

Dear Sirs:

With over 40 years of experience on the sell side of the business, I joined the buy side two years ago. My perspective and experience might be unique for your deliberation.

In the brokerage business, I welcomed the regulatory authorities into every facet allowed by established law. When you play by the rules, you are protected and your clients and their assets are protected as well. But, everyone must know the rules and no one allowed to openly break them.

My approach was I would do everything possible to comply with the rules. Then, the rules' makers let me down. They did not enforce the rules equally. I still complied with the rules but our industry was hurt by the lack of consistent application of authority.

For example, why are short sellers allowed to sell short and not make delivery without prosecution? impunity? Why are rapid traders allowed access the public can not see? Why doesn't the SEC understand the tremendous unfairness of rapid trading?

Neither FINRA nor the SEC can determine that computer rapid trading is horrendous for the marketplaces. How then, can entities so out of touch be able to monitor and understand the legitimate business of investment advice?

As evidenced today in the Wall Street Journal, these rapid traders are buying influence. Again, the public will be set aside.

The SEC must stand up to this and any other deleterious activities within our professions. The SEC must maintain control of the regulators...not give up their rights to another entity like FINRA.

The damage that will be done during the learning curve of another entity given responsibility of oversight will be inestimable. The cost will be prohibitive.

There is a strong disbelief in the system of FINRA arbitration, etc held by the investing public. How did this happen and how does this apply to an SRO being appointed to oversee RIAs?

The answer is that both the SEC and FINRA need to get their acts together by determining a basic set of guidelines that are to be expected and allowed in both the brokerage and investment advisor businesses. It does not take a 2000 page instrument to describe the ethics required to remain in good standing.

There are already too many guidelines that are not enforced. Setting FINRA in charge of even greater responsibilities will be an even greater error.

Einstein said "Insanity is doing the same thing over and over expecting a different result".

The SEC could step up and determine reasonable objectives. The current goals are out of hand and unattainable. Determine what must and can be done reasonably. Set the mechanism in place to realistically get a better foundation. .

If you pass this on to yet another entity (one that already has a history of not exactly perfection), the results will be predictable.

The relationship between the SEC and the investment advisor community could be much better than it is at this time. It certainly isn't all due to the SEC. There are two reasons, however, for the conflicts: 1.)

When an examination is set to be accomplished, the process used for notification and request for information seems to become almost immediately hostile and filled with implications of assumed misconduct yet to be uncovered. This feeling of investment advisors being offended is evident when attending industry meetings and the subject of examinations come up. 2.) The information requested is voluminous (much like a request for discovery data in a law suit). MUCH of the information is useless and is boiler plated. Therefore, the process automatically becomes burdensome and confrontational. It should not be this way and the vast majority of advisors do not want it this way. We are the persons paying tax dollars into our government and want those dollars spent wisely and efficiently. The SEC is to help, not hurt those being served (the public). Creating conflict does very little to solve problems.

I recommend the SEC enlist members of the RIA industry to help solve the conflict issue and to provide better insight into examinations and how they can be more effective at less cost to the SEC.

Thank you for consideration of these thoughts.

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