

June 12, 2007

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

Sent Via Email: rule-comments@sec.gov

Re: File No. SR-NASD-2006-044 Notice of Filing of Proposed Rule Change and Amendment Nos. 1 and 2 Thereto Relating to Interpretive Material to NASD Rule 3060 to Require Members to Adopt Policies and Procedures Addressing Business Entertainment

To Whom It May Concern:

We are submitting this letter in response to a request for comments by the Securities and Exchange Commission (“SEC”) on a rule recently proposed by the National Association of Securities Dealers, Inc. (“NASD”). Great American Advisors[®], Inc. (“GAA”) appreciates this opportunity to respond to the SEC’s request for comments.

GAA does not agree with the proposal as it is currently written as it will unnecessarily burden firms who do not engage in abusive behavior relating to business entertainment. Excessive business entertainment expenses are more likely to occur when firms have accounts which are large enough to justify the expense or when firms have the financial resources to support the expenses. Most firms do not have such accounts and lack the resources to pay for excessive business entertainment expenses. Further, the few firms who are financially able to support excessive business entertainment expenses also have the resources to handle the compliance burden created by this proposal; while firms who are less likely to engage in improper business entertainment do not have the resources to dedicate to the enhanced compliance requirements.

GAA takes seriously its responsibility to supervise and educate representatives to ensure compliance with industry regulations. However, we feel that the costs of the additional requirements created by this proposal are unwarranted and are disproportionate based on firm size and anticipated benefits or results.

We are pleased to have the opportunity to provide comments and hope that our comments can assist the NASD and SEC in developing rules related to deferred variable annuities that are fair, sensible, and appropriate for all participants offering these products.

Sincerely,

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