

April 13, 2007

Securities Exchange Commission

Washington, DC

As an owner of a small NASD member firm I would like to thank the Commission for giving me the opportunity to comment hopefully without reprisals of which I can personally attest to that have occurred in the past. I do agree while the combination of the two regulatory agencies would be a good thing, in so far as cost reductions, the way it is being proposed is troublesome, worrisome and just plain wrong.

NASD members were told the SEC preferred this "merger" and if they did not vote for the proposed change, the SEC would take matters into its own hands and we members would not like the outcome. I believe that the SEC had a RESPONSIBILITY to correct the NASD and ask them to refrain from implying that there was an SEC endorsement.

Also, NASD members were offered a \$35,000 incentive (an outright bribe) if and when the proposal passed and went into effect. I believe it is totally unethical to offer cash inducements to influence votes. Politicians go to prison for this. On these two items alone I feel there are motives, which were not presented to the members.

Acting on confidential financial reports of revenues of all the firms allowed to vote, the NASD was able to pick a number that was large enough to entice (once again a bribe) a large group of smaller firms to vote for their proposal. There are a large number of voting firms which generate less than \$100,000 in revenue and this payment would be a substantial increase in profit for these firms.

While it is being stated that everyone would have fair representation, consider these facts:

Currently there are approximately 5100 member firms: The new rule proposal will have a direct effect on 200 large member firms or less than 4% of the membership, 96% will be effected because of the 4%.

The majority of the proposed Board would be appointed, not elected. Even if all of the members voted alike they would not be able to effect change in the board or with the agency. The United States of America is based on one person one vote, no matter what their background. Why should the NASD be any different? Essentially, the 96% of the NASD membership will be giving up their vote, allowing the 4% to run the industry. In essence over time this will undoubtedly mean the death of the small firm. The result will be less completion among firms, higher fees to the investing public and huge salaries for NASD management

Casting aside the above there are some legal challenges that could occur if the proposed merger were to take place, specifically:

The NASD and NYSE are proposing a merger. This could violate 2 Sherman Act, 15 U.S.C. 2 provisions.

Lastly, as we have seen month after month in horrible news releases, ONE single regulator will not benefit the public investor and in fact could shake our markets even further. Neither the NYSE nor the NASD had any problem with corrupt research on Enron, WorldCom and the like. They chose to ignore trading mutual funds yesterday with today's news. Instead it was the SEC and various State Attorney Generals who were forced to step in and do the regulatory job for the NASD and NYSE. Why? Because while crooks at the large firms were stealing from public investors day and night as the NASD protected them from scrutiny, the NASD was lining its' pockets and was focused on technical violations of firms throughout the country that would result in settlements of \$10,000 or more.

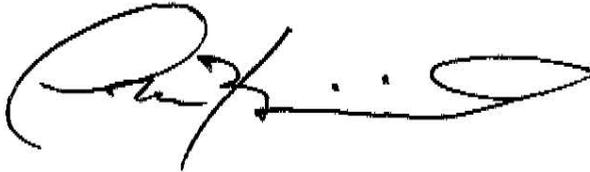
It must be stated that there will be inherent conflict with the Leaders of this "New SRO". With salaries in the neighborhood of 3 million dollars per year and estimates of total compensation approaching 8 Million per year, it is extremely difficult to imagine the top regulator coming down hard on any of the top firms on wall street while knowing full well that a good year for them could mean an additional million or two in bonuses at year end. Even if you

disagree and approve this merger, I believe that the MAXIMUM yearly salary for anyone in the new SRO cannot exceed what Chairman Cox is paid. We keep reading about executive compensation effecting shareholders rights, well its time to set an example and to effectively regulate and not be beholden to the greed of Wall Street we would respectfully ask that as a condition of this merger, NO EXECUTIVE OF THE NEW SRO'S YEARLY SALARY CAN EXCEED THE YEARLY SALARY OF THE CHAIRMAN OF THE SEC.

THIS MERGER IS NOTHING MORE THAN A MONEY GRAB.

FOLLOW THE MONEY!!!

Very truly yours,

A handwritten signature in black ink, appearing to read 'Craig Biddick', with a large, stylized initial 'C' and a long horizontal stroke extending to the right.

Craig Biddick

President