

July 20, 2007

Ms. Barbara Z. Sweeney
Office of the Corporate Secretary
NASD
1735 K Street, N.W. Washington, DC 20006

Dear Ms. Sweeney,

I am writing to you on behalf of Lombard Securities Incorporated with regard to the request for comments solicited in NASD Notice to Members 07-27 (Member Private Offerings). Lombard Securities Incorporated has been an NASD member since 1991 and is largely owned by its registered representatives.

As indicated in NTM 07-27, proposed NASD Rule 2721 would offer an exemption for Member Private Offerings (MPO) to "employees and affiliates" of the issuer. We believe this exemption should be clarified. Not all registered representatives are employees--some could be independent contractors. In addition, it is not clear if other associated persons would be covered by this proposed exemption.

Additionally, other forms of beneficial ownership such as spousal ownership, IRA's, trusts, and like entities are not specifically addressed in the NASD's current proposal.

If it is later determined that the proposed rule, as presently written, does not grant an exemption to all associated persons, registered representatives and other affiliated parties, those associates may be disadvantaged by an inability to subscribe to MPOs due to a member's expense of preparing offering document(s) for a relatively small group of individuals.

In addition, many NASD members own affiliated companies which are involved in investment advisory and insurance activities. The proposed rule is not clear how associates of such entities would be treated. We believe the rule should be unambiguous in exempting all associated persons of the member and all of its corporate affiliates, including board members, independent contractor representatives, other associated persons, and, especially, current shareholders. Without such arrangement, the tradition of broker and employee-owned small businesses in our industry would be disadvantaged.

Thank you.

Sincerely,

Daniel T. McHugh
Chief Executive Officer
Lombard Securities Incorporated
1820 Lancaster Street
Baltimore, MD 21231