

Re13-02 FINRA Requests Comment on a Proposed Rule to Require Disclosure of Conflicts of Interest Relating to Recruitment Compensation Practices

Your proposed rule is well drafted and necessary for the protection of investors.

Transition assistance which is moderate and reasonable will be understood and accepted by clients as the broker explains the benefits to having a client's account held at his/her new firm and the cost personally in time and lost revenue of the transition.

Transition incentives of an unreasonable level will not be understood and accepted by clients.

Therefore this rule most likely will end a practice that in most cases has every possibility of benefitting only the recruiting firm and the broker at the expense of the client.

One possible addition to this rule that should be considered is adding something like "additional gross compensation that a broker may receive that is more than 15 percentage points higher than his previous firm should also be disclosed". Clients do not understand that when a broker leaves a full service firm and associates with a firm with independent representatives and a 90% payout that the services, product variety and price levels he and the firm may be able to provide and the product and sales supervision level may be substantially less.

I applaud FINRA's efforts in this area and look forward to an industry who will compete almost entirely on services to clients and not who can pay the most to the brokers to acquire client assets.

Sincerely,

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Managing Partner

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