FINRA:

I am a securities attorney in Lexington, Kentucky with over 15 years of securities arbitration experience. I am in support of the new FINRA Suitability Rule (Rule 2111), but feel the revision could do much more to protect public customers.

For instance, the Rule should place an affirmative duty on the registered representative to LEARN the facts necessary to make a reasonable suitability determination. As written, the duty appears to fall on the customer to provide such information. The Rule should mandate that a registered representative know all the material facts and circumstances about his or her customer prior to making a recommendation. In the rare instances where a customer refuses to disclose information, no recommendations should be permitted.

Furthermore, firms should be banned from the all too common practice of having a registered representative fill out a largely indecipherable new account form and then present the form to the customer to sign off on. The great majority of customers know neither the industry's meaning of the terms utilized in the form, like "growth", nor the significance of those terms as they relate to the risks assumed customer's accounts.

Though I feel the Rule could do much more to protect individual customers, I approve of the revisions.

Respectfully submitted,

Steven M. McCauley, Esq.

Charles C. Mihalek, P.S.C.
510 First National Building
167 West Main Street
Lexington, KY 40507
(859) 233-1805 Phone
(859) 233-7994 Facsimile