



M Holdings Securities, Inc.

Member NASD/SIPC

May 19, 2008

Ms. Nancy M. Morris  
Secretary  
Securities and Exchange Commission  
100 F. Street, NE  
Washington, DC 20549-1090

Re: File # S7-06-08

Dear Ms. Morris:

On behalf of M Holdings Securities, Inc., Registered Investment Advisor, (“M Securities RIA”) I would like to personally thank you, and your colleagues at the SEC, for allowing us the opportunity to comment on the most recently proposed amendments to Part 2 of Form ADV.

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

M Securities RIA is a wholly owned subsidiary of M Financial Group. The M Securities RIA is exclusive to M Member Firms. The M Securities RIA offers service, support and products to meet the unique needs of the affluent clients served by M Member Firms. M Member Firm clients are primarily made up of ultra-affluent families, individuals, and Fortune 1000 corporations.

M Securities RIA wholly supports the SEC’s underlying mission with respect to the proposed changes to Part 2 of Form ADV to provide clients, and prospective clients, with clearer disclosure of the business practices, conflicts of interest, and background of their investment adviser and its advisory personnel. Additionally, M Securities RIA supports the further use of electronic dissemination of information, with less reliance on wasteful paper mailings to clients.

However, we believe, as currently proposed, some of the proposed amendments to Part 2 of Form ADV should be further considered to more adequately assist clients and improve business efficiencies.

## **EFFECTIVE DISCLOSURES**

Although M Securities RIA wholly supports providing clients with meaningful disclosures, long convoluted disclosures are not helpful to clients. In determining what information is helpful to clients, and thus should be easily accessible in Part 2 of Form ADV, M Securities supports the release of draft disclosures to focus groups made up of retail investors to test their effectiveness with clients. The RAND Study indicated that detailed disclosures are often not read, and/or not understood by clients. We do not want to provide disclosures to clients that would cause further confusion.

## **DEFINE DISCLOSURE TERMS**

A few of the disclosures requested in the proposed amendment appear to be vague. Without further clarification by the SEC on how these terms are defined by the SEC, the advisor, and client may be confused in issuing or reviewing responses. For example, the SEC providing clarification on what conduct would be considered “frequent trading” and what constitutes “substantial source of income” and “substantial amount of time” will further aid advisors in responding to such disclosure requests and assist clients in their understanding of these disclosures.

## **BUSINESS EFFICIENCIES**

The proposed requirement that advisors must deliver an updated Part 2A of Form ADV annually to clients may create hundreds of extra hours for adviser employees and is environmentally unfriendly, potentially causing advisers to waste a significant amount of resources. Many clients report they do not want, and will not read, an updated Part 2 of Form ADV. Instead, M Securities RIA supports notifying all customers of their right, annually, to obtain a hard copy from the adviser, or access the ADV at anytime through a secure portal on the adviser’s website.

In short, M Securities RIA supports clarification of the ADV for clients, as long as such clarifications are clear to the advisers when providing answers, useful to the clients and do not unnecessarily waste environmental resources.

Thank you very much for your consideration of our position with regard to these issues.

Very truly yours,



Ben Bramer  
Chief Compliance Officer  
M Holdings Securities RIA