DATE: April 15, 2014
TO: FINRA
FROM: Gregg Reich
RE: FINRA Requests Comment on the Effectiveness and Efficiency of its Gifts and Gratuities and Non-Cash Compensation Rules

There seems to be a double standard between gift/gratuity rules by which brokers/advisors live to gain new business, and the broker/dealers themselves.

To attract new IRA rollovers to their firms, Schwab, TD Ameritrade, Merrill Edge, ETrade and Fidelity (among others) offer cash bonuses on sliding scales of up to $2,500 cash bonus per person per rollover, in addition to other forms of reimbursement such as free trades and transfer fee reimbursement. These types of compensation are well in excess of the $100 threshold regulation by which individual brokers and advisers must live by.

Whether the cash bonuses and incentives for IRA rollovers are reduced or eliminated, or whether the $100 per-adviser/per customer maximum is raised, it only makes logical sense to level this playing field and the types of gifts/gratuities we in the financial industry are permitted to offer to new customers. Currently the individual broker/investment advisor cannot compete.

Your consideration of my comments is sincerely appreciated.

Gregg Reich

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