



March 23, 2017

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

Re: FINRA Regulatory Notice 17-06: Communications with the Public

Dear Ms. Asquith:

M Holdings Securities, Inc. (“M Securities”) is pleased to submit the following comments in support of the proposed amendments to FINRA Rule 2210 set forth in Regulatory Notice 17-06.

M Securities is a dually-registered broker-dealer and registered investment advisory firm and a wholly-owned subsidiary of M Financial Group (“M Financial”), one of the nation’s largest independent financial services design and distribution networks. M Financial has more than 155 member firms throughout the United States and abroad which offer a high level of service, support and expertise in the ultra-affluent and corporate markets. M Financial is singularly focused on delivering access to a diverse selection of investment and insurance products and services through M Securities.

The proposed amendments to Rule 2210 may affect M Securities differently than other industry members. M Securities does not generally utilize projections on asset allocations in the investment space. We are, however, permitted to make hypothetical illustrations using assumed projections related to insurance-based securities such as variable annuities and variable universal life insurance policies under FINRA Rule 2211. The proposed changes to Rule 2210 would provide us with the ability to make reasonable projections using similar assumptions across multiple strategies and asset allocations, which could provide customers with more factual information to better compare financial alternatives and make informed choices. Ultimately, M Securities believes that providing its customers with consolidated summaries of mathematical principles and projections of various strategies in an easy-to-understand format, with supporting documents attached, would benefit the customer’s ability to compare various allocations, their cost implications, and tax consequences.

M Securities supports the change to a “reasonable basis” requirement because each individualized investment strategy has specific features and costs. Rather than establishing rigid,



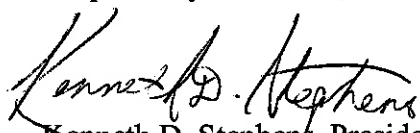
one-size-fits-all requirements for all strategies or asset allocations, we believe it is appropriate for projections to be reasonably tailored to each strategy because those tailored projections will more accurately highlight the features and consequences associated with each strategy and better inform the investing public.

M Securities agrees that providing a range of projections in relation to customized hypothetical investment planning illustrations could highlight the hypothetical nature of a performance projection and further protect customers. Ranges of projections are double-edged swords, however; they can aid customers and decrease the risk of deception, but they can also increase the level of confusion for customers. Rather than establishing an inflexible requirement of a range of data points, we believe it is more appropriate to include projection ranges as one factor, among many, to consider when determining the reasonable basis of a given projection.

Finally, M Securities agrees that the proposed changes to Rules 2210 will align the public projection requirements for the brokerage and investment advisory spaces. This alignment not only allows broker-dealers to compete more effectively with stand-alone investment advisors, since they will then offer the same projections, but it also provides a second and important benefit. Dually-registered firms, such as M Securities, have two sets of rules to comply with in relation to projections and the disparate rules make it difficult to know which side of the house – brokerage or advisory – the representative, advisor, or agent is working in. Establishing one set of rules that apply to both registered representatives and investment advisors will streamline the application of supervision and compliance duties at dually-registered firms, and will help eliminate customer confusion.

We thank you for the opportunity to comment on FINRA Regulatory Notice 17-06. Please contact us should you have any questions regarding our submission.

Respectfully submitted,


Kenneth D. Stephens, President
M Holdings Securities, Inc.