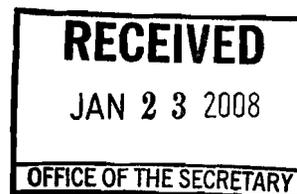


STIFEL NICOLAUS

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January 22, 2008

Securities & Exchange Commission
Attn: Nancy M. Morris, Secretary
100 F Street NE
Washington, DC 20549-1090



RE: File number SR-FINRA-2007-040

Dear Ms. Morris:

Stifel, Nicolaus & Company, Incorporated ("Stifel") would like to submit two comments on FINRA Rule 2821 Subparagraph(c) as it relates to the processing and supervision of annuity transactions.

First, Stifel has logistical concerns with this provision. Although seven business days would seem to accommodate most of our business transactions it in fact has limitations on placing any insurance transactions in the mail. We stress two points that are out of any broker dealers control when mailing paperwork to a client for signature: 1) Broker/Dealers have no control over when the client signs the paperwork and mails it back; and 2) Broker/Dealers cannot control the timing of the mail service which, depending on distances and seasonal timing, can be lengthy.

We believe this rule as written would lend some transactions, processed through the mail, to fall beyond seven days and subject a broker dealer to regulatory scrutiny. As such we do not believe that this condition is consistent with the act in promoting just and equitable principles of trade. The rule should accommodate the reasonable use of the United States Postal Service and ample time for clients to put an application back in the mail. Placing too short of a time limitation on clients is not in the best interest of the public.

A revision of this rule is requested to allow for normal time considerations when use of the United States Postal Service is required. The rule should also dictate what the broker dealer should do in the event that an application is returned by a customer in excess of the target number of days the Securities and Exchange Commission sets as an equitable time period for review.

Second, Stifel seeks clarification on using an automated annuity order entry system which frequently does not require clients to sign an application as part of the order process. Whether or not an application is required is mandated by the insurance carrier and not the broker dealer. Given that no application is required for a transaction, what date or process constitutes the beginning of the mandatory seven business day Principal Review and Approval process? The rule should clarify the start date when electronic order systems are utilized.

Sincerely,

A handwritten signature in cursive script that reads "Barbara Gill".

Barbara Gill
Deputy Director of Regulatory Affairs

STIFEL, NICOLAUS & COMPANY, INCORPORATED

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