



LABRUNERIE FINANCIAL

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To Whom It May Concern:

LaBrunerie Financial supports the consolidation and modification of rule 3270 and 3280. The burden on Broker Dealers to supervise the activity of their representatives that have activity with unaffiliated Registered Investment Advisors is too high. This supervision is not necessary since the Registered Investment Advisor is already supervising that activity. Not only does it take away from the time of the supervising Principals at the Broker Dealer but it also takes time away from the compliance staff at the Registered Investment Advisor who must create and send duplicate reports to the Broker Dealer. I am unconvinced that more protection is being provided by the Broker Dealer looking at all of the agreements and transactions. In some cases, the Principals at the Broker Dealer are not even properly trained and licensed for supervising that activity.

In many cases, if done properly, the costs of the current supervision burden are too high to justify continuing the business. This forces limitations on the services that can be offered to investors by representatives of those Registered Investment Advisory firms that do not have an affiliated Broker Dealer. I believe this type of limitation diminishes the quality of the service provided to the investor and disproportionately impacts those investors who are inexperienced and more reliant on the advice of their advisors. We should be able to provide a holistic experience to these clients at a reasonable cost with reasonable supervision burdens on firms.

I believe that investors will receive more protection if the compliance staff of each firm has more time for providing in depth supervision of their own primary activities and transactions. I also believe the best service and advice is given to clients when one person is overseeing the entire portfolio. No one is served by making the compliance burden so high that it only makes sense fiscally to allow dual registration to representatives with high production.

Leann Knuth

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Principal/General Manager