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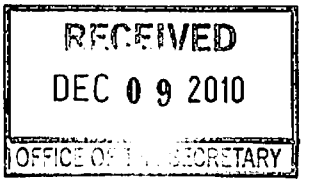


**[VIA FEDERAL EXPRESS]**

December 8, 2010

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

Re: File Number S7-23-07
Rule 206(3)-3T

Dear Ms. Murphy:

Winslow, Evans & Crocker, Inc. ("Winslow") is dully registered as a broker/dealer under the Securities Exchange Act of 1934 and investment adviser under the Investment Advisers Act of 1940. Since the adoption of Rule 206(3)-3T on September 24, 2007, Winslow has adopted procedures to comply with the requirements of the rule. Winslow believes that the Rule's requirements have adequately protected investors from conflicts of interest inherent in the sale of securities on a principal basis. The Staff rightly notes that allowing such sales might make available securities that would not otherwise be available or that might be available on less attractive terms.

Winslow is not aware of any adverse results to investors from the adoption of the temporary rule over the three plus years it has been in place. While the Staff noted compliance issues with the implementation of the rule, it did not cite substantive shortcomings with the rule itself. The failure to comply with the rule's requirements does not speak to any inherent weakness which allowed firms to take advantage of unsuspecting clients.

The mandates of the Dodd-Frank Act, in particular, the study by the Commission of the regulatory environment affecting broker/dealers on the one hand and investment advisers on the other is both sensible and overdue. We fully support the intent of the Dodd-Frank Act's mandate and the Commission's efforts thereunder. We do, however, feel that extending the temporary rule is in the best interest of investors but think that doing so on a temporary basis is short sighted and leads to certain inefficiencies, particularly to smaller firms.

As noted in the proposing Release, sun setting the rule would leave firms with substantial systems, document and procedural changes and the periodic threat of expiration causes disruption to internal programming and other requirements. We believe the Commission should adopt the rule on a permanent basis thus eliminating uncertainty with respect to compliance in this area.

This would not run counter to Dodd-Frank. If the Commission should, after its study, conclude that some other approach were better suited to address the perceived inherent conflicts with principal trading, it could then take regulatory action, again soliciting comments form academicians, investors and regulated entities. It could be just as likely that the more permanent rule would be left in place or simply amended to address other issues that the study were to disclose.

Certainty would be welcomed in this area so that regulated entities are not have to revisit their compliance procedures as the sun set date approaches. This would lend to efficiencies, cost savings and better trained compliance professionals.

Sincerely,

Leonid Berline
Executive Vice President
Chief Compliance Officer
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