

Thank you for the opportunity to comment on the proposal presented in Notice to Members #04-75.

I would suggest that, if this proposal is adopted, that an exclusion be granted in instances where the discloser and the disclosee are the same person. Such would be the case of this firm.

100% of Caldwell Securities, Incorporated (BD #10489) is owned by the undersigned, John C. Helmer. I am the president, treasurer, secretary and sole director.

Because of the nature of its business, the firm has a capital requirement of \$100,000. This requirement is largely met by a secured demand note collateral agreement for equity capital in the amount of \$120,000. The agreement is between myself as lender and the firm as broker-dealer, and is collateralized by an adequate amount of securities owned by me, but held in the custody of the firm. The promise to pay on demand is good capital, but does not involve a cash investment by me.

The proposed disclosure would be a document authored by me as the principal of this firm, and delivered to me as the investor. It would be time consuming and expensive to produce, yet would serve no useful purpose. I presume that there are many other broker-dealers, essentially, if not legally, sole proprietorships, that would have a similar problem.

The root source of the problem you are attempting to resolve is the disparity in information between investors and broker-dealers. In the common instance where the owner of the broker-dealer is also the investor, this issue is moot, and I am very hopeful that your new regulation can be drafted in such a way as to exclude my situation, as well as those similar to it.

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