



May 12, 2008

Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Comment to Proposed Changes to Part 248-Regulation SP: Privacy of Consumer
Financial Information and Safeguarding Personal Information – File Number S7-06-08

Dear Ms. Morris:

This is a comment letter by the National Association of Credit Union Services Organizations ("NACUSO"). NACUSO is a trade association that assists credit unions providing non-traditional services. NACUSO's credit union members make available investment services to their members through networking arrangements with broker/dealers.

The proposed regulatory changes notes that there is protocol among certain major brokerage firms to share a limited amount of information upon a financial advisor leaving one brokerage firm for another. The proposal would permit the financial advisor's new broker/dealer to have the investor's name, a general description of the type of account and products held by the investor, and contact information, including an address, a telephone number, and email information. The stated purpose of permitting this non-public personal information to be given to the financial advisor's new broker/dealer is to facilitate the protocol that already exists between the major brokerage firms and to enable the investor to have financial advisor's contact information if the investor wants to follow the financial advisor.

Our first comment is that we do not think that such a disclosure of non-public personal information is authorized by Gramm-Leach-Bliley Act without an opt-out option being given to the investor. This proposal is an effort to legitimize an industry practice with a justification that the investor will likely want to know how to contact the financial advisor who was serving the investor. While we do not doubt that many investors will want to be able to contact the financial advisor who serviced their accounts, that purpose can be served by the financial advisor advising the previous broker/dealer of his new contact information and the previous broker/dealer having an obligation to inform investors who ask for the financial advisor's new contact information. This method of communication will not be in violation of the Gramm-Leach-Bliley Act.

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Our second comment is that there is a great distinction between the independent broker/dealer environment and the financial institution environment. In the independent broker/dealer environment, the financial advisor personally solicits and builds up his/her book of business. There is a very close relationship between the financial advisor and the investor. However, in the financial institution networking arrangements, the investors who the financial advisor serves are mainly financial institution customers provided by the financial institution through referrals. This financial institution customer information is a protected trade secret of the financial institution. The financial advisors contractually agree that they do not have any proprietary rights to the book of business and agrees not to solicit the book of business after leaving the financial institution's networking arrangement. The current proposal would seem to encourage and facilitate that solicitation. This is particularly harmful to credit unions due to the limiting factor of membership. A credit union can only serve people who qualify for membership within the stated field of membership of the particular credit union. Any raid upon a credit union's investment clients has a more severe impact upon credit unions as they have a harder time "replacing" that business due to the membership requirement. The disproportionately smaller universe of potential credit union investment customers renders the protection a credit union's trade secrets and the enforcement of non-solicitation provisions all the more critical.

We strongly urge that any revisions to the Regulation (1) comply with Gramm-Leach-Bliley and (2) not provide a financial advisor or his/her new broker/dealer the right to solicit a book of business away in a networking arrangement with a financial institution where there are contractual or legal obligations to prevent such solicitations.

Respectfully submitted,

Tom Davis

Tom Davis, President

Guy A. Messick

Guy A. Messick, General Counsel