Elizabeth M Murphy, Secretary
Securities and Exchange Commission
100 F Street NE
Washington DC 20549-1090
Rule-comments@sec.gov

FINRA's GOT SOME 'SPLAINING TO DO

SR-FINRA-2014-012- Proposed Rule Change to Amend FINRA Rules 2210 (Communications with the Public) and 2214 (Requirements for the Use of Investment Analysis Tool)

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Re: SR-FINRA-2014-012- Proposed Rule Change to Amend FINRA Rules 2210 (Communications with the Public) and 2214 (Requirements for the Use of Investment Analysis Tool)

Dear Ms Murphy

I write as an individual whose voice is harmony with countless other investors funneled by the SEC into a forced arbitration with a private company. We learn lessons the hard way. It took a lot of stupid to get this smart. Nothing to do with college or stuff, just sometimes lessons need to be learned over and over again until the sad inevitable happens, learning being trusting is a horrible trait to have.

I have become too familiar with FINRA in the past few months. I have learned, read. I took time to read FINRA RULES 2210 and 2214. FINRA plays sides against each other, on the one hand writing the Rules Investors are held accountable to; on the other hand writing the Rules Industry plays with, not by, but with. It is a losing game for Investors.

I am going to focus on FINRA RULES 2210 and 2214, here and now, then a summation.

FINRA RULES 2210
(b) Approval, Review and Recordkeeping – in that 2009 was FINRA's year of Expungement as a tool that was intended to be for special circumstances (http://www.finra.org/arbitrationandmediation/arbitration/specialprocedures/expungement/), it has become an outed FINRA scourge that, here and now, is reason to shut FINRA down.

Expungment is FINRA's version of Tech Companies scraping metadata out of Online Content making Content an Orphan Work- no identity. Expungement scrapes away prior FINRA, and other adverse decisions off a Firms, Broker, Dealers, Advisors, etc past so while, on the one hand FINRA has a Broker/Advisor check on the site, FINRA.org, in

itself, that check is a fraud on the public, in that the public will not know what the Advisor/Dealer/Firm did wrong or how many times. One Legal Industry Advocacy group pointed out in their press conference online the example of an advisor with 40 complaints against them, 35 of which were wiped away, which meant for the consumer considering placing their savings with this individual, their money was at risk, great risk.

Mind boggling to me is the imbalance of the system, that some in society can have their sullied even criminal behavior backgrounds wiped away, expunged, but others, like people who served time in prison, even youth falsely accused of sexual crimes or jailed for years, are forever branded, even to the points where they live is on the Internet fostering neighborhood outcry against them, rightly or wrongly. How is it that Repeat Financial Crime offenders, which is after all what inappropriate actions with an investors money is, can be wiped away.

Any and all change to this Rule, should only be to stop Expungement and, as I am want to do when I talk about Intellectual Property crime, is advising that "warning" or "alert" be put page top, upper right, FLASHING.

Any Financial Advisor that has any crime against them, FINRA or other, should not have their backgrounds expunged. All the backgrounds that have been expunged within the past then years, should be put back in to the FINRA histories online, what FINRA sees should be 100% transparent to the investing consumer public. If not, then all criminals listed above should have their backgrounds expunged too.

(1) Retail Communications A clearer definition of Retail Communication is needed to include what is posted on a website not just what is sent in letters.

(2) Correspondence Correspondences must be kept no less than 7 years. Consumers should be advised in writing to maintain a paper printout of all correspondences warning the Internet is an unsecure environment subject to hacking and changes and is vulnerable to being altered.

All correspondences sent back and forth between client/Industry should be sequentially numbered setting the matter up from the getgo to mitigate Industry fraud perpetrated on Investors

(3) Institutional Communications

(4) Recordkeeping SEA Rule 17a-4 is clear how long records must be kept. Any Industry person brought to FINRA arbitration failing to provide these records is to be found in Contempt under Federal Law in that FINRA is a neutered agency with no civil authority but defers to Federal Law in absence of FINRA rulings. Any lawyer representing in a FINRA proceeding their client has none of the SEA Rule 17a-4 to produce, will themselves, be reported to their overseeing Ethics Committee, barred from representing in future FINRA matters and the FINRA case manager, overseeing the Arbitration in which the lawyer/Industry person allege they have no records, is to (i) immediately report the matter (ii) call a halt to the Arbitration (iii) which the Investor shall automatically win, in that FINRA rules require records kept 6 years. Claims are held within statutes of 3 years which means the Records are to exist. They don't? Case over.

Any FINRA case manager failing to comply with FINRA rules of Record keeping is to be fired from FINRA immediately, barred from working in an industry related job, for life.

(c) Filing Requirements and Review Procedures

(1) Requirement for Certain Members to File Retail Communications Prior to First Use Transparency in the information age means "on the internet." FINRA must create a "Good Housekeeping Seal Of Approval" that is posted/updated annually with a new badge, no different than the way vehicles are re-registered annually with the DMV or in the way organizations provide year-date stickers to update membership badges with or in the way FINRA employees show ID cards for access into the FINRA buildings, difference being, FINRA members are getting access into investor pockets under the false belief this FINRA member has been looked at, annually, making warrantees under the penalty of perjury and jail time. FINRA slaps wrists. It has no authority to jail a fraud, just to pass them forward with recommendations in to an already crowded judicial system. This would be a step towards educating the public as to what is a fraud who looks like your neighbor next door. No annual update. No hands in investors pockets.

(1) Requirement for Certain Members to File Retail Communications Prior to First Use The same model above would be implemented here. IF there is no Sticker with the signature of approval, then it simply does not go live. A balance and check here is, for example, the system in place by the DCRA, where an investor should be able to go to an appointed site, in person if they so chose to, and request a certified with a Seal of the Jurisdiction in which the Institution, Industry person are conducting business. It is illegal in the District of Columbia to conduct business without a business license. It is a wrong presumption that an industry person is licensed

to do General Business, which is different and apart from doing Financial Business in any jurisdiction around America without that local General license. There needs to be an immediate system in place to (i) educate the public the Financial person they are considering working with is not licensed locally which is a tip off that if the person/entity is defying local law, then that is a red flag they are defying FINRA Rules and Federal Law

What is also important is to create a system of accountability of employees within FINRA who are to be reminded they are working for a private company which in itself says they are not above the law. At issue, currently, within the Patent Industry is overbreeding, so to speak, of patents, without proper vetting that granted patents are not infringing, at the USPTO rubber stamping level, on other patents being approved. Accountability starts at square one. IF a FINRA employee understands they will be held accountable in a Civil Court for their behaviours, failure to do diligence, this may stem the flood of Financial fraudsters approved by FINRA on to the unsuspecting little investor. Moreso, the role of any agency with oversight is not to say "yes" to every application that comes its way, but in the vein of the TV show "say yes to the dress" the role of FINRA is say no to a whole lot of applicants before the FINRA version of "yes, to the dress" is approved.

(2) Requirement to File Certain Retail Communications Prior to First Use

FINRA requires Retail Communications to be filed prior to First Use. FINRA must require in writing these Retail Communications are to be provided by the Industry person/entity in all FINRA proceedings as stated above in (4) Recordkeeping. Any Industry Respondent and their Counsel alleging this information does not exist is violating the Oath taken in the Arbitration and, in the case of the Attorney, is knowingly participating in a Fraud being perpetrated on the Investor in that FINRA Rule 2210, requires this information be filed with FINRA. All the Industry Defendant and their Counsel have to do is get it from FINRA. Likewise, any FINRA case manager and/or Arbitration panel that does not defer to FINRA Rule 2210, forcing this information being produced will be barred from arbitrating within future financial forums, found contemptuous for interfering in a judicious forum and, should have every prior arbitration they participated in and/or presided over, brought back for review not in FINRA, in that FINRA failed once "fool me once shame on you, fool me twice shame on me" school of thought but in the Civil forums, recommended too, for (4).

(3) Requirement to File Certain Retail Communications Must be produced as stated above.

(4) Filing of Television or Video Retail Communications Must be produced as stated above. Recommend the Television or Video Retail communication have a FINRA reviewed/approved mark on it, like the MPAA, Motion Picture Industry places on product their membership puts forth with warning, of Frauds, etc. though the Entertainment industry addresses Piracy. Point being, the appearance of a warning, albeit it general, will get investors to ask questions of the Industry institution/individual they are considering placing their life savings with. In that Television and video are gone the way of Vimeo, Pinterest, Mobile, etc, this category, now, should state all current and future digital evolution, getting FINRA Rules and law enforcement ahead of the Industry fraud that is exponential with Technology growth.

All Website, television, video, entertainment communications must on the home page include a warning that online life can become a silent sickness in that no one is over one shoulder to stop that one Click from becoming 100 Clicks in a day in an hour except that each Click on an online trading platform comes with a price and at a cost and with a label of addiction, illness, day trader. The Communications FINRA Rules over should include both a verbal warning and a site/platform pop up the User must read then click through to show they are aware of their next steps. Each and every time the User goes on to the platform, the Voice Over and pop up must appear, if in fact FINRA is about Investor protection.

Message Boards should be closed down in their being populated by firms paid to promote product driven up and down by outside disrupters.

(5) Date of First Use and Approval Information

(6) Spot-Check Procedures Spot-check procedures should not be limited to contact with Industry entities/persons, they should be available to the Public. To avoid potential allegations from Industry entities/persons, the format followed should be the format used by retail service providers such as Safeway, Rite Aid, etc. where a menu of options as to service are given adressing worst to best with the last stop being a paragraph to put additional information, in to. Feedback on these sites do offer participation in a draw. That would not be viable in this forum. What would be viable incentive is an invitation to a lunch with other investors which would be a Roundtable providing valued insight. Roundtables are held routinely by the USPTO, LOC, etc. Though FINRA is not a government agency, as the mind boggling, only vendor industry selected to uphold Investor Integrity, FINRA is under SEC and Congressional oversight but with one difference, a lock around it tighter than that of a medieval chastity belt that even FOIA's cannot pierce. That must change.

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FINRA may be a private company, more correctly, a non profit. As a Non Profit, it has accountability, it seems legal minds do not address. One cannot be a non-profit and not be accountable to the public.

"A nonprofit is a tax-exempt organization that serves the public interest. In general, the purpose of this type of organization must be charitable, educational, scientific, religious or literary. This is a common and broad definition that fits the type of information likely to be found at this site. The public expects to be able to make donations to these organizations and deduct these donations from their federal taxes. Legally, a nonprofit organization is one that does not declare a profit and instead utilizes all revenue available after normal operating expenses in service to the public interest. These organizations can be unincorporated or incorporated. An unincorporated nonprofit cannot be given federal tax-exempt status or the designation of being a 501(c)(3) organization as defined by the Internal Revenue Service. When a nonprofit organization is incorporated, it shares many traits with for-profit corporations except that there are no shareholders." (http://www.nonprofit.pro/nonprofit_organization.htm) Two hundred and thirty five FINRA employees contributed to Glassdoor (http://www.glassdoor.com/Salary/FINRA-Salaries-E108071.htm) Investment News published FINRA CEO's salary for 2012, 2011 (http://www.investmentnews.com/gallery/20130702/FREE/702009999/PH#) which Investment News Retrieved from FINRA's Annual Report (http://www.finra.org/web/groups/corporate/@corp/@about/@ar/documents/corporate/p291721.pdf)

(7) Exclusions from Filing Requirements

(8) Communications Deemed Filed with FINRA

(9) Filing Exemptions

(d) Content Standards Despite FINRA Rule 2210 stating "**(1) General Standards"**

(A) All member communications must be based on principles of fair dealing and good faith, must be fair and balanced, and must provide a sound basis for evaluating the facts in regard to any particular security or type of security, industry, or service. No member may omit any material fact or qualification if the omission, in light of the context of the material presented, would cause the communications to be misleading.

(B) No member may make any false, exaggerated, unwarranted, promissory or misleading statement or claim in any communication. No member may publish, circulate or distribute any communication that the member knows or has reason to know contains any untrue statement of a material fact or is otherwise false or misleading.

Any Arbitrator/Panel that is given documentation of any part of the proceeding of misleading communications should be made aware failing to address lying under Oath will barr them from arbitrating and/or participating in the Financial Industry for life, in that what is missing, within FINRA, is the seriousness of the proceedings before the

Arbitrators within the FINRA forum. The Arbitrators will be stripped of their mediation/arbitrator licenses, permanently.

A Member disclosed to have made "false, exaggerated, unwarranted, promissory or misleading statement or claim in any communication" is subject to laws on the books. At this time, FINRA, is playing a role of Government watchdog in that FINRA was sole-pointed by the SEC to address Investor disputes, that then should simply make anyone lying within a FINRA forum, accountable for lying to a Government employee/agency along with all the other issues, too.

(2) Comparisons How is the FINRA intake person to know what is correct or not. With all of the government lamplight on the IRS, the reality is a person sitting in Utah is not going to have counter knowledge of papers submitted by a someone in Silicon Valley or K Street or Wall Street. Bluntly put, it is a case of garbage in-garbage out. For a difference to be made, Civil penalties must be stated. Respecting FINRA is a neutered agency, the laws on the books are stated in the Penal and Criminal Codes which should be stated in the FINRA Rules (i) the applicable code and/or (ii) actual citation. This puts both the FINRA employee, the Industry person on notice, they are liable for a crime, and facilitates Law Enforcement and Judicial system this matter may come before.

(3) Disclosure of Member's Name The Member and Institution must disclose ALL their names- middle names not just the initial and all social media Alias' ie twitter handles, facebook, linkedin, email addresses etc- business and personal, along with business' names they are concurrently involved in while in the Financial INdustry. Bottom line, this is a time saver when matters go to Legal Action. The question of privacy should not even be addressed here. Rules are the divorce before the marriage, no different than the thousands of years old wedding contract, the Ketubah, that spells out what the wife gets if the husband dies or they divorce. Technically, this document signed before the wedding, mitigates the rancor down the road, because the "all" is agreed to. Investor Public gives Stranger Industry money. In the event Stranger Industry books it with Investor Public's assets, then tracking Stranger Industry down or where the money may have been diverted to is a little bit easier, ideally, a whole lot easier.

No Industry person should be allowed to list a black box entity ie a holding company in to their CRD/IARD/FINRA Report. Each and every business involvement that Industry person is involved in during the time they involved with Investor money must be listed. Moreso, there should be a cooling off period of no less than 14 business days during which the Investor will be able to contact those entities to have confirmed that Investor person has been factual. That said, the WIPO representative discussing the after blush of the Marakesh Treaty being signed

showed examples of Frauds within the Patent/Trademark office that have increased since going online. No system is going to be perfect. This is a speedbump to slow problems down.

If the Industry person fails, the potential remedies, for below, have been described abov

"All retail communications and correspondence must:
(A) prominently disclose the name of the member, or the name under which the member's broker-dealer business primarily is conducted as disclosed on the member's Form BD, and may also include a fictional name by which the member is commonly recognized or which is required by any state or jurisdiction;
(B) reflect any relationship between the member and any non-member or individual who is also named; and
(C) if it includes other names, reflect which products or services are being offered by the member."

Best is for a "family tree" of sorts to be provided from the Industry entity/person, to the Potential Client. That Family Tree will state (i) the company structure (ii) date the employees came on board (iii) other businesses the company has under its roof and the relative dates (iv) who works on what accounts (v) if any/all are part of a non financial industry company in that address (vi) CRD numbers, for the moment FINRA report hyperlinks. Sure, its a lot of work. That is the point. To force FINRA to do what it alleges it does, protect investors. It does not. There is the parental answer to the protests this will generate, if you don't like it, leave. If Industry people don't like it, leave. These recommendations are about making this system work easier for the good Advisors and Entities and to shake the others out of the Industry.

(4) Tax Considerations Defer for this back to FINRA arbitrations. Any case manager failing and/or refusing to force Industry entities/member to produce their Tax documents for all requested entities and years, is to be found in Contempt for (i) interfering in a judicial process and (ii) bias against the investor, in the least. FINRA requires records to be kept 6 years. Arbitrations have a 3 year statute to be filed within. An Attorney sending a USPS or Internet Communication these Tax Records do not exist, is to be reported to their governing entity and barred from FINRA proceedings. As said earlier, if this Failure to Order Industry to disclose is discovered in one matter, that is grounds for every prior Arbitration to be reviewed with clean eyes to see if the matter was a one off or pattern of Intent to which there would be Civil review under applicable Civil procedures. Oh yes, reported to the IRS.

(5**) Disclosure of Fees, Expenses and Standardized Performance** This is addressed in other locations adressing process and procedure

(6) Testimonials A false testimonial or misleading testimonial has a remedy on the books. What must be stated is if the person received compensation of any imaginable type along with their 7 Degrees of Separation relationship to the Entity/Individual and for how long

(7) Recommendations Every recommendation must have the simplistic Who, What, Where, When, How listed and date all data was filed with FINRA and if there is a relating case/file number

(8) Prospectuses Filed with the SEC Adressed above

(e) **Limitations on Use of FINRA's Name and Any Other Corporate Name Owned by FINRA** As blunt as this is written, shaving cream, in that it is simple enough for FINRA to visit any and all sites they have membership with, to see if the Hyperlink to FINRA's website is present. If not? Shut the site down before more Investors are hurt, using the School of Thought, people that break the simplest of rules, rarely walk a straight line between point A and B. In a heartbeat of finding the Hyperlink rule violated, contact the domain holder and shut them down. Part of this conversation that is not to be ignored is the culpability and involvement of Tech Companies in facilitating the online explosion of hucksters and shysters. There has to be written in to FINRA Rules, a balance and check to slowing this entities down from Popping up as easily as a DIY, do it yourself website allows one to do, case being here-money, savings, here today, gone tomorrow. Most likely if and when Tech Companies are taken out to the back shed for paddling over their proliferating ARTS, Photography and Written Content theft online under the false defense of Safe Harbor and Fair Use, across international borders, there may be a drop in frauds setting up shop.

Moreso, in that "shop is set up in Mail Box drop addresses rather Brick Adresses that vet out to be real estate grounded. This steps back to the prior point that a Financial Entity must post online its local business license number, local to the zip code they are physically based in and claiming allowed to do business in. This will raise havoc with larger entities who blanket "e" approve "independent agent across the United States. The FINRA Rule must include that Agent in DC approved in every state of America to secure a license from each of those states. A lot of trouble for the Entity/Individual to do? Yes. That is the point when it comes to dealing with the little persons life savings.

The FINRA Report and the Industry entity/individual relationship description must match. If the FINRA Report states the Member is an Employee of the Industry Entity, then there can be no signature on the

Industry Member email/letters/promotional material/websites/or anywhere stating they are "separate and unaffiliated" or any other version of those words. It is a Tax Dodge according to some. It means something very real to the little investor told by FINRA's hotline reps to look at the FINRA Report which states XYZ ABC is an employee of JOHNDOEISABOUTTOGETFLEECED. Employee to the Investor is Employee. Separate but unaffiliated sounds like a couple who broke up and want nothing to do with each other. You cant be a little bit pregnant. Employee or Freelance/Independent Contractor. That relationship has to be distinctly defined and positioned, top of the letterhead/printed stuff, website/ business card.

(f) Public Appearances This ball of wax is a lot to address. Simplified? An industry person cannot hold seminars if the SEC IARD/CRD says they are not approved. How FINRA is going to separate an in person seminar in a hotel ballroom that rakes in big bucks from an online course or youtube video can be simplified along with (i) no One Size Fits The Whole Company approval and (ii) in person courses must be taken with integrity unlike the Expungment Course FINRA provides to Arbitrators, a 1 ½ hour online course, that similar to trading at home, has no balance and check of being caught cheating ie by printing the "course" out. (http://www.finra.org/web/groups/arbitrationmediation/@arbmed/@arbtors/documents/arbmed/p125419.pdf)

(g) Violation of Other Rules
(9) Filing Exemptions

What is not being addressed above but must in addressed in the FINRA Rules as part of the Review is that (**http://www.finra.org/Industry/Issues/Advertising/FAQ/**) are companies like MARKIT that have access to Investors Retail holdings, sending them daily updates. One SEC employee stated the SEC does not approve of these. Then, stop them. Shut them down along with Algorithms used to stalk users online violating privacy as the Tech Industry continues to cross product, platforms, share data a lot of which is being directed by Entities off shore. At heart here are the Technology companies and, yup, the VC's seeding companies as if there is no depression going on. It comes down, I was told, to laws on the books. The same Algorithms used to predict Flash Trading are being used to predict people. Dude, hey, visited your site once. Left. So go away. Get it right FINRA and the SEC, Public Companies are infuriating and impacting the little people and the Watchdog over this Henhouse is not Clean Hands.

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SUMMATION

The core tenet of American law is 'every man is entitled to his day in court.' Congress, with oversight of the SEC, forgot this in approving the little person forced into a procedure not of their peers. "Financial Industry Regulatory Authority, Inc. is a private corporation that acts as a self-regulatory organization" according to Wikipedia. Not enough little man investors know that. Where in America does it happen that a man's right to justice is taken from him. There isn't an option of like companies for the little man to choose from. Just FINRA.

The American judicial system allows for different levels of discourse to enter the dollar relative court. Except here, where in many lives of investors, each dollar counts. To investors, I repeat, in that the FINRA system puts investors in front of a panel not of their peers- retired lawyers looking to supplement pensions or other and, at least one industry person. There is never knowing the prejudice of that industry person to stand with their own against a Claimant as the little investor becomes known. All it takes is one 'hot mic' moment, to prove that point, of an Industry person scoffing at a dollar amount to finally shine the lamp on a truth that will not, this time, be swept under the rug.

Text of FINRA Rules 2210, communications with the Public, appears to have been released in 2012,
(http://www.finra.org/web/groups/industry/@ip/@reg/@notice/documents/industry/p127016.pdf)

Definitions include: (1) "Communications" consist of correspondence, retail communications and institutional communications.
(2) "Correspondence" means any written (including electronic) communication that is distributed or made available to 25 or fewer retail investors within any 30 calendar-day period.

This Comment is similar to the legendary story of the Professor who put a test on each of his students desk. The room was soon filled with students doing the silliest of things. One student sat, read, signed, handed in his paper then left the room. The last directive on the page said, "sign here, hand the paper in then leave."

The "sign here, hand the paper" is the last point being made here. The SEC has failed in that President Obama, in 2010, effected for ALL government agencies a simple Act this does not comply with. The Act, HR 946, is called the PLAIN WRITING ACT of 2010. Congress knows this too. They wrote it.

Section 2, states, “PURPOSE. The purpose of this Act is to improve the effectiveness and accountability of Federal agencies to the public by promoting clear Government communication that the public can understand and use.
(http://www.gpo.gov/fdsys/pkg/BILLS-111hr946enr/pdf/BILLS-111hr946enr.pdf)

Sometimes one wishes Congress read their own Acts.

The Act requires that 9 months after the Act was passed, the SEC, along with other Agencies, was to have appointed a designee to oversee the SEC implanting the Act, teaching SEC staff the requirements of this Act, train SEC staff how to write plain and to have a process in place to make sure the SEC is compliant, in lockstep, with the Act. And, best part, put a plain writing section on the SEC site.

This is 18 months after the Act was passed. An Annual Compliance report from that agency head/appointee showing the SEC did what it, and other government agencies, were told to do. Write English even a 5th grader can read- using Jeff Foxworthy’s standard. The NYT standard is the 8th grade reading level of comparison in the literary world.

Upon reading a letter adressing the Acts open for Comment, it is simple to see, the SEC isn’t ‘there.’ Take a lesson from NARA (http://blogs.archives.gov/foiablog/2011/07/29/more-on-plain-writing/)

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