



J. A. GLYNN
TRUSTED SINCE 1945
JAG ADVISORS

Office of the Corporate Secretary-Admin.

Securities Dealer
Registered Investment Advisor

J. A. Glynn & Co.
Member NASD/SIPC

DEC 30 2010

FINRA
Notice to Members

Marcia E. Asquith
Office of the Corporate Secretary
1735 K Street, NW
Washington, DC 20006-1506

**Re: Regulatory Notice 10-54
Comments to FINRA Proposal Requiring a Disclosure Statement for Retail Investors**

Dear. Ms. Asquith:

Introduction

J.A. Glynn & Co. is a small dual registrant firm offering traditional investment services. The majority of our retail clients deal with us on a wrap-fee basis. We appreciate the opportunity to comment on this proposal.

1. Additional Disclosures Are of Questionable Value to Investors

If enacted, the proposal will dramatically increase the volume of disclosure language contained in investor documentation. It is our belief that there is an inverse relationship between (a) the length and density of investment disclosures, and (b) the probability that the average investor will actually *read and digest* the disclosures. Indeed, insofar as we all seek clarity and accuracy in investment disclosure documents, it is our opinion that *quality* trumps *quantity* in almost every instance. We note that the Securities and Exchange Commission's *Rand Study on Investor and Industry Perspectives* report on practices in the investment adviser and broker-dealer industries buttresses this point. Therein, the Rand Corp surveyed investor's opinions concerning disclosures. Those interviews suggest that while extensive disclosures are intended to provide investors with valuable information on their rights and the responsibilities of their financial service provider, they are of little real value because few investors actually read them.¹

2. Content of Disclosures Unreasonably Compels Firms to Research, Evaluate, and Report on *Other* Firms' Service and Product Offerings

The proposal requires additional disclosures be designed to permit existing and prospective retail customers of the firm to evaluate: "to the extent applicable, that the firm may not offer all products of a certain class or type and that it or its affiliates may be the

¹ Page 21 of Rand Study on Investor and Industry Perspectives on Investment Advisers and Broker-Dealers, by Angela A. Hung, Noreen Clancy, Jeff Dominitz, Eric Talley, Claude Berrebi, Farrukh Suvankulov

sponsor or originator of certain products and may determine in some cases to act as a distributor or placement or sales agent for a fee from the issuer or sponsor of the product; And” Given the speed of product innovation in the financial services industry, we do not believe it is feasible for any broker dealer to monitor *all* products that other broker dealers may be offering. We believe the focus of any disclosure should be *our* firm’s offerings, rather than a statement evaluating how our service offerings compare to those of *other* firms.

3. Exemption for Firms Required to File Form ADV

Dually-registered firms such as J.A. Glynn & Co. are already required to publish form ADV Part II, which discloses a wide array of investor information, including:

- Firm narrative;
- Products and services offered by the firm;
- Professionals employed by the firm;
- Regulatory history of the firm; and
- Potential conflicts of interests

The proposal at hand requires disclosure information that is substantially similar to the disclosures already offered via Form ADV Part II. Therefore, to the extent the proposal pertains to investors who maintain a dual relationship with their investment firm, the disclosures provided would be (at best) redundant, and (at worst) confusing. We suggest that clients of dual registrant firms who are already being provided with Form ADV Part II be exempted from receiving the duplicative disclosure document proposed in **Regulatory Notice 10-54**.

Sincerely:



Charles E. Dodson
Vice President & Chief Compliance Officer