



November 16, 2007

Ms. Nancy M. Morris  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-1090

Re: Release No. 34-55431, File No. S7-08-07, Amendments to Financial  
Responsibility Rules for Broker-Dealers

Dear Ms. Morris:

The Securities Industry and Financial Markets Association has previously provided the Securities and Exchange Commission comments on the Commission's proposed amendments to its financial responsibility rules for broker-dealers under the Securities Exchange Act of 1934 in a letter dated June 15, 2007. In that letter we made a comment relating to interim access to Rule 15c3-3 customer reserve funds.

“As a more general matter, we urge the Commission to consider allowing a broker-dealer to remove funds from a reserve account to cover a large same-day request for payment of a free credit balance, as long as the free credit balance was included in the latest Rule 15c3-3 reserve computation and the broker-dealer begins a new reserve computation as of that date (to be completed by the morning of the second following business day). This would help protect broker-dealers from liquidity issues if a customer with a material credit balance seeks to withdraw a significant amount at once.”

Based on discussions we have had with members of the Division of Trading and Markets staff, we would like to expand on this comment to further recommend that any such relief be limited to broker-dealers who are part of a Group that is subject to consolidated supervision and that has documented a functioning comprehensive internal risk management control system that meets the standards set forth in Rule 15c3-4. Further, such relief would be limited to instances where requests for cash withdrawals and same day settling purchases of securities, relating to such free credit balances, aggregate to an amount in excess of \$250 million on any given day. To take advantage of such relief a firm must also be in compliance with Rule 15c3-1 capital requirements.

If you have any questions about our letter, please do not hesitate to contact the undersigned (212-272-0531), Gerard J. Quinn, Managing Director and Associate General Counsel of SIFMA (212-618-0507, or Robert W. Cook of Cleary Gottlieb Steen & Hamilton LLP, counsel to SIFMA in this matter (202-974-1538).

Sincerely,

*/s/ Marshall J. Levinson*

Marshall J. Levinson  
Senior Managing Director  
Bear, Stearns & Co. Inc.  
Chair, SIFMA Capital Committee

cc: Michael A. Macchiaroli, Associate Director  
Thomas K. McGowan, Assistant Director  
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