

April 27, 2018

By **Electronic Mail** to [pubcom@finra.org](mailto:pubcom@finra.org).

Jennifer Piorko Mitchell  
Office of the Corporate Secretary  
Financial Industry Regulatory Authority  
1735 K Street, NW  
Washington, DC 20006-1506

**Re: FINRA Regulatory Notice 18-08; Comment on Proposed New Rule Governing  
Outside Business Activities and Private Securities Transactions**

Dear Ms. Mitchell:

I write on behalf of Ameriprise Financial Services, Inc. (Ameriprise or we) in response to the request for comment issued by the Financial Industry Regulatory Authority (“FINRA”) in Regulatory Notice 18-08 (“RN 18-08”)<sup>1</sup> regarding a proposal to replace FINRA Rule 3270 (Outside Business Activities of Registered Persons) and FINRA Rule 3280 (Private Securities Transactions of an Associated Person) with proposed rule 3290. While we have contributed to written comments from one of our trade groups, we are submitting this separate comment letter focused on a single issue that we believe raises potential investor protection concerns.

In RN 18-08, FINRA specifically requested comment as to whether the treatment of investment advisory activities under the proposed rule would appropriately address investor protection concerns while recognizing that separate obligations exist under the investment advisory regulatory regime.<sup>2</sup> We believe one aspect of the proposed Rule raises potential investor protection concerns. Specifically, the section of the proposed rule which would no longer require that firms supervise and record on their books and records the transactions resulting from registered persons’ participation in investment advisory activities on behalf of unaffiliated entities for compensation.

While we understand and appreciate that FINRA’s jurisdiction covers broker-dealers only and that investment advisers are subject to regulatory oversight by the SEC and states under a

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<sup>1</sup> Regulatory Notice 18-08 (Feb 2018), available at [www.finra.org/sites/default/files/notice\\_doc\\_file\\_ref/Regulatory-Notice-18-08.pdf](http://www.finra.org/sites/default/files/notice_doc_file_ref/Regulatory-Notice-18-08.pdf).

<sup>2</sup> See RN 18-08 page 13, request for comment item 7.



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different regulatory regime, regulation is only effective if compliance is consistently maintained and enforced. We believe that oversight parity between broker-dealers and investment advisers is essential if retail clients are to enjoy the benefits of streamlined regulation both in substance and in application. Thus, we believe the proposed rule therefore provides another opportunity for FINRA (and ultimately the SEC) to examine how best to ensure comparable regulatory oversight for all retail firms and practices regardless of size or business model.

We appreciate the opportunity to comment on RN 18-08 and we commend FINRA on its diligent efforts to date to enhance and preserve investor protections.

Very truly yours,

A handwritten signature in black ink, appearing to read 'C. R. Long', written in a cursive style.

Christopher R. Long  
Vice President & Chief Counsel, Regulatory Affairs