OPPENHEIMER

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

Re: **Regulatory Notice 13-02**
Recruitment Compensation Practices

Dear Ms. Asquith,

On behalf of Oppenheimer & Co, Inc.("Oppenheimer"), a broker-dealer and a long time member of FINRA, we are submitting our company's comments on FINRA Regulatory Notice 13-02 on Recruitment Compensation Practices. For background Oppenheimer is a full service securities firm and employs 1420 financial advisors working out of 86 branch offices in 16 states throughout the U.S. Our firm services over 250,000 private clients who collectively hold in excess of $80 billion in securities with our firm. In the ordinary course of our private client business, we recruit new financial advisors and, less often, we have financial advisors resign from our firm to join a competitor. As a result we are significantly impacted by policies and rules regarding the recruitment of financial advisors.

Our firm participates in industry-wide recruiting protocols dealing with the proper way in which financial advisors should deal with client information and the information they are permitted to utilize when leaving their existing employer to join a new securities firm. The protocol, when it was adapted, put structure around financial advisor movement and ended the misuse of client personal information and the documents surrounding client information which rightly belonged to the employer and not the financial advisor.

The current environment in which financial advisors receive significant inducements to move from one firm to another is based on the high costs of training successful financial advisors who are capable of attracting client relationships and the assets attracted by those relationships. The consequences to clients of this movement is that each time an advisor changes firms, the advisor is required to cause the client to liquidate client securities that are enrolled in a particular program sponsored by his/her old firm and re-position the client in new investments and new transactions resulting in added costs to the client. In addition, in most instances the client is charged a fee from the old firm to reimburse them for the costs sustained by them in delivering off the accounts and the accumulated history of the client relationship.

Full transparency in writing mailed to all customers being asked to transfer from the prior firm describing the financial inducements motivating the financial advisor to make such a change in employment would make it significantly easier for the client to assess the merits of the change from his own perspective and more objectively reach a decision about remaining with the existing firm or following the advisor to a new firm.

This disclosure should be given by the firm that the advisor is leaving in a standard format that cannot be altered by the sending firm. The information to be provided to all clients of the departing advisor would likewise be formatted and delivered upon the resignation of the advisor. The delivering firm would be required to retain a copy of all notifications along with the list of clients to whom the notification was mailed.

Throughout the history of the securities industry "sunlight" and the availability of information has reduced the costs to investors and eliminated conflicts of interest and undisclosed risks.

Oppenheimer would be in favor of rules surrounding disclosure of compensation so long as the rules are clear and implementation is standardized throughout the securities industry.

Very truly yours,

Bob Okin