

Starlight Investments, L.L.C.

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CRD#103957

March 17, 2009

SEC

Re: File Number SR_FINRA-2009-006

Dear Sirs:

I wish to support FINRA's initiative to establish NASD Rule 1032(i), a new limited representative registration category for investment banking professionals.

Background: Starlight Investments, LLC is a fully-disclosed, introducing broker-dealer, of which I am the sole owner and which is registered with FINRA in approximately twenty three states. The firm conducts private placements of securities and undertakes merger and acquisition services for its corporate clients. Starlight does not trade public stocks and does not hold customer securities or cash. It has about eight registered representatives. I have taken and passed the Series 7, 24, 27 and 63 examinations, am a FINRA Arbitrator, was formerly on FINRA's District 6 Committee and am a member of the FINRA's National Technology Advisory Committee.

Reasoning: I believe that the proposed rule will be beneficial in three ways.

- (1) Pertinent Licensing Content: It will allow investment banking-only professionals to study for and become versant in the rules and regulations that apply specifically to them, especially if the new licensing examination includes additional content pertinent to this practice, such as rescission, disclosures and communications to institutional clients and investors and replaces content tested on TRACE, OATS and other trading rules and procedures that are never applied in practice.
- (2) Pertinent Compliance Requirements: This rule may streamline compliance activities that are burdensome for small Broker-Dealers like mine, which hold no customer accounts and trade in no public equities yet require compliance, record keeping, and supervisory procedures as if we did.
- (3) Registered "Finder" Firms: Perhaps most importantly, the rule change can encompass non-registered "Finders." Our competitors are ex-FINRA licensed brokers who left the fold due to high compliance costs, disclosures, and code of ethics. Don't we want to regulate them? They offer competing services to the public who don't understand the benefits to them of firms that are held to FINRA standards. The loophole by which "Finder Firms" claim not to need licensing (disinterest in the outcome, lack of recommendations) are, in my experience, rarely true.
- (4) The argument advanced by Finders that allowing them to remain unlicensed encourages funding of worthy, early-stage ventures is spurious. Our financial system leads the world in allocating efficiently monies to meritorious projects. Allowing finders to remain unlicensed will not increase this efficiency. Projects receive distinct amounts of market support in their

efforts to attract capital based upon their perceived viability and credibility. The projects most worthy of funding bypass finders completely as they receive investment dollars from angel investment groups, venture capitalists, banks, bridge funds or other professionally-managed organizations. Those Finders that actually are disinterested parties require a second tier of professionals to do the hard work of structuring an appropriate strategy and structure.

Recommendations: For my reasoning to work, three changes should transpire.

- (1) FINRA should publicize the difference between licensed and unlicensed firms and individuals.
 - (a) *Terminology:* An easy way to do this, consistent with other professions, is new licensing terminology, analogous to other professions. For example, the public recognizes the difference between nurse, nurse practitioner, and doctor. The term “certified” is used to distinguish doctors, accountants and others in other professions by their additional education and licensing. Business card terms in our industry make no such distinction. What if FINRA licensed firms and individuals were able to use a term such as “Certified Securities Principal” (licenses 63, 7, and 24), and that conferred respect on those who earned it?
 - (b) *Publicity by/about FINRA:* Currently, many members of the public do not know to ask, “Are you affiliated with a firm registered with FINRA?” “What licenses do you hold?” “What are you approved to do?” “Under what name can I look you up on Broker-Check?” Without publicizing distinctions between registered and unregistered firms and individuals, FINRA enables the outsiders to mimic and compete with registered firms. It is appropriate that FINRA discloses its sanctions, but what a shame if these are the only financial professionals so sanctioned? Every business journalist in the country could help with this, for free. Let’s assert the “wall of shame” for finders on the SEC website and otherwise increase publicity of the distinctions. Use the media to help investors and corporations protect themselves and choose wisely.
- (2) Scrutinize the licensing requirements: The licensing examinations and continuing education classes required of registered individuals guarantee that they will possess at least a minimum financial competence, which can protect their individual and corporate clients and investors. Currently, it is too easy for unlicensed persons to compete with the rest of us and they tar the industry by lack of “suitable” recommendations, due diligence, escrow accounts and other protections. It has been my experience that entrepreneurs frequently rely on and trust finders, whose titles and websites mimic those of licensed professionals. When things go awry, these firms and individuals can disappear and reinvent themselves. They have none of the accountability standards we do. The goal of changing this license should be to retain firms that might leave FINRA, and to attract those that are honorable but have not registered because, “they didn’t have to.”
- (3) The new licensing exam should not be a “Series 7 light”. An exam focused on investment banking can delete about 300 pages in the current study guide, but can certainly replace some or all of that content with pertinent content for institutional projects, mergers and acquisitions, disclosures after due diligence, etc. The goal should not to make licensing easier on investment bankers, but more informative, and to convey to the public that this licensed person actually knows more than that unlicensed person.

Even though it is often expensive, time-consuming and tedious, I am proud to own and operate a registered broker-dealer. I am disheartened when I see people getting around the rules established for

our industry and who try to make a fast buck with disregard to the entrepreneurs and small investors who make this country great.

Thank you in advance for your consideration of this letter of support.

Sincerely,

A handwritten signature in cursive script that reads "Bryan Emerson".

Bryan Emerson
Managing Member
(FINRA/SIPC)