
From: Dave Middaugh [mailto:dave@damiddaugh.com]

Sent: Thursday, June 25, 2009 3:56 PM

To: Comments, Public

Subject: FINRA Regulatory Notice 09-25

I have been a licensed insurance professional for 39 years. For a large number of those years I have been a registered representative. My reason for writing is that I vehemently object to FINRA expanding FINRA's suitability obligations to recommendations that do not involve securities.

I've worked, over the years, with our State Insurance Department to aggressively pursue individuals who use deceptive and misleading sales practices, and to prosecute them to the full extent of the law. In fact, I was the fund raising chairman to fight an initiated measure concocted by a group promoting rebating, which we were successful in defeating and successful in removing the licenses from the promoters. I strongly object to people messing in my pond.

I just as strongly object to your attempt to reach into an area for which you do not have jurisdiction – that area being where securities are not involved. Neither FINRA nor broker/dealers have the expertise specific to insurance products or the resources necessary to oversee non securities transactions. FINRA's authority should not be expanded to include insurance and other non-security products and services.

Insurance products are already the subject of comprehensive regulation at the state level and at the national level through the National Association of Insurance Commissioners. FINRA being involved with these products would result in conflicting and confusing regulatory requirements which would detract from the goal of consumer protection.

In addition, our lawmakers are currently debating issues concerning the standard of care, which broker/dealers and investment advisors owe to their clients and are considering whether such standards should be expanded or changed going forward. It would be totally inappropriate and untimely for FINRA to expand or revise current suitability requirements while this debate is underway since many other changes may be made in the very near future.

I urge you not to expand FINRA's suitability obligations to include recommendations that do not involve securities.

Sincerely,

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