August 19, 2010

Elizabeth M. Murphy
Secretary, Securities and Exchange Commision 100 F Street NE
Washington, DC 20549

Ms. Murphy:

Dear Ms. Murphy,

I am writing in response to the SEC's request for comment on its study regarding the obligations and standard of care of broker/dealers and registered investment advisers. I work for a national independent broker/dealer, insurance agency and investment advisor. Previously, I worked for the investment division of one of the nation's largest banking institutions. My primary role has been the principal review and approval of all lines of business including brokerage, annuity, life insurance, investment companies, and all lines of fixed income. I hold the Series 6,7,4,53,24,63, and 65. I believe in the industry currently has appropriate and effective regulatory framework. Variable products have a very high level of scrutiny at both firms I have worked for. The cases I review each receive a thorough, detailed review. Specific, common factors are reviewed for each proposal as well as individual factors regarding the client's situation. This often leads to situations where business is not approved as originally submitted. As the current regulation states, I am liable as a supervisory principal for the soundness of the business that I review and approve. I do not take that lightly. I earn a modest salary, and I, of course, do not earn any commission. It is in my best interest to review work in a consistent, fair manner. I have no benefit to allow imprudent sales to occur; in fact, the opposite is true. Understanding the scrutiny within the industry, my only vested interest is to ensure my firm is not holding unsuitable or questionable accounts. The directors, vice presidents, and chief compliance officer have always shown support in my decisions, and a commitment to our internal risk measurements, our written supervisory procedures, and our registered representative manual. Although additional supervisory standards seem prudent on paper, they will not enhance the sales practices in the field. I hold myself to a high ethical and moral standard, but I understand there are individuals (or entire
firms) that do not. Changing the rules for the entire playing field will not solve the problem. The firms, like mine, that abide by the current rules will abide by any future rules. Firms that are not abiding my current rules will simply find new ways to skirt the new rules. All that results is a situation where the "do-gooders" are penalized for the impropriety of the small percentage of "bad apples." These "bad apples"
are free to continue their "bad behavior" as the regulatory system becomes entrenched in the deployment of sweeping changes. This is ineffective. The focus needs to remain on exposing the individuals who give our industry a bad name. Resources should be focused on developing systems and techniques that will help catch criminals more quickly. Bernie Madoff would have still been able to pull of his scheme under current rules or "best interest" rules. Maybe it is not the rules that are the problem? Thank you for allowing me the opportunity to comment.

Sincerely,

Daniel Burke