



April, 24, 2018

Ms. Jennifer Piorko Mitchell  
Office of Corporate Secretary, FINRA  
1735 K Street, NW  
Washington, DC 20006-1506

Dear Ms. Mitchell and members of the FINRA Office of General Council,

I am writing this letter to express my full support for Regulatory Notice 18-08. As Chief Compliance Officer of an independent broker dealer, Fortune Financial Services, Inc., we find FINRA Rule 3270 (Outside Business Activities of Registered Persons), Rule 3280 (Private Securities Transactions) and NASD NTM 96-33 (NASD Clarifies Rules Governing RR/IAs) both confusing and difficult to implement without providing any meaningful investor protection.

We understand, of course, our obligation to supervise our Registered Representatives, ensure that clients understand the different relationships that they have with our independent contractors, and to protect clients from inappropriate activities. We also continuously struggle with the fact that clients of a Registered Investment Advisor(RIA) are just that; clients of the outside RIA. This brings up privacy concerns.

If they are not also clients of Fortune Financial Services, we often have limited information with which to conduct a suitability review. Having worked with RIA firms for many years in the past, I am aware of the extensive, specific and often very personal data gathered by Advisors to meet their fiduciary obligations, data that clients and RIAs are reluctant to share with a third party.

Without this additional information how are we to make a suitability determination, which is a lower standard of care than the best interest requirement of the Advisor? We have no authority to cancel trades, prohibit strategies or investment types. All we can do is prohibit the Advisor from working as an RIA. This may be appropriate on occasion, but is generally not good for clients with brokerage accounts as well as managed portfolios.

As we are a limited purpose broker dealer, transactions are conducted through another entity. When a client is conducting transactions through an outside custodian, such as TD Ameritrade, we get our data after the fact. Whether receiving statements and confirmations, or data feeds, there is a time lapse for our review. And again, we have no authority to cancel the trade, only to disallow the RIA activity.

RIA's are registered and supervised by either the SEC or at the State level with the attendant rules and requirements. There is no need for broker dealer firms to impose additional supervision. The risk assessment and approval requirement for investment related activities is an appropriate way to ensure separation and identification of these activities.

Thank you.

Christine Warner  
Chief Compliance Officer  
[cwarner@fortunefinancialservices.com](mailto:cwarner@fortunefinancialservices.com)