



May 13, 2025

Ms. Jennifer Piorko Mitchell Office of the Corporate Secretary FINRA 1735 K Street Washington, DC 20006

Re: Comments on Regulatory Notice 25-05 (Proposed Rule 3290)

Dear Ms. Mitchell,

As the owner of a Registered Investment Advisory firm and a registered representative with an unaffiliated FINRA member firm, I'm writing to share my concerns about proposed Rule 3290, as outlined in Regulatory Notice 25-05. Thank you for the opportunity to provide feedback on this important matter.

For years, I've built my practice on the trust my clients place in me to safeguard their personal information and financial goals. This trust is the cornerstone of the fiduciary relationship, and protecting client confidentiality is not just an ethical duty—it's a legal one, enshrined in federal laws like Regulation S-P and reinforced by state privacy regulations. My clients expect, and deserve, that their sensitive information remains private, shared only with those directly managing their assets.

Proposed Rule 3290, particularly subsection (d)(4), would require me to share non-public client information with an unaffiliated broker-dealer for "outside securities transactions"—a term FINRA interprets to include routine advisory orders. This mandate would force me to disclose client details to parties with no direct role in their financial plans, violating their privacy rights and undermining the confidence they have in my firm. As an advisor, I find this requirement not only impractical but also contrary to the principles that guide my work.

Moreover, the rule imposes an uneven layer of oversight on advisors like me who hold FINRA licensure, compared to those who operate solely as RIAs. There's no evidence that broker-dealer supervision of advisory transactions enhances client protection, and this additional scrutiny lacks any basis in federal or state law. In my experience, such oversight would create unnecessary complexity without meaningful benefits, potentially discouraging advisors from maintaining FINRA affiliations.

I strongly urge FINRA to reconsider proposed Rule 3290. Its adoption would compromise the advisor-client relationship and impose unwarranted regulatory burdens. Thank you for considering my perspective, shaped by my commitment to serving my clients with integrity and care.

Sincerely,

Sean R. Spencer