

June 29, 2004

BY ELECTRONIC MAIL AND HAND DELIVERY

Ms. Katherine A. England
Assistant Director
Division of Market Regulation
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

**Re: Response to Comments to File No. SR-NASD-2003-104 – Proposed New
Uniform Definition of “Branch Office” under NASD Rule 3010(g)(2)**

Dear Ms. England:

The National Association of Securities Dealers, Inc. (“NASD”) hereby responds to comment letters received by the Securities and Exchange Commission (“Commission” or “SEC”) in response to the publication in the Federal Register of Notice of Filing of SR-NASD-2003-104, which seeks to amend NASD Rule 3010(g)(2) to revise the definition of the term “branch office,” and adopt IM-3010-1 to provide guidance on factors to be considered by a member firm in conducting internal inspections of offices.¹

I. Brief Background of Proposal

Currently, there is a significant lack of uniformity among regulators for classifying locations from which registered representatives regularly conduct the business of effecting transactions in securities. The SEC, the New York Stock Exchange (the “NYSE”), and State securities regulators all define the term “branch office” (or similar term) differently; and the term has varying significance for each regulator. As a result, a member firm must comply with multiple definitions in each jurisdiction in which it conducts a securities business. This requires tracking numerous definitions, filing multiple forms to register and/or renew registration of such locations, meeting various deadlines, and continually monitoring each jurisdiction for changes in rules or procedures.

¹ Securities Exchange Act Rel. No. 48897 (December 9, 2003), 68 FR 70059 (December 16, 2003).

NASD member firms are currently required to complete Schedule E to the Form BD ("Schedule E") to register with, or report branch offices to, the Commission, NASD, and the particular state(s) in which they conduct a securities business that require branch office registration. In addition, there are currently four jurisdictions that require separate branch office registration forms and another seven jurisdictions that require written notification of branch offices. While Schedule E does capture certain data with respect to branch offices, both state regulators and NASD staff believe that Schedule E does not adequately fulfill their regulatory needs. For example, Schedule E does not link an individual registered representative with a particular branch office; this can make it difficult for regulators to track individual registered representatives for examination purposes. In addition, member firms have indicated that Schedule E is a burdensome and time-consuming method by which to register branch offices. Since numerous states have varying branch office definitions, members must understand and comply with the requirements in each individual state. Further, updates or amendments to Schedule E do not update or amend an individual registered representatives' Form U4. Currently, a firm must amend these forms separately and there is no method to alert firms or regulators if the information on the two forms differs. The proposed branch office registration system through CRD® would alleviate these concerns.

As a result, NASD has been working with the North American Securities Administrators Association ("NASAA"), and the NYSE to reduce the inconsistencies that currently exist among the various ways in which locations are defined. NASD staff has held numerous meetings with other regulators over the past two years with the purpose of achieving this goal. These meetings ultimately proved successful as the parties have reached agreement on a core proposed uniform definition which largely tracks the SEC's definition of "office" in the books and records rules, Rule 17a-3 and Rule 17a-4 (the "Books and Records Rules") under the Securities Exchange Act of 1934 (the "Act").² In addition, NASD, the NYSE, and NASAA have also agreed to register branch offices through CRD®, which would allow for the creation of a single automated branch office registration platform.

On April 19, 2004, the NYSE filed Amendment No. 2 to SR-NYSE-2002-34³ to eliminate the one significant difference between the proposed NASD and NYSE definitions. The difference was regarding the registration of certain primary residences as branch offices. The NASD proposal provides that a primary residence must be registered as a branch office based on the functions and activities conducted at such location. As originally proposed, the NYSE definition included the same functional requirements, but also added a 50-business day limitation on the number of days such location could be used without requiring registration. With its recent amendment, the

² 17 CFR 240.17a-3 and 17 CFR 240.17a-4.

³ Securities Exchange Act Rel. No. 46888 (Nov. 22, 2002), 67 FR 72257 (December 4, 2002) (Notice of Filing of Proposed Rule Change and Amendment No. 1).

NYSE has eliminated this 50-business day limitation from the primary residence exception.

II. Response to Comments

The SEC received 846 comment letters on SR-NASD-2003-104.⁴ NASD's response to the issues raised in these letters is set forth below.

General Support for Development of Uniform Definition and Centralized Registration System

Numerous commenters were in favor of the development of a uniform "branch office" definition and the creation of a centralized registration system. NASAA said in its comment letter that it "supports the concept and applauds the efforts of the Commission to facilitate this endeavor." It went on further to state that "[t]he CRD system has become the cornerstone of our ability not only to register firms and their agents, but to allow investors to access information concerning those who would solicit their savings." It also stated that "[i]t is critical that full information about individuals and firms be readily accessible to regulators, industry, and the investing public."⁵ Several other commenters stated that they "support the goal of the Securities and Exchange Commission, the National Association of Securities Dealers and the North American Securities Administrators to achieve more uniformity among securities regulators on the definition of a "branch office."⁶

Primary Residence Exception – Discrepancy with NYSE Proposal, Limitations Generally

In the Notice of Filing for this rule filing, in addition to a general request for comments on the proposal, the SEC asked for commenters' specific views on the primary residence exception and the divergent proposals by NASD and the NYSE with respect to the NYSE's proposed annual 50-business day limitation on engaging in securities activities from a primary residence. As noted above, on April 19, 2004, the NYSE filed

Amendment No. 2 to SR-NYSE-2002-34 to conform the two proposals and eliminate the

⁴ See Exhibit A for a list of comment letters received (collectively, the "Comment Letters").

⁵ See comment letter from Ralph A. Lambiase, NASAA President and Director, Connecticut Division of Securities, dated January 6, 2004.

⁶ See comment letter from Christopher Shaw, Vice President and Acting Chief Compliance Officer, Transamerica Financial Advisors, Inc., dated January 6, 2004; comment letter from Thomas R. Moriarty, President, InterSecurities, Inc. dated January 6, 2004; and comment letter from Mario DiTrappani, President, Association of Registration Management dated January 6, 2004.

annual 50-business day limitation on engaging in securities activities from a primary residence.⁷

Several commenters to NASD's proposal stated that they were in favor of the elimination of the 50-business day requirement.⁸ Another commenter stated that it is pleased by and supportive of the current proposal's treatment of primary residences for purposes of branch office registration and it urges the NYSE to adopt a similar proposal.⁹ One commenter further stated "the rationale for registering residences as branch offices should be based on the types of activities conducted at locations and not on arbitrary criteria such as the number of days spent at the location. A firm holding any location out to the public would, however, subject such a location to registration requirements (both under current and proposed regulations) and [commenter] certainly is in agreement here."¹⁰

Numerous commenters expressed concern that the primary residence exception would change generally the status of many home offices and require the registration of a significant number of such locations.¹¹ One commenter stated that the primary residence exception is too restrictive and will result in the firm having to register approximately 1,100 primary residences.¹² Another commenter noted that the firm would be required to register 3,000 remote offices.¹³

⁷ Securities Exchange Act Rel. No. 46888 (Nov. 22, 2002), 67 FR 72257 (December 4, 2002) (Notice of Filing of Proposed Rule Change and Amendment No. 1).

⁸ See comment letter from Leonard M. Bakal of Metropolitan Life Insurance Company dated January 14, 2004; comment letter from Thomas R. Moriarty, President, InterSecurities, Inc. dated January 6, 2004; and comment letter from Mario DiTrappani, President, Association of Registration Management dated January 6, 2004.

⁹ See comment letter from John Polanin, Jr., Chairman, Self-Regulation and Supervisory Practices Committee, Securities Industry Association dated January 9, 2004.

¹⁰ See comment letter from Mario DiTrappani, President, Association of Registration Management dated January 6, 2004.

¹¹ See comment letter from Michael Leahy, President, NYLIFE Securities, Inc. dated January 29, 2004; comment letter from Christopher Shaw, Vice President and Acting Chief Compliance Officer, Transamerica Financial Advisors, Inc., dated January 6, 2004; and comment letter from Thomas R. Moriarty, President, InterSecurities, Inc. dated January 6, 2004.

¹² See comment letter from Christopher Shaw, Vice President and Acting Chief Compliance Officer, Transamerica Financial Advisors, Inc., dated January 6, 2004; and comment letter from Thomas R. Moriarty, President, InterSecurities, Inc. dated January 6, 2004.

¹³ See comment letter from Michael Leahy, President, NYLIFE Securities, Inc. dated January 29, 2004.

Several commenters, however, stated that aside from the 50-business day limitation in the primary residence exception, they believed the exception to be too restrictive.¹⁴ Several commenters noted the limitation in proposed Rule 3010(g)(B)(ii) that "...the associated person does not meet with customers at the location" is too narrow," and should be modified to state "...the associated person does not *regularly* meet with customers at the location."¹⁵ One commenter asserted that in today's business environment, representatives and investors routinely chat after trading hours and, for example, may live in the same neighborhood.¹⁶ The commenter stated it is unclear why subjecting a residence to an office registration requirement would better serve the interest of investor protection and/or would assist in maintaining market integrity.

Two commenters raised concerns about the limitation on handling customer funds at a primary residence.¹⁷ The commenters asserted that sales of mutual funds, variable annuities, and variable life products frequently occur at a customer's home, where a registered representative receives a completed application and check payable to the product provider. The commenters noted that if the registered representative takes such paperwork and check home, this would violate the primary residence exception. Another commenter stated that the requirement that all electronic communications must be sent through the member's electronic e-mail system may be too restrictive because it assumes all member firms allow electronic mail and have an electronic mail system.¹⁸

NASD believes strongly that the limitations on the use of a primary residence are important safeguards intended to protect investors. In this regard, one commenter stated

¹⁴ See comment letter from Michael Leahy, President, NYLIFE Securities, Inc dated January 29, 2004; comment letter from Leonard M. Bakal of Metropolitan Life Insurance Company dated January 14, 2004; comment letter from John Polanin, Jr., Chairman, Self-Regulation and Supervisory Practices Committee, Securities Industry Association dated January 9, 2004; and comment letter from Christopher Shaw, Vice President and Acting Chief Compliance Officer, Transamerica Financial Advisors, Inc., dated January 6, 2004.

¹⁵ See comment letter from Michael Leahy, President, NYLIFE Securities, Inc dated January 29, 2004; comment letter from Leonard M. Bakal of Metropolitan Life Insurance Company dated January 14, 2004; and comment letter from John Polanin, Jr., Chairman, Self-Regulation and Supervisory Practices Committee, Securities Industry Association dated January 9, 2004.

¹⁶ See comment letter from Mario DiTrappani, President, Association of Registration Management dated January 6, 2004.

¹⁷ See comment letter from Michael Leahy, President, NYLIFE Securities, Inc dated January 29, 2004; and comment letter from Leonard M. Bakal of Metropolitan Life Insurance Company dated January 14, 2004.

¹⁸ See comment letter from Christopher Shaw, Vice President and Acting Chief Compliance Officer, Transamerica Financial Advisors, Inc., dated January 6, 2004.

that “as long as there are sufficient safeguards and limitations in place that protect investors, a primary residence should not be treated as a branch office irrespective of the amount of days a person conducts business at that location.”¹⁹ Limitations include, among others, that: (1) the location is not held out as a branch office; (2) the associated person does not meet with customers at his or her residence; (3) no funds or securities are held at such location; (4) communications with the public are subject to the firm’s supervision; and (5) written procedures relating to the supervision of sales activities conducted at the residence are maintained by the member. Activities outside this scope should be subject to monitoring and examination by regulators. Moreover, to the extent any particular scenario raises questions as to the meaning of any of these limitations, NASD believes such issues can be addressed, as appropriate, through its interpretive process without requiring amendment to the proposed rule.

Proposal Will Have Disproportionate Impact on Brokers Affiliated with Insurance Companies/Limited Purpose Broker-Dealers

Numerous commenters stated that they are “limited purpose broker-dealers,” because they are affiliated with insurance companies and perform a much narrower range of activities.²⁰ They assert that their different business model is dependent on allowing registered representatives to work from their home offices. As a result, it is their belief that such primary residence locations should not require branch office registration or, if registration is required, such firms and their offices should be allowed to register under a separate registration category that would impose fewer restrictions and fees. Neither the NASD nor the SEC recognizes such a registration status. Member firms are required to register as broker-dealers pursuant to Section 15 of the Exchange Act and the rules thereunder. Persons who satisfy the requirements of the definition of “broker” and

¹⁹ See comment letter from John Polanin, Jr., Chairman, Self-Regulation and Supervisory Practices Committee, Securities Industry Association dated January 9, 2004.

²⁰ See comment letters from Gordon Karls dated January 21, 2003; L.S. Radwany, Jr. dated January 23, 2004; Michael Lawhon dated January 26, 2004; Debra Lahman dated January 27, 2004; Kevin Michaels dated February 3, 2004; and Randall Nebel dated February 6, 2004 (such letters, plus an additional 750 similar letters are designated as “Letter Type A” comment letters). See also comment letters from James A. Tyra III dated January 26, 2004; Carol Chapman dated January 26, 2004; Brain Garza dated January 26, 2004; Judith L. Regini dated January 26, 2004; and Becky Wroblewski dated January 26, 2004 (such letters, plus an additional 40 similar letters are designated as “Letter Type B” comment letters). See also, comment letter from Carl B. Wilkerson, Chief Counsel, Securities & Litigation, American Council of Life Insurers dated December 23, 2003; comment letter from Michael Leahy, President, NYLIFE Securities, Inc. dated January 29, 2004; comment letter from Christopher Shaw, Vice President and Acting Chief Compliance Officer, Transamerica Financial Advisors, Inc., dated January 6, 2004; comment letter from Carl Lundgren dated March 30, 2004; comment letter from Charles Ehlert dated February 12, 2004; comment letter from Jeffrey K. Hoelzel, MTL Equity Products, Inc. dated January 28, 2004; comment letter from Bob Deis at Western Dakota Insurers dated January 28, 2004; and comment letter from George Nelson Ridings dated January 27, 2004.

“dealer” set forth in the Exchange Act are required to register, absent an exemption. All broker-dealers are subject to a core set of regulatory requirements, such as net capital requirements, books and records rules, supervision requirements, registration of principals, etc. While NASD recognizes that life insurance broker-dealers operate with a different business model than many large, wirehouse, full-service firms, NASD believes there is no basis for recognizing a separate category of broker-dealers in connection with the registration of branch offices.

Similar to certain issues raised in connection with the registration of primary residences, one commenter stated that its business model - providing life insurance products differs from the retail securities business in that face-to-face contact with clients is necessary; and in order for such contact to be made in small, dispersed communities across the country, it must operate from one to two person, detached offices.²¹ The commenter noted that the proposed definition would require it to register over 3,000 current non-branch offices, which would create a substantial administrative and cost burden on firms that rely upon remote offices to meet the needs of its customers.

NASD recognizes that certain firms may be required to register previously unregistered locations under the proposed definition. While NASD understands that this may increase a firm’s registration costs, NASD believes that a firm’s administrative and supervision costs for all locations should not increase as a result of this proposal. The proposed branch office definition does not modify a firm’s responsibility to supervise or monitor activities at any location where it engages in securities business. NASD Rules require a firm to supervise such activities regardless of whether the location is registered or not. In addition, the development of a centralized branch office registration system through CRD® will alleviate current registration burdens, thus making branch office registration and renewal a more efficient process.

Waiver of Filing Fee to Register Offices that are Currently Non-Branch Offices

A significant number of commenters asked that NASD waive the registration fee for registering locations that are currently non-branch offices, but which would be required to register under the proposed rule change.²² Most of these commenters noted that they are affiliated with insurance companies and have a limited range of activities in comparison to full-service brokers that offer a full array of products and services. They asserted that the proposal would result in the registration of a large number of new

²¹ See comment letter from Michael Leahy, President, NYLIFE Securities, Inc. dated January 29, 2004.

²² See Letter Type A comment letters. See also comment letter from Gary A. Sanders, National Association of Insurance and Financial Advisors dated January 29, 2004; and comment letter from Gene Imke dated January 30, 2004.

offices at a significant cost, with no added benefit to customers.²³ Another commenter stated its belief that the proposed fee is a revenue raiser and is not intended to provide additional oversight or support for consumers.²⁴

NASD believes that the registration fee for each branch office is reasonable and necessary to cover NASD's current regulatory and examination program. In addition, by assessing the same fee on each branch office, NASD believes the fees result in an equitable allocation of a reasonable fee among its members. In this regard, there are certain fundamental costs associated with regulating any branch office, regardless of the size or activity.

Increase the Number of Permitted Transactions in the Proposed 3010(g)(2)(E) Beyond the Proposed 25

Proposed Rule 3010(g)(2)(E) provides an exclusion from branch office registration for any location that is used primarily to engage in non-securities activities and from which the associated person(s) effects no more than 25 securities transactions in any one calendar year. Numerous commenters stated that the number of permitted transactions in the exclusion proposed under Rule 3010(g)(2)(E) should be increased from 25 transactions annually.²⁵ Several commenters stated that the number should be increased significantly because the 25-transaction limit number would disproportionately affect broker-dealers affiliated with life insurance companies who have a limited range of activities as compared to full-service broker-dealers.²⁶ Another commenter stated that the number needed to be raised to a more reasonable level, such as 100 transactions, in order to reduce the burden on firms of monitoring the number of transactions occurring at remote locations.²⁷ In addition, the commenter noted that regulators would bear the administrative burden by seeing an increase in form amendments by firms as previously

²³ See comment letter from Christopher Shaw, Vice President and Acting Chief Compliance Officer, Transamerica Financial Advisors, Inc., dated January 6, 2004; comment letter from Thomas R. Moriarty, President, InterSecurities, Inc. dated January 6, 2004; and comment letter from Michael Leahy, President, NYLIFE Securities, Inc. dated January 29, 2004.

²⁴ See Letter Type B comment letters.

²⁵ See Letter Type A comment letters. See also comment letter from Gary A. Sanders, National Association of Insurance and Financial Advisors dated January 29, 2004; comment letter from Gene Imke dated January 30, 2004; and comment letter from Christopher Shaw, Vice President and Acting Chief Compliance Officer, Transamerica Financial Advisors, Inc., dated January 6, 2004; and comment letter from Thomas R. Moriarty, President, InterSecurities, Inc. dated January 6, 2004.

²⁶ See Letter Type A comment letters.

²⁷ See comment letter from Michael Leahy, President, NYLIFE Securities, Inc. dated January 29, 2004.

unregistered locations cross the 25-transaction limit and are required to register.

NASD believes that the 25-transaction limit in the exclusion is reasonable and necessary to promote investor protection. While NASD understands that certain locations may engage in securities business incidental to their primary business, for example, selling insurance products, a location that engages in a significant number of securities transactions annually should be subject to examination by regulators to ensure that the activities at such location are in compliance with applicable rules and regulations.

One commenter asked for clarification of the term “effects” as used in this exclusion. NASD believes that the meaning of such term is fact specific. NASD will address these interpretive issues with members on a case-by-case basis, as appropriate.

Proposal is Anti-Competitive

Numerous commenters stated that the proposal is anti-competitive. Commenters noted that for broker-dealers associated with life insurance companies, the proposal would unnecessarily add to the economic and administrative cost of doing business.²⁸ In addition, the commenters stated that the change in status of offices from non-branch locations to branch locations will no longer make it feasible for them to offer variable products and mutual funds to their clients, which the commenters state would have a harmful impact on consumers by reducing or eliminating options available to clients for financial planning purposes.²⁹ Other commenters stated further that such locations would now be subject to NASD inspection and recordkeeping requirements.³⁰

NASD disagrees with these commenters’ assertions that the proposal is anti-competitive and will unnecessarily add to their costs of doing business. In this regard, Rule 3010 (Supervision) has always applied to all offices, regardless of whether such locations are registered, and Rule 3100 (Books and Records) requires all members to

comply with SEC Rule 17a-3 regarding keeping books and records. The branch office proposal does not amend either rule.

²⁸ See Letter Type A comment letters. See also comment letter from Michael Leahy, President, NYLIFE Securities, Inc. dated January 29, 2004; comment letter from Jeffrey K. Hoelzel, MTL Equity Products, Inc. dated January 28, 2004.

²⁹ See Letter Type A comment letters.

³⁰ See comment letter from Gary A. Sanders, National Association of Insurance and Financial Advisors dated January 29, 2004; and comment letter from Karen Hammond dated January 21, 2004.

Effective Date of Proposed Definition

One commenter expressed concern about the implementation date of the proposed definition and proposed CRD® branch office registration system.³¹ The primary goal of this proposal is to facilitate the creation of a centralized branch office registration system and provide efficiency and clarity. As a result, NASD is committed to ensuring that the implementation date of the proposed new definition will correspond with the commencement of the branch office registration system on CRD®. NASD believes it will take up to one year to develop a centralized registration system for branch offices and, subject to SEC approval of the proposal, currently expects to have the system live by the Fall of 2005.

* * *

If you have any questions, please contact Kosha K. Dalal, Office of General Counsel, Regulatory Policy and Oversight, NASD, at (202) 728-6903; e-mail kosha.dalal@nasd.com. The fax number of the Office of General Counsel is (202) 728-8264.

Very truly yours,

Barbara Z. Sweeney
Senior Vice President and
Corporate Secretary

cc: Ann Leddy, Division of Market Regulation

³¹ See comment letter from Christopher Shaw, Vice President and Acting Chief Compliance Officer, Transamerica Financial Advisors, Inc. dated January 6, 2004

Comments on NASD Rulemaking

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment Nos. 1 and 2 thereto by the National Association of Securities Dealers, Inc. Relating to Proposed New Uniform Definition of "Branch Office" under NASD Rule 3010(g)(2)

(Release No. 34-48897; File No. SR-NASD-2003-104)

Total Number of Comment Letters Received - 846

1. Comments have been received from individuals and entities using a variety of Letter Types:
 - a. 756 individuals or entities using Letter Type A
 - b. 45 individuals or entities using Letter Type B
2. Comments of Carl Lundgren, received March 30, 2004
3. Comments of Charles Ehlert, Rural Insurance Companies received February 12, 2004
4. Comments of Raymond Howen, Rural Insurance Companies received February 11, 2004
5. Comments of Jim Jacobsen, State Farm received February 9, 2004
6. Comments of Minoo Spellerberg, Compliance Director, Princor Financial Services Corporation, February 6, 2004
7. Comments of Lawrence J. Fowler, Jr., CLU, LUTCF, Agent, February 2, 2004
8. Comments of David Niederbaumer, CLU, ChFC, Financial Associate and Matt Niederbaumer, Financial Associate, January 30, 2004
9. Comments of Gary A. Sanders, National Association of Insurance and Financial Advisors, January 29, 2004
10. Comments of Gene Imke, January 30, 2004
11. Comments of Michael Leahy, President, NYLIFE Securities Inc., January 29, 2004
12. Comments of Al Villasenor, Unisure Insurance Services Inc. and Villasenor Insurance Associates, January 28, 2004
13. Comments of Jeffrey K. Hoelzel,, MTL Equity Products, Inc., January 28, 2004
14. Comments of Bob Geis, CLU Registered Representative, AXA Network, January 28, 2004
15. Comments of George Nelson Ridings, ChFC CLU, January 27, 2003
16. Comments of Peter J. Mersberger, Mersberger Financial Group, Inc., January 27, 2004

17. Comments of Sherri Branson, Agent, State Farm Insurance Companies, January 26, 2004
18. Comments of Gerald J. O'Bee, CLU, ChFC, CLTC, Insurance and Financial Services, MassMutual Financial Group, January 26, 2004
19. Comments of Arthur K. Gruber, CLU, Registered Representative, AXA Advisors, LLC, January 23, 2004
20. Comments of John R. Claborn of John R. Claborn & Associates, January 21, 2004
21. Comments of Clark Hall, January 21, 2004
22. Comments of Walter Olshanski, January 21, 2004
23. Comments of Walter Scott, January 21, 2004
24. Comments of Karen R. Hammond, ChFC, The Hammond Agency, Inc., January 21, 2004
25. Comments of Michael Lisle, Mutual of Omaha Insurance Company, January 21, 2004
26. Comments of Joan M. Halstead, CLU, REBC, ChCF, Chartered Financial Consultant, Halstead Financial Associates, January 21, 2004
27. Comments of Roy D. Vega, Vega Insurance & Financial Services, January 21, 2004
28. Comments of Edwin P. Morrow, CLU, ChFC, CFP, RFC, President and CEO, International Association of Registered Financial Consultants, Inc., January 21, 2004
29. Comments of Connie Walenta, January 21, 2004
30. Comments of Charles Barley, January 21, 2004
31. Comments of Rod Bieber, January 21, 2004
32. Comments of Mike Becher, January 21, 2004
33. Comments of Kathy Northrop, January 20, 2004
34. Comments of Michael Garcia, January 20, 2004
35. Comments of Richard A. Gurdjian, January 20, 200
36. Comments of Leonard M. Bakal, Vice President and Compliance Director, Metropolitan Life Insurance Company, January 14, 2004
37. Comments of Minnie Whitmire, Registrations Supervisor, Raymond James & Associates, Inc., January 12, 2004
38. Comments of John Polanin, Jr., Chairman, Self-Regulation and Supervisory Practices Committee, Securities Industry Association, January 9, 2004
39. Comments of Christopher Shaw, Vice President & Acting Chief Compliance Officer, Transamerica Financial Advisors, Inc., January 6, 2004

40. Comments of Ralph A. Lambiase, NASAA President and Director, Connecticut Division of Securities, North American Securities Administrators Association, Inc., January 6, 2004
41. Comments of Thomas R. Moriarty, President, InterSecurities, Inc., January 6, 2004
42. Comments of Mario DiTrapani, President, Association of Registration Management, January 6, 2004
43. Comments of Stephen A. Batman, CEO, 1st Global Inc., January 5, 2004
44. Comments of John Gilner, Vice President; Henry H. Hopkins, Vice President; Sarah McCafferty, Vice President, T. Rowe Price Investment Services, Inc., January 5, 2004
45. Comments of Paul B. Uhlenhop, Lawrence, Kamin, Saunders & Uhlenhop, L.L.C., December 21, 2003
46. Comments of Carl B. Wilkerson, Chief Counsel, Securities & Litigation, American Council of Life Insurers, December 23, 2003