



VOICE OF INDEPENDENT BROKER-DEALERS  
AND INDEPENDENT FINANCIAL ADVISORS

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**FINANCIAL SERVICES INSTITUTE ENDORSES  
FINRA AS SRO FOR INVESTMENT ADVISERS**

***SRO for Investment Advisers Will Enhance Investor Protection  
and Improve Transparency for Investors***

**Atlanta, GA – December 20, 2010** – In an effort to enhance investor protection and improve transparency to investors, the Financial Services Institute (FSI) today endorsed FINRA as the self-regulatory organization (SRO) for investment advisers in a letter to the Securities and Exchange Commission (SEC).

“Having a regulatory structure that places the same emphasis on the examination of investment advisers, broker-dealers and their affiliated financial advisors will enhance investor protection by closing the existing gap in dedicated regulatory examination and enforcement resources between broker-dealers and investment advisers,” said 2010 FSI chair and president/CEO of Coordinated Capital Securities, Inc. Mari Buechner.

“Industry input into the SRO’s rulemaking process will ensure that regulators protect the investing public while also considering negative unintended consequences,” continued Buechner. “An SRO for investment advisers is an essential part of any serious effort to enhance investor protection.”

FSI cites improving investor protection as a primary driver in their decision.

“FINRA has experience in performing regulatory examinations of financial service providers and has experience operating an SRO whose structure is designed to ensure its governing body, committees, and staff act in the public’s best interests,” said FSI president and CEO Dale E. Brown, CAE.

FSI believes that the new regulatory configuration would result in a layering of effective specialized regulatory entities that mirrors the structure utilized to supervise broker-dealer firms. Under the supervision of the SEC, FINRA as the SRO would focus on the routine examination and supervision of all investment advisers.

“By delegating primary responsibility for investment adviser exams and supervision to FINRA, the SEC would be free to focus on capital markets concerns, the development of appropriate regulations for all regulated entities, the supervision of the new investment adviser regulatory authority, and the fulfillment of other appropriate regulatory goals,” continues Brown.

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**About the Financial Services Institute (FSI)**

FSI is an advocacy organization for independent broker-dealers and independent financial advisors. Established in January 2004, FSI has 126 broker-dealer members and close to 15,000 financial advisor members. FSI's mission is to create a healthier regulatory environment for independent broker-dealers and their affiliated independent financial advisors through aggressive and effective advocacy, education, and public awareness. Its strategy includes involvement in FINRA governance, constructive engagement in the regulatory process, and effective influence on the legislative process. FSI is headquartered in Atlanta, GA with an office in Washington, D.C. For more information, visit [financialservices.org](http://financialservices.org).