

# The Phillips Group, Inc.

Real Estate Investment Brokerage, Management & Leasing



301 East 17<sup>th</sup> Street  
Vancouver, WA 98663  
Tel: 360 694.1031  
Fax: 360 693.1766  
Email: [tPhillips@ccim.net](mailto:tPhillips@ccim.net)  
Web: [ephillipsgroup.com](http://ephillipsgroup.com)

December 10, 2007

## Rule Comments

Comments on: File No. S7-26-07 (11/16/07 Federal Register 64688-64694[E7-22425]):  
Notice of Application of the National Association of Realtors for Exemptive Relief under  
Sections 15 and 36 of the Exchange Act and Request for Comment.

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

Dear Ms. Morris:

As a CCIM and member of NAR, I am writing in response to the SEC's request for comments on NAR's exemption request above referenced. I am strongly recommending a proposal **to change** the requirement for "substantial education" to help the public identify a commercial realtor with substantial experience.

I support the proposed exemption which would enable commercial real estate professionals, under certain circumstances, to provide real estate services for TIC properties that are considered to be a security and to be compensated for providing those services.

**That said, I recommend a change to defining "substantial experience." A professional is someone who devotes education and experience to their chosen profession. I feel strongly that one of three designations MUST be considered as a requirement for the definition of "substantial experience."**

A) The CCIM (Certified Commercial Investment Member), SIOR (Society of Industrial and Office Real Estate) and ALC (Accredited Land Consultant) designations require both significant analytical coursework and transactional benchmarks related to commercial real estate. In response to the SEC's requests for comment, **these designations offer to the public a reasonable “certification” or evidence to define "predominantly engaged and substantial experience" in the sale of commercial investment real estate.**

**B) It is ambiguous to state that one has the education and experience equivalent to the CCIM, SIOR or ALC designation. For the public's benefit and acknowledgment, if one has the experience of a CCIM, SIOR or ALC, one should have the designation.**

C) As proposed, an alternative to be considered or designated as a professional with an aggregate of 3 million in sales within the last five years **without** one of the professional designations is inadequate! A one or two time sale by a residential agent with little or no knowledge of how to analyze an investment does not ensure the public this person is a “professional.” Substantial experience must include a professional designation (CCIM, SIOR or ALC) to represent oneself to the public as a commercial investment specialist.

The proposed exemption correctly reflects how commercial real estate professionals become aware of the availability of TIC securities:

As a commercial real estate professional I am aware of what is happening in my market, and often in surrounding markets as well, including commercial properties available for sale. Clients often ask that we analyze a number of properties of varying asset classes, markets, size and price before they make a decision.

If my client has entered into an amended buyer agent agreement and expresses an interest in a particular TIC security, I would be able to contact the sponsor and find out how the fractional interests are being brokered. If the property is a TIC security I could ask a broker dealer representing the sponsor for summary real estate information on the property for my analysis and for my client to review. A commercial real estate professional is obligated to serve the best interest of the client. Only with the proposed changes to **clarify “substantial experience” to the public**, I urge the SEC to quickly approve NAR's exemption request. Thank you for the opportunity to comment.

Sincerely,

Terry O. Phillips CCIM