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Ms. Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-1090

Re: Request for Comment to Inform Study Regarding Obligations of Brokers, Dealers, and Investment Advisers  
(Release No. 34-62577; IA-3058; File No. 4-606)

Dear Ms. Murphy:

I am writing in response to the Securities and Exchange Commission (“Commission’s”) request for public comment to inform its study of the obligations and standard of care of brokers, dealers, and investment advisers when providing personalized investment advice about securities to retail customers. I am a life insurance producer, and my principal source of business is the sale of life insurance products. Some of the products I offer subject me to regulation by the Commission and the Financial Industry Regulatory Authority (“FINRA”). I appreciate your efforts to obtain information from the public and conduct a comprehensive and objective study, before deciding whether to propose new regulations. I am hopeful that opportunities for input from financial professionals will continue as the process unfolds.

I manage the northwest offices of Highland Capital Brokerage. Highland Capital Brokerage is a national multi-carrier general agency that supports the independent agent community as well as acting as a “back office” for many national and regional banks and wirehouses. In simple terms, we act as the intermediary between insurance companies and the licensed insurance agent, providing the agent objective advice about how insurance products may be used to solve the needs of their retail customers; helping them select which carriers and products to consider and then acting as “underwriting advocates” on behalf of that agent and client to negotiate favorable underwriting offers with the carriers. We have Sales Vice Presidents who are W-2 employees that are available to work with our customers to provide expertise to their retail clients. These Sales Vice Presidents are all Registered Reps of our broker dealer, NFPSI, and are subject to the compliance and supervision rules of that BD as well as FINRA broker dealer regulations and the compliance rules of our public company parent, NFP. In addition, each of our customers has their own compliance and supervision rules that we are contractually required to adhere to. These rules will vary by institution, but include lists of approved insurance carriers and products, suitability rules set out by their own BD, etc. We are also subject to state insurance regulations in any state that we work. The result is that we currently are subject to several layers of compliance, supervision and training requirements. We rigorously follow these regulatory requirements and have set forth these policies and procedures internally to assure that the client’s needs and objectives are met that they are provided with a full array of appropriate products and services.

Securities offered through NFP Securities, Inc., a Broker/Dealer and Member FINRA/SIPC  
Highland Capital Brokerage is an affiliate of NFP Securities, Inc., and a subsidiary of  
National Financial Partners Corp., the parent company of NFP Securities, Inc.

I have serious concerns about the possible adoption of a new 'best interest' standard for broker-dealers, and by extension, life insurance producers who sell variable insurance products. I believe such a general standard will create liability and uncertainty, but will provide no measurable benefit to investors. If the Commission finds in its study that there are gaps in investor protection in the current regulation of brokers and dealers, then I would encourage you to propose specific rules designed to address specific conduct. None of us likes new rules, but I believe a FINRA rules-based approach offers the best opportunities for compliance by brokers, and, therefore, the protection for investors.

While it is difficult to ascertain the practical impact of a general 'best interest' standard, it most certainly will result in increased compliance costs -- again, with no measurable benefit to investors. Over time, I believe it will reduce product choice and access for investors.

It is my sincere hope that all financial professionals hold their clients in the highest regard and provide investors with the first-class service that enables them to accomplish their financial goals. However, writing rules that are difficult to define and perhaps more difficult to implement and enforce will not achieve this brand of conduct, nor will it create a better or safer financial landscape for investors.

I strongly encourage the Commission to consider the input of life insurance producers, as well as our unique role in the marketplace and the fundamental nature of the products we sell when moving forward with its study of the obligations and standards of care for broker-dealers and investment advisers. Again, I thank the Commission for the opportunity to comment and welcome future opportunities to provide input.

Sincerely,

Eleanor I. Johnson  
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