

All submissions should refer to File Number S7-07-18. This file number should be included on the subject line if e-mail is used. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/proposed.shtml>).

"...there is no specific obligation under the Exchange Act that broker-dealers make recommendations that are in their customers' best interest...."

*"...This obligation shall be satisfied if: the broker-dealer or a natural person who is an associated person of a broker-dealer, before or at the time of such recommendation reasonably discloses to the retail customer, in writing, the material facts relating to the scope and terms of the relationship, and all material conflicts of interest associated with the recommendation; the broker-dealer or a natural person who is an associated person of a broker-dealer, in making the recommendation, exercises **reasonable** diligence, care, skill, and*

RFA. Those definitions, as relevant to this proposed rulemaking, are set forth in Rule 0-10 under the Exchange Act, 17 CFR 240.0-10.643 See 5 U.S.C. 605(b). 380

prudence; the broker-dealer establishes, maintains, and enforces written policies and procedures reasonably designed to identify and at a minimum disclose, or eliminate, all material conflicts of interest that are associated with such recommendations; and the broker-dealer establishes, maintains, and enforces written policies and procedures reasonably designed to identify and disclose and mitigate, or eliminate, material conflicts of interest arising from financial incentives associated with such recommendations...."

Dear Mr. & Mrs. SEC:

Good morning and hope all is well way back East....

Please Note: Any and all comments that are; on-topic, not subject to scope creep, clean, crisp, precise, accurate, correct, fair, truthful, just and generally kind must be attributed to Mr. Pw McKenna Carey---however, any and all alleged comments attributed to Mr. Pw McKenna Carey that do not follow the previously cited protocols are not his fault. According to his Auditors (external & internal), CPAs and Attorney's he (actually not 'he-rather it's his laptop, which he's constantly on causing great distress to his social life, but that's another story), rather it's his laptop that suffers from the dreaded intermittent invisible cow syndrome, whereby invisible cows assume control of his laptop, and without his authorization and/or permission, at this point in time modify his pearls of wisdom any way they choose...(aka: in other words, these invisible cows which we believe to be living on a farm somewhere in the northern parts of the UK---exhibit all of the nasty traits and characteristics associated with The Brits---which we won't bore you with the historical details, at this point in time) rather on to the subject at hand....And as we like to say...."You've done it again....once more you all ask for comments then disregard them by simply stating...."No problem here, this is already addressed in **Regulation C-A, Subparagraph 3,459, Category 12, Object 42, Line Item 12 (Please Refer to Appendix-Index-Glossary, et cetera....)** And what may you ask is the problem with this noble gesture on your part...? Well it's summarized in the following:

"...there is no specific obligation under the Exchange Act that broker-dealers make recommendations that are in their customers' best interest...."

*"...This obligation shall be satisfied if: the broker-dealer or a natural person who is an associated person of a broker-dealer, before or at the time of such recommendation **reasonably** discloses to the retail customer, in writing, the material facts relating to the scope and terms of the relationship, and all material conflicts of interest associated with the recommendation; the broker-dealer or a natural person who is an associated person of a broker-dealer, in making the recommendation, exercises **reasonable** diligence, care, skill, and RFA. Those definitions, as relevant to this proposed rulemaking, are set forth in Rule 0-10 under the Exchange Act, 17 CFR 240.0-10. 643 See 5 U.S.C. 605(b). Page-380-prudence; the broker-dealer establishes, maintains, and enforces written policies and procedures **reasonably** designed to identify and at a minimum disclose, or eliminate, all material conflicts of interest that are associated with such recommendations; and the broker-dealer establishes, maintains, and enforces written policies and procedures **reasonably** designed to identify and disclose and mitigate,*

or eliminate, material conflicts of interest arising from financial incentives associated with such recommendations...."

The killer word, within all these regulatory codification aspirations and efforts on all your part(s) to protect the individual investor comes down to the term...."**REASONABLE**".... (although we prefer the term 'due-diligence')---for our purposes here, the term **REASONABLE** will suffice, as it has here, and as we've learned over the course of reflective-history, this term became quite popular and common within pre-WWII Europa....

What a mushy term when detailing how to protect the individual investor within the financial industry. Rrather, why not mandate a 48-hour waiting/cooling-off/hot-to-trot period.

Besides, if it's a good and wonderful investment recommendation now, it will be a good---beneficial to the individual investor recommendation a couple of days from now. Don't you all agree? Of course you do....

Then, after the individual investor has reviewed the Bad Behavior Checklist, and can verbally define/describe each of the financial strategies present to them by the broker with precise/specific clarity and an example of same, if and when such strategies go north as well as South.

For example, this Investor Protector Pre-Investment Condom, at a minimum shall contain the following checks:

1. Dear Investor: This can happen or
2. That can happen, or
3. Nothing at all can happen....
4. It all depends upon the following specific scenarios and/or
5. Business use cases, (provided to the individual investor), and finally,
6. Do you (the individual investor understand each topic/area/scenario/business use case we've addressed via this checklist?).
7. Yes, No, Maybe, and our favorite, I don't know

Of course most will say they do, when in fact they don't but whose quibbling at this point. After all it's only money, and in this case it's theirs rather than the brokers---at this precise moment. Then and only then is there a '**reasonable**' chance the individual investor comprehends what's in store for them if they proceed to trust the broker with their precious dollars. And the penalty to the broker for not following this Codified Regulation is a re-certification protocol from 3-6 months depending upon the following adjudication process; either an administrative, civil and/or criminal hearing.

Lastly and lastly, there is nothing **reasonable** associated with this as the Commodities Futures Trading Commission (CFTC) Chairman, Ms. Brooksley Born responded, when questioned by the entire U.S. Senate Committee, (more specifically as she was grilled---repeatedly by everyone facing off against her including all of the Regulatory Agencies & the Clinton Administration Appointees), we see the following:

- **Q: Rep. SPENCER BACHUS (R), Alabama: *What are you trying to protect?***
- **A: BROOKSLEY BORN, CFTC Chair, 1996-'99: *We're trying to protect the money of the American public.***
- Please Note: When responding to some ***Dumb Senator's question***---this sounds exactly like what an editorializing British-Cow would make....but not I....no sirree Bob..Not me....

"Why are you doing this?"....her answer: "To protect the American Public's Money..." (see paraphrase rules, as cited in Regulation C-A, Subparagraph 3,459, Category 12, Object 42, Line Item 12 (Please Refer to Appendix-Index-Glossary, et cetera....))....We only suggest this, due to the lack of the Regulatory Industry to pronounce out-loud the term 'Fraud' during any of their public forums (aka: open to the public, sorta....)....

- Please Note: Please refer to the two or three (2-3-4 possibly even 27) attachments regarding the Human Factor impact(s) upon FinFraud, et al...and thank gaud there's no need to worry any more about protecting

the money of the American public, once this reasonable regulation becomes Codified, (aka: Nadia ((Hope)) springs eternal)....

In closing, we trust our lucid comments will be received with the same love & respect with which they are offered, and any of the other rude & snide comments belong to those invisible British Cows..... And our best wishes too, as you all attempt to do the right thing by the individual investor, while maintaining a house of cards.....

Respectfully yours,

Pw McKenna Carey

Another Interested Party