

MEMORANDUM

August 12, 2008

To: File S7-06-08

From: Brice Prince

Re: Regulation S-P: Privacy of Consumer Financial Information and Safeguarding Personal Information

On July 23, 2008, representatives of the Financial Services Institute (FSI)* met with Daniel M. Gallagher, Jr., Paula Jenson and Brice Prince of the Division of Trading and Markets to discuss the Commission's March 2008 proposal to amend Regulation S-P, concerning privacy and the safeguarding of personal information.

The FSI representatives expressed concern that the proposal might be affected by a decision ordering NEXT Financial Group, Inc. to cease and desist from committing or causing violations of Regulation SP, and to pay a civil penalty in the amount of \$125,000.¹ They also discussed comments FSI made in its comment letter dated May 12, 2008.

* Dale E. Brown, President & CEO, FSI; David T. Bellaire, General Counsel & Director of Government Affairs, FSI; Brian D. Murphy, Chair, 2008 Board of Directors, FSI; and Neal E. Sullivan, Partner, Bingham McCutchen LLP.

¹ See NEXT Financial Group, Inc., Initial Decision Rel. No. 349 (June 18, 2008), ___ SEC Docket ___ (available at <http://www.sec.gov/litigation/aljdec/2008/id349jtk.pdf>); NEXT Financial Group, Inc., Notice that Initial Decision Has Become Final, Securities Exchange Act of 1934 Rel. No. 58192 (July 18, 2008), ___ SEC Docket ___ (available at <http://www.sec.gov/litigation/aljdec/2008/34-58192.pdf>).