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April 26<sup>th</sup> 2018

Jennifer Piorko Mitchell  
Office of the Corporate Secretary  
FINRA Inc  
1735 K Street, NW  
Washington, DC 20006-1506

Re: Outside Business Activities/FINRA Notice 18-08

Dear Ms. Mitchell:

I am writing this letter in response to FINRA's request for comment relating to the Outside Business Activities (OBA) of Registered Representatives and the various notification requirements and more importantly, the potential supervision of these activities by Broker Dealers.

The Notice made reference to Five (5) specific types of OBA and the potential oversight of such activities. My comments are as follows:

**1. Selling Private Placements Away from Member:**

Subject to the proposed Rule, potentially to the fullest extent; prior notice by the registered person and risk assessment by the member. If the member disapproves the activity, it has no further obligation. If the member approves the activity, the activity becomes part of the member's business and must be supervised and recorded as such.

**Comment:**

This proposal is common sense regulation and is clearly defined and designed to protect the investing public.

**2. Activities at Third-Party IA**

Subject to the proposed Rule, but in an intermediate manner; prior notice by the registered person and risk assessment by the member because it is investment related and not excluded from the proposed rule, but the member is not required to supervise or keep records of the IA activities.

**Comment:**

Broker dealers should not be required to supervise the activities related to a third party IA in that Third Party IA's are regulated entities either by their respective State registration or by the Securities and Exchange Commission and therefore have the requisite oversight. Additionally, it would be an unnecessary burden on Firms if they were required to supervise these activities.

**3. Non-Investment Related Work (e.g., car service, seasonal retail):**

Subject to the proposed Rule, but in a limited manner, a registered person must provide prior notice to the member, but the member is not required to perform a risk assessment of or supervise the activity.

**Comment:**

I agree with this proposal as without it, there would be an unnecessary burden on Firms and further, it does not have any investment related activities which may harm the public. Moreover, I believe that this rule should be expanded to the point of no requirement to notify at all, as people should be allowed the ability to supplement their income and support their families without “notifying” anyone simply because they are registered persons.

**4. Activities at Affiliates (e.g., IA, Insurance and Banking Affiliates)**

Generally excluded from the rule, the proposed rule excludes activities at the affiliates, whether or not investment related, unless these activities would require registration as a broker dealer if not for the person’s association with a member.

**Comment:**

I agree with this proposal as it is a common sense approach that a member would not need to have itself notified by one of its own registered persons who is working within the family of Companies.

**5. Personal Investments (e.g., Buying Away)**

Personal Investments are excluded from the proposed rule, but potentially subject to other rules (e.g., FINRA rule 3210 or firm- imposed notice requirements).

**Comment:**

I agree with excluding personal investments under the proposed rule.

FINRA needs to streamline the reporting requirements overall to a risk based model. A registered person should not be required to ask permission of their Firm to make additional income and the Firm should not have the burden of ensuring compliance and oversight unless it is securities related.

Additionally, FINRA needs to review how non-compliance is addressed. In reviewing many cases and AWCs involving either actual or subjective “non-disclosure” of an outside business, in which no member of the investing public or anyone for that matter was harmed in any way; Registered persons who overlook requesting prior permission from their Firms should be given an opportunity to update their record accordingly without having potentially career damaging regulatory action taken against them.

Regarding the definitions proposed in the notice, “Investment Related” needs to pertain to items which are securities related not generic items which are overreaching the regulatory purview. The term “business activity” needs to have a more narrow definition and not simply someone that opens a Corporation and lists themselves as an “Officer” or Director etc. There needs to be an actual business being conducted, not just contemplated.

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