

I am writing to you about Regulatory Notice 18-06;

Here is what a small broker dealer must deal with in the real world. You work seventy hours per week to build a company. You don't make a bunch of money, in my case about 150k per year. You keep a close relationship with FINRA and your coordinators.

Lawyers monitor companies that fail and solicit clients to sue if they lost money. The client agrees and files an arbitration. Cost to the B/D is 3k to 10k. By the time you reach discovery you have another 5 to 10k in legal costs. In many occasions the client made money while at your firm. However, the reality is that the lawyers who solicited the claim know that you will settle because even if your right, it does not matter, it is a cost issue. Arbitration has nothing to do with the law it is about feelings.

The position I am in is that I spend money on FINRA and Lawyers until it no longer makes sense. Who are we helping here FINRA and Lawyers or clients. If you don't want small broker dealers then just shut us down and be done with it. Instead you drag out the process and bleed us dry and we wind up with nothing, except we had a dream of building a business and helping people and lose everything we worked for.

You have the control to change the industry. However, you don't. As an introducing BD we must follow the same rules as Merrill Lynch without the resources. I truly believe that we need two FINRA's one for small introducing BDs and one for larger firms. I would love to have a conversation. I will survive however I am sure I will spend everything I own to survive all these bogus claims and wind up having to sell out anyway. Screwing all the good reps that have been with me for years. All this work to do nothing but benefit all the mega firms that do more to harm clients than small firms than all ever thought of doing.

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