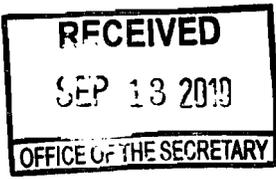


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NEASE,
LAGANA,
EDEN
&
CULLEY,
INC.

LAWTON M. NEASE, III, CLU
JOHN E. LAGANA, CLU
MARK A. EDEN, CLU
DAVID A. CULLEY, CLU, ChFC
STEPHEN "BO" WILKINS, CLU
T. HUNTER EWING, CLU, ChFC



August 17, 2010

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. 34-625477; 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 to retail customers. Some of the products I offer subject me to regulation by the Commission and the Financial Industry Regulatory Authority ("FINRA").

I am a partner at Nease, Lagana, Eden & Culley, Inc. "NLEC" and have worked in the insurance industry for over 30 years. My area of focus is estate planning for individuals and families. I also specialize in business continuity planning with an emphasis on executive benefits, buy/sell funding and key person indemnification.

Part of my practice includes the sale of variable life insurance, as such I am subject SEC regulations. I am a registered representative affiliated with M Holdings Securities, Inc. out of Portland, OR. NLEC is an Office of Supervisory Jurisdiction (OSJ) as such our office is subject to annual audits, conducted by our broker-dealer. Another benefit of being an OSJ is the heightened level of supervision afforded us with an in-house compliance officer. All of our transactions receive multiple level of reviews to ensure complete compliance with regulations.

My entire practice is built on long-term relationships with my clients. I stay involved with their purchases via ongoing communications and meetings. Additionally a service person is located in my office and is readily available to address a variety of my client's needs.

I therefore 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.

Effectiveness of Existing Regulation of Brokers, Dealers, and Investment Advisers

Life Insurance producers are required to complete a number of activities on an annual basis to maintain active licenses – including state requirements for ethics classes. The sale of variable products adds an additional layer of continuing education – on an annual basis, as a registered representative, I am required to attend a compliance meeting, complete an anti-money laundering class and complete 2 “firm element” classes. Finally, every 3 years, registered reps are required to complete a “regulatory element” course to maintain active securities licenses. Finally, specialty training is often required for specific transactions – such as long-term care products, annuities and life settlements.

As noted above, I currently am subject to an array of state insurance regulations and oversight for the sale of fixed and variable insurance products. When providing recommendations to my clients, I must consider factors such as the client’s current financial status and goals; age, general health, and existing medical conditions; and the client’s credit history. These factors must be evaluated before even determining whether a fixed or variable product is appropriate. As a representative of an insurance carrier, I must also weight the carrier’s medical and financial underwriting standards, current financial stability, and claims-paying record, among other considerations.

State insurance regulators play a central role in overseeing the sale of insurance products and the market conduct associated with these transactions. My contractual obligations to the carrier require me to comply with all requests and exams and adhere to any conduct regulations and guidelines enforced by the carrier.

As a life insurance producer who sells variable insurance products, I am also subject to the Commission’s and FINRA’s broker-dealer regulations in all respects. These require, among other things, that we treat customers fairly and abide by just and equitable principals of trade, including suitability obligations. Out interactions with each client is extensively regulated and must be completely transparent; we are required to confirm all communications, provide account statements, and disclose conflicts of interest – which could include information about licensing, company affiliation, and receipt of commissions. Supervisory personnel must review all sales recommendations and review for compliance with a multitude of FINRA and Commission regulatory requirements. These requirements are extensive, well-known, often product-specific, and capable of being monitored and audited by supervisory personnel, as well as FINRA and the Commission.

FINRA regularly audits broker-dealers, and examiners typically review and array of transactions data, client correspondence, firm financial statements and procedures, and general supervisory structures. After the audit, broker-dealers typically have a brief period to provide comments on the regulator’s findings and make any necessary corrections.

Gaps, Shortcomings or Overlap in Existing Law and Regulation

As noted previously, our office is audited on annual basis by our broker-dealer. In addition, we are subject to SEC and FINRA audits at any time. M Holdings Securities is audited by FINRA and we have participated in these audits when transactions involving our firm are selected for review.

Our sales process is based on educating our clients – they rely on our expertise and guidance when it comes to product selection, however, our presentations, meetings, and communications are designed to ensure our clients have a strong understanding of how choices/selections are made. Our clients view our role as a trusted advisor working in concert with others to ensure their needs are met.

In comparing the investment adviser and broker-dealer regulatory regimes, the broker-dealer regulatory regime provides better guidance to registered representatives and their supervisors, and therefore provide better protections to their customers, because the rules are clear and specific, and the conduct of the registered representatives is capable of being monitored and audited. By contrast, the principles-based nature of the investment adviser regulatory regime is more difficult to follow and enforce.

One of the most significant gaps in regulations is the lack of FINRA inspections and examinations of investment advisers. The fiduciary duty of investment advisor gives scant protections to investors in the light of the infrequency of Commission examinations. Most small advisers have no federal regulation and oversight whatsoever, whereas insurance producers who sell variable insurance products must respond to examinations and audits at both the federal and state level, and are subject to regulation by both insurance and securities regulators. These gaps and shortcomings in oversight of advisers is an area of investor protection that the Commission should address first, before changing any standards of care for brokers. In other words, the need (if any) to adopt a “uniform” standard of care for broker-dealers and investment advisers pales in comparison to the need to adopt uniform standards for examination and inspections of securities professionals.

If the issue of investor confusion over the legal obligations of the investor’s particular financial service provider is a point of concern – as has previously been suggested in published researcher reports – there are remedies currently available to address the confusion. Existing FINRA and Commission rules are extensive, but those rules, if necessary, could be supplemented with additional disclosures of the role in which a financial services professional is operating, including additional disclosures of the existence of any conflicts. I believe investors, if presented with appropriate information, can make a choice that is right for them. Disclosure is a far better alternative than eliminating investor choices by attempting to make all investment professionals the same.

Impact of Changing the Standard of Care for Brokers and Dealers to the Standard for Investment Advisers

By adopting a ‘best interest’ standard, I believe access to variable products by the middle income market would be severely limited, if not eliminated completely. The added costs of compliance added to the difficulty of the sale will minimize the use of variable products in this marketplace. The result being the very people we are trying to protect will be limited to fixed products.

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 it 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 or compliance by brokers, and, therefore, the protection for investors.

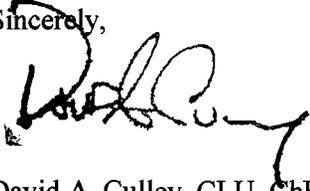
While it is difficult to ascertain the practical impact of a general ‘best-interest’ standard, it most certainly will result in increased compliance costs – again, with no measurable benefit to investors. Overtime, I believe it will reduce product choice and access for investors.

Ms. Elizabeth M. Murphy
August, 17, 2010
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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,

A handwritten signature in black ink, appearing to read "D. Culley", written over a horizontal line.

David A. Culley, CLU, ChFC
Partner