Concerning the solicitation rule proposal you state:

"Basing the exemption on a specified dollar value means that over time inflation may cause such a value to become outdated or lose its utility. Should we consider a more principles-based *de minimis* exception rather than one based on a dollar value? For example, an exemption could alternatively or additionally be made for promotional items of nominal value and commemorative items,[447] or for an occasional meal, a ticket to a sporting event or the theater or comparable entertainment which is neither so frequent nor so extensive as to raise any question of propriety.[448] Should we incorporate such an exemption? If so, should we provide guidance on when such items raise a question of propriety? If so, should we include a recordkeeping requirement in the rule to highlight that advisers must track their use of *de minimis* compensation?"

COMMENT: Yes, you need to incorporate this type of exemption for practicality sake such as when an advisor may want to simply thank a client for telling a friend about the advisor and gift a meal and/or an entertainment ticket. A $100 specified dollar amount each 12 month period will very likely become a problem due to inflation (if its not already a problem in many higher cost areas). This could especially be true with non-cash compensation such as an occasional meal or entertainment ticket which may increase in price more than an average inflation amount.

Although it may seem logical to include guidance on when such items raise question of propriety, it will be difficult to do so without some sort of a dollar guidance which in time, would become outdated due to inflation unless it starts at a higher amount than $100.

Guidance on frequency would seem to be easier to provide since it would not be effected by inflation. However, a pure frequency approach could cause unintended issues though. For example, if the frequency was every 12 months and the advisor was in a small town where entertainment is not continuously available, then a ticket to an entertainment event may not be available on a regular basis. If a ticket of nominal value was given to a client last year (say 11 months ago) as a thank you and the only suitable event that is expected to be available in the area this year will be held in less than 12 months since the last one, then the 12 month period would be violated.

If a specified dollar amount per each 12 month period must be used for meals and or tickets, I would suggest a higher amount than $100. To attempt to factor in future inflation and avoid your need to update the amount listed in the rule soon after, I would suggest $500 per each 12 month period for meals and/or tickets. This helps to ease the concern over inflation effects for several years and also helps to manage the potential overlap a pure frequency approach could cause as mentioned above.