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December 14, 2007

Ms. Nancy M. Morris  
Secretary, Securities and Exchange Commission  
100 F. Street, N.E.  
Washington, DC 20549



Re: Release No. 35-56779; File No. S7-26-07

Dear Ms. Morris:

SCI Real Estate Investments, LLC ("SCI") respectfully submits the following comments to the request for an exemption (the "Exemption Request") filed on behalf of the National Association of Realtors ("NAR") pursuant to Sections 15(a)(2) and 36(a) of the Securities Exchange Act of 1934 (the "Exchange Act"). The Exemption Request would create an exemption from the broker-dealer registration requirements under Section 15(a)(1) of the Exchange Act and from certain reporting and other requirement imposed by the Exchange Act for certain arrangements between broker-dealers and a real estate agent and/or broker who has substantial experience in commercial real estate and the real estate brokerage firm with which such person is associated. Except as otherwise indicated, all capitalized terms used herein have the same meaning as set forth in the Exemption Request.

As explained more fully below, SCI strongly supports the Exemption Request. This letter suggests certain clarifications that will make it easier for all parties, including broker-dealers, RE Participants and the sponsors of sales of tenant-in-common interests in real estate to comply with the requirements of the Exemption Request and other applicable laws.

SCI, which is based in Los Angeles, is one of the largest sponsors of the sales of TIC Interests. During the past 5 years, SCI has sold TIC Interests with a total property value in excess of \$1,500,000,000.

1. Support for the Exemption Request. SCI fully supports the Exemption Request. SCI has always sold TIC Interests through RE Participants. The TIC Interests currently sold by SCI do not constitute "securities" within the meaning of the Exchange Act because the operation and management of the properties is placed solely in the hands of the investors, and SCI is not involved (except, potentially, as a co-owner) in the operation or management of the properties that it has sold. This approach, although

required under the Exchange Act, does not permit the investors to benefit post-closing from SCI's substantial experience in the real estate industry.

If the Exemption Request is granted, SCI expects to alter its operations so as to provide ongoing management services to the investors who purchase TIC Interests from SCI. Specifically, SCI expects to enter into a property management agreement with future investors and, as a result, to sell TIC Interests as TIC Securities through a combination of broker-dealers and RE Participants pursuant to the terms of the Exemption Request. Thus, the TIC Interests that are sold by SCI will be TIC Securities. SCI believes that this approach will be beneficial to investors who want to obtain experienced property management in conjunction with their purchase of TIC Securities.

2. Requested Clarifications. SCI believes that the requirements set forth in the Exemption Request will be easier to comply with, and the relationship between all of the parties to a transaction involving the sale of a TIC Security will be improved, if certain aspects of the Exemption Request are clarified. Specifically:

Circulation of Summary Property Descriptions. RE Participants will not be able to introduce their clients to TIC Securities unless the sponsors of the sales of TIC Securities are able to inform RE Participants concerning properties that are available for purchase. On the other hand, SCI fully understands and accepts that the ultimate sales of the TIC Securities that are treated as securities for purposes of the Exchange Act must be made through broker-dealers. To address this situation, the Exemption that is granted by the SEC should clarify that the sponsor which is selling the TIC Securities may provide summary property descriptions (such as a one-page description of the property to be sold as TIC Securities) to RE Participants so that the RE Participants can discuss such properties with their clients in order to determine whether or not their clients would be interested in acquiring such TIC Securities. Experienced commercial real estate brokers are trained in commercial real estate sales and would provide valuable advice to the public – if they are provided the summary property information from the Sponsors. It should be noted that this property “fact sheet” could only be provided to a potential TIC purchaser *after* a Buyer's Agent Agreement had been signed. Experienced commercial real estate brokers have the ability to show prospective buyers many available sole ownership properties as well as TIC Securities, but they must have available to them information on the properties underlying the TIC Securities in order to compare and properly represent their clients in making the best choice. However, even though the sponsor could provide a “fact sheet” on the property to the RE Participant, the sponsor would not be permitted to furnish either a private placement memorandum or a subscription agreement (collectively, a “PPM”) to any person other than a broker-dealer, because the sale of the TIC Security would have to be made through the broker-dealer.

Certification by RE Participant. The Exemption Request provides that the RE Participant will provide the executed Buyer's Agent Agreement to the Lead Placement Agent at closing. The Buyer's Agent Agreement must be entered into by the RE Participant prior to introducing the client to any properties sold as TIC Securities. In addition, the possibility of disputes and/or confusion will be reduced if the Lead Placement Agent receives a copy of the Buyer's Agent Agreement sooner rather than

later. Accordingly, SCI believes that the Exemption Request should require the RE Participant to provide a copy of the Buyer's Agent Agreement to the Lead Placement Agent (or the appropriate registered representative affiliated with the Lead Placement Agent) at the time the client is introduced to either of them, which will generally occur if and when the client indicates that the client is interested in receiving further information (such as a PPM) with respect to a particular property.

Qualification as Replacement Property in a Like-Kind Exchange. The Exemption Request provides in Section (1)(b) that the TIC Security must qualify as a "replacement property" for purposes of a like-kind exchange under Section 1031. SCI believes that this requirement should be deleted. Some investors acquire TIC Securities without having sold any other property; the investors simply want to acquire an undivided fractional interest in real estate as an investment. SCI believes that all of the reasons why an investor should receive the benefit of representation by a RE Participant and a broker-dealer are applicable whether or not the investor is engaging in a like-kind exchange. If the SEC is trying to limit the scope of the exemption to real estate transactions, we believe it would be better to refer to transactions in which a deed is conveyed (and not reference Section 1031 of the Code).

Determination of "Substantial Experience in Commercial Real Estate". The Exemption Request sets forth proposed standards concerning whether a RE Participant has substantial experience in commercial real estate. The SEC has requested comments whether the standards proposed in the Exemption Request are appropriate. SCI supports the standards as enunciated in the Exemption Request, although SCI could support the adoption of alternative criteria (based on education and dollar value of transactions) which would permit additional individuals and/or Real Estate Firms that do not satisfy the standards in the Exemption Request to be treated as qualified RE Participants. SCI would oppose any change in the standards proposed in the Exemption Request that would make it more difficult for individuals and/or Real Estate Firms to be treated as qualifying RE Participants.

SCI appreciates the opportunity to file these comments with respect to the Exemption Request.

Sincerely,

A handwritten signature in black ink, appearing to read "Marc Paul", written over a horizontal line.

Marc Paul  
President

310 470 2600 X 114