VIA ELECTRONIC MAIL

May 7, 2007

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

Re: Securities and Exchange Commission (SEC) File No. S7-08-07, Amendments to Financial Responsibility Rules for Broker-Dealers

Dear Ms. Morris:

The following comment letter is submitted on behalf of Curian Clearing, LLC ("Clearing"). Clearing is a registered broker-dealer licensed pursuant to the rules and regulations promulgated by the U.S. Securities and Exchange Commission, the National Association of Securities Dealers, Inc., the Municipal Securities Rulemaking Board, and various state and other jurisdictional authorities. Clearing operates a brokerage-trading platform that provides securities brokerage services and investment tools to money managers and investment advisors. Currently, the primary purpose of Clearing's self-clearing operations is to provide execution, clearing and custody services to Curian Capital LLC, an affiliated SEC registered investment advisor ("Capital"). Capital provides investment advisory services to retail clients through a multi-manager wrap fee program, pursuant to which Capital is the sole sponsor and investment advisor.

SEC Release No. 34-55431; File No. S7-08-07 includes a wide variety of rule amendments related to the financial responsibilities of broker-dealers. Due to the specific scope of Curian Clearing's operations and our analysis of the respective materiality of the proposals, our comments are limited to the amendments related to net capital (Rule 15c3-1) and customer protection (Rule 15c3-3). We provide the following comments regarding the potential impacts these rule amendments present in the order in which they appear in the proposal:

Customer Protection Rule (Rule 15c3-3) – Banks Where Special Reserve Deposits May Be Held

Conceptually, we understand the SEC's concerns regarding undue concentration of broker-dealer cash deposits with one bank. However, this proposal fails to take into consideration the regulatory solvency obligations of the respective bank. An obligation, which we feel could serve as a potential resolution to this problem, which we will discuss in further detail below. Additionally, we provide the following concerns related to this proposal:

- In our opinion, the perceived benefits to be derived from the amendment would be minimal. First, the risk assumes that there is a failure at the bank level to precipitate the exposure to the broker-dealer. Second, in the event that such a failure were to occur, an additional failure would be required prior to exposing customers to losses; namely, the failure of the bank would need to result in a financial hardship to the broker-dealer such that they would have inadequate liquid resources to comply with the customer protection rules. A failure of such magnitude by the bank would also assume a possible failure of the regulatory oversight systems by the Federal Reserve, the Office of the Comptroller of the Currency, and other banking regulatory bodies.

- There are procedural ambiguities associated with the computation for excluding deposits, which are concerning. The 50% excess net capital limitation could vary widely based on the date the most recent FOCUS report was filed.

- Customers are provided with semi-annual and annual financial statements for all broker-dealers carrying customer accounts. Based on the information provided from the statements clients may assess whether they feel the broker-dealer exposes them to undue financial risk. Ultimately, clients have the ability to transfer their account to another broker-dealer.

- The SEC provided analysis of estimated costs associated with this amendment in Section V. Costs and Benefits of the Proposed Amendments. We have issue with the cost analysis provided specifically related to the statement "….would need to open new bank accounts or substitute qualified securities for cash in an existing reserve account….We estimate that the senior treasury/cash management manager would spend approximately 10 hours performing these changes". Based on the level of due diligence required to establish a new banking relationship, we feel this estimate is inaccurate and arbitrary. Additionally, the calculation does not take into consideration situations where the broker-dealer will be required to establish numerous banking relationships. As an example, using the proposed calculation, our Firm would be required to have relationships with up to (10) banks in order to maintain sufficient coverage for this requirement over the course of time.

  Additionally, the SEC cost analysis estimates this expenditure as a one-time cost to the industry, with no ongoing expenses. However, we anticipate there will be ongoing costs associated with this requirement, such as a) the transaction fees associated with accounts with multiple banks; b) the administrative costs of monitoring the balance in each bank account and adjusting accordingly for changes in both reserve requirements and the excess net capital level; c) additional wire costs associated with funding multiple reserve bank accounts; and d) costs associated with the obligation of the broker-dealer to conduct ongoing/periodic due diligence of multiple banking agreements and relationships.

- Finally, based on information provided in Section V. Costs and Benefits of the Proposed Amendments, it appears that the SEC estimates that this proposal only impacts approximately (11) broker-dealers. The apparent low volume of impacted broker-dealers raises the question of applicability. Rule amendments of this caliber should seek to address regulatory issues of the masses, not the minority.

As an alternative to this proposed approach, we suggest the SEC leverage the impending capital adequacy framework, which will be achieved through the implementation of Basel II NPR. Basel II NPR will provide a more robust risk adequacy framework for use by banks in calculating regulatory credit and operational risk requirements. Perhaps the proposed requirement related to Customer Protection Rule (Rule 15c3-3) – Banks Where Special Reserve Deposits May Be Held, could be exempt for those broker-dealers conducting business with Basel II NPR qualified banks, yet still required for those broker-dealers conducting business with Basel 1A NPR banks (i.e. non Basel II NPR banks).

Customer Protection Rule (Rule 15c3-3) – Expansion of the Definition of Qualified Securities to Include Certain Money Market Funds

We feel this is a positive proposal, which will ease the administrative burden of depositing US Treasury securities in a broker-dealer reserve account and facilitate the earning of interest on the deposits held in the reserve account. We comment in favor of this proposal as it lowers the overall cost of compliance with the Customer Protection Rule without creating any additional exposure of loss to customers.

Customer Protection Rule (Rule 15c3-3) – Aggregate Debit Items Charge

We comment in favor of this proposal as it lowers the overall cost of compliance with the Customer Protection Rule without creating any additional exposure of loss to customers.

Amendment to the Net Capital Rule (Rule 15c3-1) – Adjusted Net Capital Requirements, Money Market Funds

We comment in favor of this proposal with a further suggestion that the haircut be reduced to 0%. The lower haircut better reflects the lack of volatility in these investment vehicles while reducing the overall capital requirements of broker-dealers.

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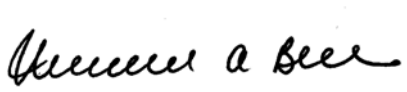
Curian Clearing is committed to maintaining the integrity of its financial operations in accordance with SEC and Self Regulatory Organization standards. Financial transparency and stability serve as the foundation of our customer platform. Customer protection of funds and assets are of paramount importance to our Firm's mission. Accordingly, we support many of the rule amendments set forth in SEC File No. S7-08-07. However, we respectfully request the SEC to review our comments related to the amendments identified that may result in unintended consequences, which may serve to impede a broker-dealer's ability to adequately and expeditiously manage their financial obligations.

We appreciate the SEC's consideration of our comments and anticipate further communication on this subject.

Sincerely,



Michael Bell
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Curian Capital, LLC
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