



Hanson McClain Securities

July 6, 2015

Via email to: pubcom@finra.org

Ms. Marcia E. Asquith
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

Re: FINRA's **Regulatory Notice 15-19** Request for Comment
On the Proposed Rule to Require Delivery of an Educational Communication to Customers of a
Transferring Representative

Dear Ms. Asquith:

A healthy, trustworthy financial services industry is necessary for our economy to grow and prosper. By helping clients save and invest, the industry provides the important function of transferring capital for those who need it for the future (investors) to those who need it today (businesses).

Unfortunately, some practices that have become the "norm" in the financial services industry do more harm than good. For instance, when the level of confidence in our industry declines, we all suffer.

I'm speaking specifically of the hidden payments for broker recruitment that are damaging the reputation of our industry and hurting our economy.

Whenever a broker receives an up-front bonus in return for transferring client accounts to a new firm, those clients have the right to know. After all, the new firm is paying a broker *not* for future production or performance, but for his or her ability to lure clients to a new company.

Not disclosing this fact is a breach of trust and patently unethical.

Frankly, if our industry cared about our clients as much as we care about our own businesses, we'd abolish these up-front incentives altogether. These sometimes outrageous bonuses encourage behavior that is rarely in the best interests of the clients.

FINRA could easily abolish this practice and I believe that it should. Yet if FINRA believes it's in the best interest of all parties to continue this practice, than at a minimum, I believe there should be more disclosures made available to the clients, much like was proposed in March 2014.

I want to make it clear that this is not merely about my firm's interests, but about what's best for the public. Not requiring full disclosure *not only* damages our industry's reputation, but it also serves to damage the economy, hurts public trust, and negatively impacts the lives of hard working Americans whose faith in the financial services industry must be restored.

Respectfully submitted:

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