

From: danhara@tamarinfinancial.com
To: [Comments_Public](#)
Subject: Comment: Regulatory Notice 14-37 (CARDS)
Date: Thursday, October 30, 2014 9:59:37 PM

As an independent financial advisor, I greatly support FINRA`s goal of investor protection and appreciate that FINRA`s Comprehensive Automated Risk Data System (CARDS) intends to further that goal. I also appreciate the opportunity to submit these comments regarding the rule proposal, and FINRA`s responsiveness to previous industry suggestions. While I understand the desired benefits of CARDS, I am concerned about additional risks to my clients` data privacy and security and the increasing regulatory costs that may ultimately be passed down to them.

In particular, I have concerns regarding the following issues:

- Disparate Systems and Data Handling:

CARDS is the right idea at the wrong time in the current spectrum of technology. The entire planet is undergoing a major conversion in electronic packet-handling from SOAP/XML to JSON/REST and upgrading database systems reaching all the way back from CODASYL and older RDBMS to newer Object Datastores. It is not in the best interest of anyone including FINRA to start a integration / data migration project that would involve everyone at this time because the target systems are rapidly evolving which means programmers would be writing code to moving targets. While the securities industry is wrestling with converting legacy systems to modern systems, attempting a 3rd party (FINRA CARDS) integration may cause gaps in security protocols that will allow cyber-attackers to grab session keys of targeted institutions. The attackers are so sophisticated that a target institution would never know they were under attack until it was much too late. Currently, the most sensitive data handling is happening behind electronic or physical firewalls to keep attackers out. CARDS may end up forcing institutions to drop their electronic defenses prematurely. Once the securities industry has fully updated their data handling systems a project like CARDS can be designed and deployed safely, securely and for a fraction of anticipated cost. In preparation for CARDS, FINRA should be issuing guidance to member firms on recommended IT System upgrades to allow for future implementation of CARDS. Lastly, CARDS should not be designed and engineered until member firms have upgraded to the new protocols and standards as you will find that the design elements and engineering capacities will have evolved quite dramatically.

I urge FINRA to consider and respond to these concerns as it continues to develop the CARDS proposal and thank you for taking my comments into account.

Sincerely,

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