Dear Sirs:

My comments regarding RN 13-02 are quite simple. If the financial services industry is to provide transparency to the investing public, then delete upfront fees paid to registered representatives who switch firms needs to be disclosed to all parties. By all parties I am referring to any new clients and prospects that are acquired within a certain period of time. In addition, existing clients of the registered representative (who change their account(s) to the new firm) who was paid a fee as a result of the move from one firm to another firm.

I feel disclosure time period should last as long as the loan agreement or the phase-out of the loan agreement remains active. For example, if the loan/phase-out agreement is for six years then the disclosure should be made all parties for that same period of time.

Since this is potentially deemed earned compensation, then I believe it must be fully disclosed so that all parties are aware of this additional compensation for making such a move.

These enticements to move or change broker-dealers can run into the millions of dollars. Clients and prospects need to know about this payment as I think it taints the professionalism and in many cases the fiduciary responsibility of all parties involved. I do not think the American investing public is even aware of this practice and the disclosure of this needs to be done in an open manner so the investing public is aware of this additional compensation paid to the registered representative for making a move to another firm. The investing public needs to be aware of all factors as it may relate to investment recommendations made by all registered representatives. I feel these fees paid registered representatives move from one firm to another is a factor that needs to be disclosed. Though I am not sure of the exact disclosure methodology, I do feel that adequate disclosure needs to be made.

Sincerely,

Gary P. Ruchin, CLU, ChFC, CFP®, LUTCF, AIF®, EA
860-871-1278

Gary P Ruchin

Gary P. Ruchin, CLU® , ChFC®, CFP®, EA, AIF®

Enrolled to Practice before the Internal Revenue Service

Certified Insurance Consultant (CT License # 000912611-CT only)

Referrals Are the Best Compliment You Can Give Us.

Ruchin & Associates, LLC
Enrolled to Practice Before the IRS
Certified Insurance Consultant (CT)

Phone: 860-871-1278

gary@ruchin.net

www.ruchin.net

7 Keynote Drive - Suite B
Vernon, CT 06066

We do not accept any trades through e-mail.

We cannot accept any changes to your Auto, Home or Commercial Insurance via email.

Securities and Advisory Services offered through Commonwealth Financial Network, Member FINRA/SIPC, a Registered Investment Adviser

If you have received this email in error, please forward back to our office.

Visit our website at: www.ruchin.net