

July 30, 2010

To SEC members:

Compliance costs us, both in terms of finances, as well as in time. These costs are eventually felt by clients. Adding more regulation means another layer of compliance, and even more cost to clients. As a registered representative who holds both a series 6 and 63 license, I must take a regulatory test every two years to maintain them. In addition, I am examined by company compliance each year. This exam includes my client files, correspondence, product materials, etc... This extent of compliance takes many hours of my time and costs me financially, as I need to pay office staff to help me keep up with it all.

Like me, most other registered reps already hold our relationship with our clients in the highest regard. It is our duty to educate, protect, and serve them to the best of our abilities. In the middle of this economic crisis, people shouldn't have to pay extra for this education and service. Fee-only models are not the answer. They are just an extra expense people can't afford to, and should not have to pay. However, as a result of a new layer of regulation, you will see more fee-only models, as well as more frivolous law suites anytime the stock market dips. These added liabilities will drive up the cost of E & O coverage and, again eventually add to client expenses.

Our clients look to us for guidance, not to be gouged. Your plan to protect them is well intentioned but, misguided and misdirected. In the grand scheme of things, you will only hurt those you seek to protect. Please look before you leap and don't pass excess reform just to tell yourselves that you did something.

Sincerely,

Seth Krasne, LUTCF, CLTC