



March 7, 2017

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

RE: Regulatory Notice 17-06 Communications with the Public

Dear Ms. Asquith,

The Equity Dealers of America (EDA) is pleased to file this comment letter on behalf of its membership in support of the proposed amendment to FINRA Rule 2210.

The EDA is a Washington D.C. based trade association that exclusively represents the interests of middle market financial services firms who provide “Main Street” businesses with access to capital and advise hardworking Americans how to create and preserve wealth. The EDA has a geographically diverse membership base, which includes BB&T Securities (NC), D.A. Davidson & Co. (MT), Hilliard Lyons (KY), Hilltop Securities (TX), Janney Montgomery Scott (PA), JMP Group (CA), KeyBanc Capital Markets (OH), Piper Jaffray (MN), Raymond James Financial (FL), Robert W. Baird & Co. (WI), Stephens Inc. (AR), Stifel Nicolaus & Company (MO), William Blair & Company (IL), and Wunderlich Securities (TN).

The proposal to amend Rule 2210 would provide EDA members with the ability to utilize a customized hypothetical investment planning illustration (the “Illustration”) in communications with their clients. Providing registered representatives (“RR”) of EDA members with the flexibility to use the Illustration with their clients when discussing asset allocation and investment strategies as set forth in the Regulatory Notice 17-06, even if we ultimately decide not to use it, **would place our members on a level playing field with stand-alone investment advisor’s** that are not subject to the existing FINRA prohibition. As the notice indicates, stand-alone investment advisors can use the Illustration with their clients because they are not prohibited from doing so under the U.S. Securities Exchange Commission rules currently applicable to them. We believe that the proposed amendment is a common-sense way to make certain that FINRA regulations do not inadvertently create an incentive for clients to choose one business model over another.

We also agree with FINRA that permitting RRs to use the Illustration and discuss the underlying assumptions upon which the recommendations are based will serve to better inform investors about the recommended investment strategies.

We do not believe that FINRA needs to require a RR to provide a range of projections associated with the Illustration. We believe that decision should be left up to the RR and his/her client.

We strongly believe that RRs should be able to present an Illustration for certain single investment products that operate similar to a diversified asset allocation model (i.e. ETFs) or other broad investment strategies (i.e. balanced funds, target retirement funds, etc.). The very nature of these types of financial products demand that they be included in what an RR can present to investors.

Thank you for the opportunity to comment on FINRA Regulatory Notice 17-06, and please feel free to contact me if you have any further questions regarding this submission.

Sincerely,

Christopher A. Iacovella
Chief Executive Officer
Equity Dealers of America