

**From:** [REDACTED]  
**To:** [Comments, Public](#)  
**Subject:** FINRA Regulatory Notice 22-08  
**Date:** Wednesday, May 4, 2022 10:38:30 PM

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To whom it may concern:

I strongly oppose the potential for restriction of complex investments implied by notice 22-08. Under the guise of protection it sanctimoniously, in my opinion, presumes incapacity on the part of individual investors and that "FINRA and its members know best" how individuals should be able to invest.

Fortunes were made by small investors using leveraged and other "complex" securities in the past several years and fortunes were lost on "safe" blue chips such as GE. All investments carry risk. What is specifically required for all, including more complex, investment is that the investor be made aware of the nature of the investment type and its potential and risks, all in plain English. A voluntary test might be offered if the investor wishes to check actual knowledge vs. presumed knowledge. Optional educational references regarding the proposed investment type and the proposed specific investment, if available, would be useful. From that point on the responsibility for use of his/her money is that of the investor. There are many credible internet sources and books available to any investor who wishes to learn about any type of investment.

Further, your proposed regulation potentially limits exposure to instruments that can create great wealth to those who already have it - not the American way as most would define it, and quite ridiculous in my opinion in that many of these instruments do not risk substantial harm because they do not require a large initial investment or carry leverage in a negative sense. A small investor may want to get his/her toes wet and certainly should be allowed to do so.

It is of great concern that the notice appears directed at investment advisors despite the fact that many small investors effectively rely on their own due diligence and knowledge to invest via low cost brokerages. Does this imply that complex investment would only be available through firms with hefty brokerage fees attached? That clearly leaves out small investors and limits profit by assigning a substantial portion of the initial investment to a broker, whose advice may be neither desired nor helpful.

Finally, though the definition of "complex" is difficult to pin down, as the notice states, an equally vital concept is risk. At the very least, subtypes of "complexity" should be stratified according to risk of loss of one's investment vs. risk of loss exceeding one's initial investment. If further regulation is to be considered it should be limited in breadth and scope as stated in preceding paragraphs and should focus on vehicles

that risk loss of more than the original investment.

This proposal is one of several that would unnecessarily restrict or forbid participation of small investors in vehicles regarding which they may have more than adequate capability. Reconsider restriction of complex securities sales in favor of education for those that desire it, and preserve the opportunity for the knowledgeable small investor to become large.

Yours very truly,  
Henry Scovern