



March 31, 2009

Ms. Elizabeth M. Murphy, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: FINRA's Proposed Investment Banking Classification  
File Number SR-FINRA-2009-006  
SEC Release 34-59484

Ladies and Gentlemen:

This comment letter is submitted on behalf of The M&A Source headquartered in Chicago, Illinois. Our association is comprised of mid-market intermediaries that represent the owners of medium sized businesses across the United States. The focus of our association is to educate and provide networking opportunities for transaction professionals that are in touch with the heartbeat of America's business owners on a daily basis.

FINRA proposes to establish a new limited representative registration category for investment banking professionals, called "Limited Representative—Investment Banking." The [Association] supports FINRA's proposal because it recognizes the unique legal and professional responsibilities performed by intermediaries in mergers and acquisition transactions. The current securities regulatory infrastructure is highly oriented towards capital-raising and retail/institutional securities brokerage, with comparatively little attention paid to the role of an intermediary in creating liquidity for existing capital through mergers and acquisitions. It is important to note, however, that FINRA's proposal appears likely to widely miss the mark in terms of the vast majority of merger and acquisition transactions occurring every day in the United States as thousands of baby boomers sell their small and medium-sized businesses in preparation for their retirement and a new generation of entrepreneurs and business owners seek to buy those businesses.

From what we understand about FINRA's proposal, the driving forces behind this limited classification were, for the most part, the large multi-national wire houses with operations in the United States and the United Kingdom. Indeed, the proposing release clearly evidences its multi-national origins in its reference to individuals who are registered with the Financial Services Authority in the U.K. The activities covered by the limited classification also appear to be oriented towards multi-national mergers, acquisitions, institutional private placements (e.g., PIPES), and syndications which, for the most part, involve publicly traded securities issued by SEC-

reporting companies. While these types of transactions represent large dollar amounts to public and institutional investors, their number pales in comparison with the annual number of merger and acquisition transactions that involve small and medium-sized privately held companies in the United States. Given their high dollar values, large and multi-national mergers, acquisitions, and syndications do pose substantially greater risks to public investors, and those types of transactions can bear the costs associated with compliance-driven requirements. But the content of securities regulation relevant to a Wall Street firm's syndications desk is wholly irrelevant to mergers and acquisitions involving privately owned, middle market U.S. companies.

FINRA's proposed limited classification for investment banking professionals is a positive step in the right direction of making securities regulation relevant to the regulated activities. It addresses a need to protect public investors in the context of mergers, acquisitions, and syndications involving large publicly held companies. FINRA's proposal does not address the urgent need for appropriately scaled securities regulation that is relevant in the context of transactions involving small and medium-sized businesses whose owners are equally in need of high quality, cost-effective professional assistance in selling their single largest investment. The annual number of these transactions far far exceeds the number of public company transactions, yet the dollar amounts of these transactions cannot bear the cost of education, training, and testing on largely irrelevant aspects of federal securities laws.

Therefore, we strongly encourage the SEC Commissioners to advance the proposed rulemaking that has been presented to the SEC Division of Trading and Markets staff by the Alliance of Merger and Acquisition Advisors ("AM&AA"), with the support of the International Business Brokers Association ("IBBA") and other leading M&A professional associations, to create a federal registration exemption and simplified system of state regulation for merger and acquisition intermediaries and business brokers for small to medium-sized businesses. FINRA membership would not be required under the proposals. The proposals would also codify into an SEC rule the staff's no-action position in the *Country Business, Inc.* letter issued in November 2006.

We would welcome the opportunity to discuss with you the urgent needs of small and medium-sized business owners that are addressed in the rulemaking proposals presently under consideration by the staff of the Division of Trading and Markets. Facilitating the liquidity of capital amongst small and medium-sized business sellers and buyers is absolutely critical to the recovery of our nation's economy and the re-employment of thousands of workers.

Sincerely,



Daniel E. Hall, CBI, CMEA  
The M&A Source Chairman  
Alamo Corporate Group- Dallas, Texas

