



This rule while decidedly well intentioned may unnecessarily delay account transfers and confuse the customer intended to be protected. It seems that the same goal can be achieved by advising the new customer that they may ask their own rep's new supervisor for such details and if unsatisfied with the response they should perhaps ask for a meeting. The definition of such compensation seems unnecessarily limited when it does not include such benefits as new territories, new titles, and new high net worth customers. The \$50,000 limit is confusing in the sense that it's a single number for the entire customer base moving with the broker. Thus a customer with a small account would naturally wonder why his rep is getting a \$100,000 bonus to move that account. Would the firm have to explain the entire amount of assets coming over from all the rep's customers? Would the small customer feel that this means that he is last in line for attention? These account transfers may have more to do with poor service at the old firm than the compensation at the new firm. True customer protection here involves the customer's ability to ask the receiving firm whatever questions it wants to ask with regards to both services and compensation. Arguably this is an example of unnecessary regulatory interference with the broker-customer relationship. Most customers will assume their reps are leaving to enhance their careers and what they really need to know is how does the move affect them. But many customers who have made money will have no interest. A simple disclosure to one customer of enhanced compensation for bringing in 100 other accounts seems to miss the mark. An invitation to ask general questions from a supervisor of the rep would be more enlightening. The recruiting firm may also learn that the customer has been promised something that is troublesome or that the customer may be troublesome. Finally I suspect that this rule will be more difficult for small firms without the supervisory personnel to insure its details including reviewing the terms of a contract to insure whether its terms need disclosure.

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