



By Email (rule-comments@sec.gov)

April 16, 2014

Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: FINRA Proposed Rule 2243
Request for Comment on Recruitment Compensation Packages

Dear Sir/Madam:

On behalf of CUSO Financial Services, LP ("CFS") I am submitting this comment letter regarding the Financial Industry Regulatory Authority's ("FINRA") proposed rule requiring the disclosure and reporting of Member recruitment compensation practices for Registered Representatives ("RR"). Thank you for the opportunity to provide our views on this matter.

CFS is a FINRA Member Firm, a Broker/Dealer registered in all states and an SEC Registered Investment Advisor. CFS services investment programs located in Credit Unions ("Financial Institutions"). Specifically, CFS provides non-deposit investment, advisory and insurance products and services to Financial Institution clients pursuant to a Joint Marketing Agreement. CFS RR's may be (i) an employee of CFS, (ii) an employee of the Financial Institution or (iii) an independent contractor.

CFS agrees that disclosure of recruiting compensation is necessary to avoid a potential conflict of interest. CFS is not a Protocol Member Firm. As a result and in accordance with industry standards, the CFS RR Agreement includes a trade secret/non-solicitation clause. Over the past year, we have seen a significant increase in RR violations of the Agreement. RR's were often recruited by firms that offered enhanced compensation to transfer. These monetary incentives produce a conflict of interest and encourage RR's to solicit their clients to transfer firms.

CFS is also concerned about potential conflicts where Broker/Dealers pay Financial Institutions monetary incentives to move their investment programs. The proposed rule does not address this issue. However, this compensation provides direct incentives that can influence the Financial Institution to change firms while disregarding the best interest of clients. As a result, we recommend that the rule require disclosure of incentive payments to change firms made not only to RR's but to Financial Institutions as well. While we appreciate the concern for financial privacy, we also believe that a client's best interest overrides the RR or Financial Institution's privacy concerns since payments received influence the recommendation for clients to transfer firms.



We believe that clients should be allowed to judge for themselves whether enhanced compensation/recruiting payments create a material conflict of interest. Additionally, the disclosure of recruiting compensation will benefit clients, enable them to make informed decisions and reduce potential conflicts. Moreover, the required disclosure of recruiting payments to an RR or a Financial Institution will increase transparency and enhance investor trust and confidence in our industry.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "M J Seedner", is written over the typed name.

Maria J. Seedner
Corporate Counsel