

February 2, 2006

Ms. Barbara Z. Sweeney
Senior Vice President and Corporate Secretary
NASD
1735 K Street, NW
Washington, DC 20006-1500

Dear Ms. Sweeney:

I applaud the efforts of the NASD to provide greater clarity to the securities marketplace. I want to ensure that by trying to improve the regulations you don't disadvantage certain participants by creating an uneven playing field.

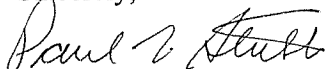
The proposed definition of "business entertainment" being proposed will continue to create confusion and uncertainty and foster an unfair and uneven competitive marketplace. As long as broker/dealers compete with banks for securities transactions, banks have an unfair advantage due to their varying business relationships. Their ability to provide such services as depository, trustee, lender, underwriter, purchaser, broker/dealer, secondary market participant, and investment advisor allows the bank to use their institutional branding and senior management to influence decision makers outside of the rules you are proposing. When bank officers make political donations, or when a bank sponsors an event in the issuer's community, or the depository relationship manager gives the finance director tickets to an event, or when the bank loan officer makes a loan to the CEO or Mayor, or when the bank hosts a golf outing, all of these forms of soliciting business fall outside of the rules you are proposing, yet could have a direct effect on the business relationship.

The terms "accompanies and participates" are used in your proposed rule. What does accompany mean? If I host an event; if I arrive separately; if I am also in attendance with a customer; have I met the definition? Does the "and" indicate that I must both accompany and participate to fall under this rule? How is a person "associated" with a member defined? Does this include clerical staff; does this include the management of a holding company of the member firm; does it include members of other subsidiaries of a holding company of a member firm?

To address these inequities, this definition should be expanded to define any such person who participates in either gift giving or business entertainment where there is an "issuer" (as defined by the MSRB) present would be qualified as a "municipal finance professional."

The definition that is ultimately agreed upon must not create an unfair advantage or a disadvantage to any firm or person. By definition, if it is truly "business entertainment" then the firm or person is actively soliciting. This would fall under the requirements of MSRB Rules G2 and G3 if there is an "issuer" present and would invoke the reporting requirements of G37. As long as both brokerage firms and banks operate in the same environment and compete for the same business, the NASD should do all that it can to ensure rules are enacted that achieve the intended result while creating a level playing field.

Sincerely,



Paul T. Stubbins
Senior Principal

