

July 11, 2007

Barbara Z. Sweeney  
Office of Corporate Secretary  
NASD  
Washington, D.C.

Dear Ms. Sweeney,

The following comments are submitted in response to NTM 07-30.

First, I question whether a new rule is really necessary. What statistics can the NASD provide its members with to further the case for a new rule? New rules bring cost burdens on members that need to be articulated and justified to the entire membership before the rule is implemented. Does expansion in the breadth of communications media and an increase in the speed of communication warrant a new rule? The NASD has not articulated well enough in the Notice why the existing rule does not suffice.

Specifically:

- Have there been complaints from the public specifically about communication related to new technologies? If so, is it a significant percentage of overall complaints?

- What independent studies has the NASD commissioned that have been completed to show what the cost burden will be, why it is justified, and the tangible, additional protection the new rule will afford the investing public? If any such studies have been completed, findings should be emailed to members and the comment period extended so that each member has a chance to review and comment.

- Has the increase in breadth of media and speed of technology caused proportionately greater non-compliance by firms and associated persons? If so, what hard facts can the the NASD share with members regarding this?

With NASD membership ranging from sole proprietors to firms with thousands of employees, it seems to me that the one-size-fits-all approach suggested in the Notice will create more problems that it might resolve.

In the past, the NASD has blanketed its entire membership with a new rule when allegedly harmful activity occurred at only a handful of firms; OATS is a prime example. New rule after rule, this crushing burden is borne by all firms, not just those who commit infractions, and undermines the competitiveness of our industry and the efficiency of our markets. In the case of electronic communications, the existing rule works just fine -- let's keep it that way.

Very truly yours,

Neville Golvala  
CEO  
ChoiceTrade