



**Regal Bay
Investment Group, LLC**

Ross M. Langill
Chairman and Chief Executive Officer

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

May 21, 2014

RE: Comment on Rule 3220 & 5110

Dear Ms. Asquith,

Recent regulatory trends have had an extremely negative effect on most brokerage professionals and some members of FINRA. More specifically Rule 3220 and Rule 5110 Regulations on gifts, gratuities, and non-cash contributions have exacerbated the problem they were intended to address.

As a Registered Representative in the securities industry for the past forty years, I view these Regulations as perpetuating a severe and growing inequality that favors some broker / dealers at the expense of financial professionals and the investing public. Individual Registered Representatives cannot compete with FINRA firms offering fifty or more free trades to open an account or access to Initial Public Offerings if the institutional client generates substantial revenue for the broker /dealer. In other words where is the level playing field when a broker/dealer can attract clients with gifts, gratuities and non-cash compensation or "hot" IPOs worth far more than \$100 while we as agents with "retail clients" are restricted from doing the same.

Far from leveling the field, or providing support for the true professionals in the securities industry, these Regulations favor FINRA member firms and investment banks that can easily attract clients with expensive gift incentives and pay backs, but provide little professional expertise for the individual investor. These clients, as well as the brokerage professionals i.e. Registered Representatives are thereby harmed in the process. FINRA's Rule 3220 and 5110 should be amended to remove disparities that have inadvertently undermined the professionalism of FINRA's membership, and hurt the public interest. To support the professionalism that is the mainstay of client trust and Registered Representative respectability in our industry, broker/ dealers should be held to the same standards.

Rule 3220 lets broker/ dealers lure investors away from the care of educated and experienced professionals into the hands of largely untrained "order clerks" or "robo advisers" of these broker / dealers. These "point and click" firms may provide agents with little experience and lack true professional service for their clients, thereby greatly increasing the risk of errors. FINRA should not let Regulations like these further encourage the "do it yourself" mentality that often leads to an unsafe and unprofessional climate.

FINRA's Rule 5110 is a great improvement over the "hot issue questionnaire" but still does not provide the watchdog oversight that it was intended to provide. What happened to Papilsky? Where is the "Public" in the Initial Public Offering process? I do not subscribe to a modified Dutch auction method a la Google to level the playing field but rather institutional investors should be held to the same standards as retail individual investors. In other words the size of the investor retention or allocation should not be disproportionate based on the amount of revenue generated by a client in previous months.

By promulgating Regulations that support true professionals in the securities industry, investors will be better protected, rather than relying on Rule 3220 and 5110 as they are presently configured. Currently these Regulations not only have the negative result of luring clients onto the perilous shores of hype and cheap gift offers but also prevent them from participating in the growth of American capitalism through IPO participations. I would hope that FINRA can take yet another stand for quality service in the securities industry by modifying Rule 3220 and 5110, rather than continuing to reward such cheap "come-ons," quick deals, and IPO pay backs.

Sincerely,



Ross M. Langill
Chairman and CEO
Regal Bay Investment Group LLC