

VIA E-MAIL

Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549-1090

January 13, 2016

RE: Comments on proposed Capital Acquisition Broker Rule --  
File Number SR-FINRA-2015-054

Dear Sir/Madam,

Below are our comments regarding the proposal FINRA filed in December with the SEC to create a separate rule set that would apply to firms meeting the definition of “capital acquisition broker” (“CAB”) and who elect to be governed under this rule set. As an initial matter, Q Advisors LLC, CRD #127232 (“Q LLC”) believes it would fit under the definition of a Capital Appreciation Broker (“CAB”) under FINRA’s proposed definition, and it is possible that we would elect to be governed by the CAB rules. However, there are several deficiencies in the proposed regulations that make it an open question at this point. We previously wrote a letter commenting on FINRA’s proposed rules regarding the category of “Limited Corporate Financing Broker.”

Q Advisors is pleased that FINRA modified the definition of “Institutional Investor” from the prior LCFB proposal to include “qualified purchasers” as defined in the Investment Act of 1940 (i.e., \$5,000,000 in assets), as this would allow all of Q Advisors’ activities to be encompassed within the CAB definition.

We believe that the concept of “securities offerings or other capital-raising activities” in the CAB registration category is broad enough to encompass debt, equity or equity-linked instruments, and not solely one category of securities. We were concerned that the LCFB definition was too limited. And, we believe that the list of permitted activities in the CAB definition has been enlarged to encompass all of the activities we undertake on behalf of clients – negotiations, meetings, valuations, etc. In addition, the reference to SEC no-action letters, rules, releases, and interpretations regarding securities transactions would permit us to undertake transactions within such parameters while under the CAB rules. Under the proposed rules, a firm such as Q Advisors would certainly benefit from a reduction of paperwork due to some narrowing of the regular Broker Dealer rules, and some attendant cost savings (including the exemption from the security bond requirement).

On the other hand, as stated in the CAB proposal, FINRA is not in a position to alter the current requirement of the Securities Investor Protection Corporation (“SIPC”) that all licensed Broker Dealers pay fees based upon their income, and we understand that. However, we continue to feel that a dialogue needs to be had regarding the requirement that a firm such as ours, which has no

customer accounts and therefore would never be able to take advantage of SIPC protection for our clients, must pay 0.25% of our revenue to SIPC. In light of the proposed new CAB designation, we feel it is even clearer that the fees are an unacceptable tax on businesses that are providing no services whatsoever to SIPC's intended beneficiaries. It seems obvious to us that the CAB designation should be added to the list of exempt entities contained in the SIPC rules, and we hope that FINRA and its membership pursue this issue further.

Thank you for the opportunity to comment on FINRA's proposed CAB rules. Please contact me directly if you have any questions or would like additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael S. Quinn". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Michael S. Quinn, Member and CCO