



M Holdings Securities, Inc.

Member NASD/SIPC

May 12, 2009

Ms. Nancy M. Morris  
Secretary  
Securities and Exchange Commission  
100 F. Street, NE  
Washington, DC 20549-1090  
VIA ELECTRONIC MAIL TO: [RULE-COMMENTS@SEC.GOV](mailto:RULE-COMMENTS@SEC.GOV)

Re: File Number S7-06-08

Dear Ms. Morris:

On behalf of M Holdings Securities, Inc., (“M Securities”) I would like to extend our thanks to the SEC for taking the time to consider comments on the recently proposed amendments to Regulation S-P.

#### **BACKGROUND ON M SECURITIES**

By way of background, M Securities is a broker-dealer serving the upscale client, offering a high level of service, support and expertise in the ultra-affluent and corporate markets. As a wholly owned subsidiary of M Financial Group, M Securities is exclusive to M Member Firms of M Financial Group. Member Firms primarily serve ultra-affluent families and individuals, and Fortune 1000 corporations.

In reviewing the recently proposed amendments to Regulation S-P, it is clear to us that M Securities and the SEC’s interests are aligned in protecting investors from identity theft while preserving account portability and investor choice.

The SEC’s most recent proposed amendment to Regulation SP, 17 CFR Part 248 (March 13, 2008), appears to address our common interests, however, the proposed amendment does not go far enough.

#### **CHOICE TO UTILIZE EXCEPTION SHOULD BE ADVISORS**

As we understand the exception offered in this proposed amendment, the exception allows a financial advisor who has personally provided financial services to a client to provide the advisor’s new broker-dealer limited information about the client to act as a catalyst for the account opening process at the new broker-dealer. This exception is allowed when the prior broker-dealer has a restrictive policy stating that the firm does not share client information with non-affiliated third parties.

However, as we understand it, this exception can only be utilized by the advisor at the prior broker-dealer's election. In serving the ultra-affluent and corporate markets, M Securities advisors often have long term, personal relationships with their clients. Out of respect for the attributes of personal relationships, the advisor should have the choice and ability to assist their clients in moving to another broker-dealer, while continuing to offer the client the unparalleled service they have enjoyed while working with their advisor.

The exception should reflect the fact that client relationships are with the advisor, not the broker –dealer, and the exception should be activated by the advisor when continuing to care for their client's needs.

## **CLIENT PROTECTION**

The client's interest in privacy protection is best served by their long term trusted advisor, not a stranger to the client who is making the election to share, or not share, the client's information under a strict privacy policy.

It is clear the intent of this regulation is to protect client information from misuse. A clear misuse of client information would be for a broker-dealer to withhold this information from an advisor, solely to prevent an advisor from more easily seeking to join another broker-dealer that could better serve his or her clients.

In the event a broker-dealer is not meeting client needs, it is the advisor's responsibility to protect the interests of his or her clients and move to a broker-dealer that can best meet client needs. By allowing a prior broker-dealer to prevent an advisor from initiating account set up for his or her clients at a new broker-dealer, the SEC is effectively allowing a broker-dealer to prevent an advisor from expeditiously obtaining the best possible care for his or her clients.

In sum, M Securities strongly feels that the election to provide a new broker-dealer limited client information to facilitate account openings should reflect the strong bonds of the advisor-client relationship and effectively allow advisors to seek the best possible service for their clients. This is accomplished by allowing **advisors to choose** to share information that will facilitate client account openings with their new broker-dealer.

Thank you very much for considering our input with regard to this issue.

Very truly yours,



Randy O'Connor  
Chief Executive Officer  
M Holdings Securities, Inc.