How much money to do you make and how much more in bonuses can you receive as a whistleblower? Probably none of my business as long as you're operating in an ethical fashion and not robbing anyone blind.

Same holds true for recruitment compensation practices. I have been in the recruiting end of the financial advisor business for 20 years now, which is about the length of time that FINRA has been batting this issue around, although according to your latest proposal dates back only to 2009. From the time that I started in the business until now the rate of advisors switching firms (with the exception of 2009) is anywhere around 9% to 11% on any given year. The deals have in fact progressively increased since 1993, but the amount of people switching firms has remained stable. I believe that FINRA's assumption that since these deals appear more lucrative today than 20 years ago, that more advisors are encouraged to churn their accounts prior to switching firms, is false. Reason being, if a clients account has been too active for their liking, chances are they won't be signing paperwork to move any time soon. They will stay with the current company if they weren't provided with good service and often a better return on their assets. It's actually those that don't move that tend to have weaker relationships with clients. Ex: If you are an advisor and only 60% of your clientele moves, you will probably loose 60% of your income. Nobody wants to do that, right? And they don't! They stick right where they are for as long as they can and then possibly move into an independent model where they stand to make a very high payout on all transactions. Secondly, since the deals are in fact stronger than they were 20 years ago, common sense would dictate that the amount of advisors moving would be higher as well, right? This not being the case, it would indicate that money isn't in fact the driving factor for the move. FINRA also makes mention of 'enhanced payouts' like it's something unique to a person that has changed firms? However, payouts in general and in any industry tend to be on a sliding scale that favors higher producers. It's the nature of sales and certainly is not a bad thing. The more clients you have and keep happy, the higher your paycheck. Not rocket science and not ethically challenged either.

The American brokerage system has come a long way from the days of Gordon Gecco on the buy side. While transparency is necessary in the brokerage world as far as fees and commissions are concerned, this new proposal really doesn't tell the whole story. Truth is, people are paid to stay in their seats as well as paid to leave. By making it harder for moving advisors, FINRA may actually hurt more consumers in the end. If advisors decide to stay at a less competitive (on the technology, platform and politics level) firm due to new regulations, it's their clients that will potentially sacrifice service and performance.