To whom it may it concern,
RE: Regulatory Notice 13 - 02

Request for comment

02/28/2013

Dear Mrs. Asquith,

I was very happy to see this rule proposal. Have owned my own Broker Dealer since 1998 and have done nothing but constantly strive to improve our firm. First and foremost, for our clients. Secondly, for everyone that is employed here. While the whole time doing everything we can to operate the firm at the utmost level of ethics humanity possible.

With the above paragraph giving some insight to our corporate culture, I think, YES, it is only fair that clients know the TRUTH about why their advisor leaves his/her current firm, for another. So needless to say, YES the advisor's new compensation package SHOULD BE DISCLOSED, in full, in writing! This will allow the client to get more of the truth (still not all) to make a better informed decision. In my experience, very few advisors leave their current firm to benefit their clientele. If anything, quite the opposite. Many advisors/brokers leave their current firm for a big paycheck, higher payout and/or more freedom (less compliance) to do what they want. Now like anything else, most firms, and companies in general, that look to grow by recruiting with very generous sign on packages, and high payouts, typically not the safest business plan, and take on a simountasily equal degree of risk. Most clients with investable assets might not be experts in finance, but they will clearly understand my previous sentence.

But I feel the "compensation package" should only be part of the disclosure. What about the supervision of the advisor? If FINRA truly cares about protecting client's then isn't this as, if not more important than the compensation? Because we all know advisors are only going to tell their clients how great the "new" firm is, not that he/she is being compensated more on THEIR assets, or no one is going to prevent them from doing unprofessional business, be supervised less, or they get to work from their home or some office in the middle of nowhere. We are now in the day and age where you never know where the person is that you call. I feel very strongly that if clients knew some, or all these things, they would think twice before following their broker to uncharted waters, to say the very least.

Many firms (ours included) have lost advisors to firms that do not, or at least tell advisors they will not police their activity the same way their current firm does. Now think of the typical "rogue" or troubled advisor, if they are in a firm that polices them well, and then for some reason want/need to do unethical business in a client's account, they can not. But moving to one of those firms that let advisors work out of their home, your own unsupervised office or worse yet, a company that has a proven track record of fostering aggressive investment tactics designed to generate excessive commissions and fees, would clearly put the client's funds in unnecessary harm. We feel very strongly Client's should made aware.

Also, our experience has shown that firms that recruit reps in this fashion do not live up to there end of the bargain all the time. Meaning, they promise a Rep everything under the sun, but once the move their clients to this new firm (usually not an easy task) does not make good on their package. What is the rep going to do, move again, a month or two later? And these firms know this and live by the attitude "tell them anything to get them in the door and deal with it once they are here". So the practice of memorializing a Reps. compensation in writing will have firms think twice about offering things the do not plan to deliver, and protect a Reps interests. We all know when a Rep just moves his clientele from one firm to another, if something goes wrong, he would have a very hard time moving his clients again anytime soon. Reps are very vounable at this point, and everyone having clear compensation package in writing aligns and protects everyones interests.

Proud to see FINRA's ongoing process to better our industry.

Thank you so much for the opportunity to comment.

Michael Finnan
Morgan Wilshire Securities, Inc.