

Re: Regulatory Notice 26-02 – Request for Comment on Enhancements to Protect Senior Investors and All Investors from Fraud

Dear FINRA Regulatory Policy Committee,

I submit this comment in my capacity as Chief Compliance Officer of DFPG Investments, LLC. I write in strong support of the proposed amendments to Rule 4512 that permit customers to authorize members to apply trusted contact information across current and future accounts and allow the use of the term “emergency contact” as an alternative to “trusted contact person.”

The proposed trusted contact authorization framework is a practical and investor-protective improvement. In my experience, many customers (including seniors) maintain more than one account at the same firm, often opened at different times. In addition to being operationally burdensome to member firms, managing trusted contact information on an account-by-account basis can be confusing and burdensome for these customers, particularly as they continue to establish new accounts. Allowing customers to authorize the application of trusted contact information to all current and future accounts eases these burdens and maximizes trusted contact coverage, thereby reducing the risk of fraud and exploitation.

Allowing firms to use the term “emergency contact” in place of “trusted contact person” is similarly practical and protective of investors. For most customers, “emergency contact” is a more intuitive and less confusing term than “trusted contact person”. When coupled with the disclosure requirements found in Supplemental Material .06 to Rule 4512, this terminology change should increase investor willingness to provide trusted contact information and improve investor understanding of the role of a trusted contact person.

The proposed amendments to Rule 4512 are also consistent with previous FINRA guidance allowing members to “seek to obtain trusted contact information for accounts collectively”¹ and encouraging “using innovative practices” and “promoting effective ways of asking for TCP information”.² I write in full support of these proposed amendments to Rule 4512 and believe they are an efficient mechanism for protecting investors from potential fraud and exploitation.

Respectfully submitted,

Jason Anderson

Chief Compliance Officer

DFPG Investments, LLC

¹ 2022 Report on FINRA’s Examination and Risk Monitoring Program.

² Frequently Asked Questions Regarding FINRA Rules Relating to Financial Exploitation of Senior Investors.