards that specify the format of client suitability and other data elements. Since the data currently contained on my clients' new account form is unlikely to meet these specifications, I'm concerned FINRA will require me to repaper all of my client accounts. This would be a very large and costly undertaking that would not benefit my clients.

- Cost: I expect the cost of implementing and maintaining CARDS to be very high. These costs will inevitably be passed along by the clearing firms and my broker-dealer to me and my clients. Higher costs have the effect of limiting my ability to service smaller accounts. It would be unfortunate if I had to abandon my clients with smaller accounts in order to remain profitable after CARDS is established.

For these reasons, I believe the CARDS concept proposal is simply unworkable. Therefore, I hope FINRA will pursue other means of addressing its regulatory oversight needs.

Thank you for considering my comments.

Sincerely,

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