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Via E-Mail

Barbara Z. Sweeney
Office of the Corporate Secretary
NASD
1735 K Street, N.W.
Washington, D.C. 20006-1506

**Re: Notice to Members 07-30 – Proposed Joint Guidance
Regarding the Review and Supervision of Electronic Communications**

Dear Ms. Sweeney:

Nationwide Financial Services, Inc. (the “Company”)¹ appreciates the opportunity to submit its comments concerning the proposed joint guidance (the “Proposed Joint Guidance”) set forth by the NASD and the NYSE (the “SROs”) in the above-referenced Notice to Members.²

The Company strongly supports the Proposed Joint Guidance and the SROs’ efforts to provide assistance to member firms concerning the establishment and maintenance of supervisory systems and procedures relating to electronic communications. The Company is particularly supportive of a risk-based approach to the review of such communications, taking into account the securities business of each member firm and the requirements of applicable SRO rules and federal securities laws. The Company would, however, like to offer the following comments.

Review and Supervision of Electronic Communications – Written Policies and Procedures

Included among the recommendations contained in this section is a reference to “training on a regular and as-needed basis.” The Company submits that it would be more appropriate to express this as follows: “Conduct necessary and appropriate training and education”. Our recommended language tracks the related bullet point language that appears on page 4 of the Notice to Members. Moreover, it contains no reference to the word “regular” and places emphasis on the provision of training on an as-needed basis. Depending on the particular circumstances of a member firm, there may not be a need for

¹ The Company is submitting this comment letter on behalf of its broker-dealer affiliates, each of which is an NASD member firm.

² Notice to Members 07-30 (June 2007).



training on a “regular” basis at a given point in time if prior training has been effective and there has been no recent change in the firm’s policies and procedures regarding the use of electronic communications.

Review and Supervision of Electronic Communications – Identification of the Person(s) Responsible for the Review of Electronic Communications

Included among the recommendations contained in this section is the following:

“All reviewers must have sufficient knowledge, experience and training to adequately perform the reviews. Members should be able to demonstrate that the reviewers meet these criteria.....”

The Company believes that this is unnecessary and duplicative of well-established regulatory standards regarding the qualifications of supervisory personnel. Those standards are set forth in NASD Conduct Rule 3010³ and interpretive guidance is provided in NASD Notice to Members 99-45.

We appreciate your consideration of our comments. Please let us know if we can provide any further assistance. If you have any questions, please contact the undersigned at (614) 249-3184.

Very truly yours,

Robert L. Tuch
Officer, Managing Counsel

³ See Rule 3010, paragraph (a)(6), which provides that a member’s supervisory system shall provide, among other things, for reasonable efforts to be taken to determine that all supervisory personnel are qualified by virtue of experience or training to carry out their assigned responsibilities.