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Via Email Only

rule-comments@sec.gov

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

**Re: File No. S7-33-10 – Dodd Frank Whistleblower
Award Program**

Dear Ms. Murphy:

This letter is being submitted with regard to File No. S7-33-10 and the Securities and Exchange Commission's ("SEC" or "Commission") request for Comment on the Proposed Rules for Implementing the Whistleblower Provisions of Section 21F of the Securities Exchange Act of 1934. This letter is a follow-up to my pre-rule proposal submissions of August 17, 2010, my personal meeting on September 23, 2010 with the SEC's Tom Sporkin, Sarit Klein and Jordan Thomas from the Division of Enforcement, and Brian Ochs and Tom Karr from the Office of General Counsel, as indicated on the Agenda and SEC Memo of the same date. We hereby incorporate by reference such submissions and meeting, as well as my last submission on this topic dated November 2, 2010.

I respectfully submit the instant commentary to the Commission with the following twenty-two (22) years of legal experience:

1) Former long-term prosecutor, both in the Manhattan District Attorney's Office Trial Division under the Hon. Robert M. Morgenthau and the New

- 2) Former defense attorney for a boutique securities law firm on Wall Street, defending brokerage firms/employees in both regulatory actions, criminal matters as well as FINRA proceedings.
- 3) Former General Counsel for a successful private start-up internet firm
- 4) Private practitioner for almost the last decade, primarily representing small and large investors, retirees, etc., in FINRA/NASD/NYSE arbitrations against brokerage firms for negligence and frauds related to their investment accounts, as well as individual investment banking, brokerage, and hedge fund employees in all matters involving their employers, including Whistleblower Claims.
- 4) Author for Forbes.com, authoring one of the first published articles on the new Dodd- Frank Whistleblower Statute following it being signed into law this past Summer.
- 5) Attorney who has promoted the Statute ever since it has been signed into law, including in movie theatres throughout the New York City region and thus, on the front-line of attempting to make the statute a success
- 6) Attorney whose law firm has already screened approximately sixty to seventy (60-70) potential Dodd Frank Whistleblower submissions.
- (5) Attorney who has already actually submitted to date, five (5) formal submissions (with two additional submission, having been retained on, currently in the process of being prepared for filing), all relating to apparent significant securities violations, involving major investment banking firms and/or major hedge funds. Subject matters of such filings range from serious allegations of improper sales of structured products leading up to and including the 2008 market meltdown; distorted asset valuations; conflicts of interest between investment banks/hedge funds and investors, both large and small, including US pension funds; fraudulent sales of market linked Certificates of Deposits to retail investors in the State of California; insider trading which evidence is related to an ongoing prosecution, both by the SEC and Justice Department; the falsification of business records, along with knowingly supplying such to regulators in response to a document subpoena, without advising the regulator of such; potential influence peddling related to a state securities regulator involving a major brokerage firm, and other clearly significant matters supported by credible evidence.

Introduction

The SEC and all the individual members of its current Commission is at a crossroad in history, starting from the very first Chairman of the Commission, Joseph P.

Kennedy Sr., appointed in 1934 (whose grandson, the late John F. Kennedy Jr. I previously worked and was friends with while at the Manhattan District Attorney's Office). Contrary to some attorneys on the other side of this issue, who now are paid to defend the securities industry for a living, I have never been an SEC Commissioner, let alone the Chairperson of such, or a former head of Enforcement. Nor do I claim to be one of the most knowledgeable securities attorneys in New York, let alone in the country. However, I do believe, based on my unique long term and recent experience, detailed above, that the historic Dodd-Frank Whistleblower law has the potential to be the most significant securities related legislation since the 1933 and 1934 Securities Acts, which, as the commission knows, followed the 1929 market collapse and the Great Depression. I strongly urge the Commission to not miss this historic opportunity that is presenting itself through instant legislation, which, in essence, seeks to protect every single citizen of the United States from securities frauds and meltdowns like the one which recently faced the Country, by neutering this historic statute through the instant proposed SEC rules, while at the same time doing very little to encourage the very whistleblowing which the statute sought to encourage. In effect, the proposed rules, if they remain as is, and especially if the SEC in fact adopts some of the additional possible proposals it has asked for comment on within the rule proposal submission¹, will in effect toss the legislation into the ash heap of history and the law will be dead on arrival. Already, the proposed rules has had the effect, whether the Commission knows it or not, of, at the instant time, freezing some high quality potential submissions in their tracks, in effect, preventing any enforcement proceeding from even having the ability to commence, as the future is unclear, even with regard to submissions already made pursuant to the statute. Further, I can in good faith state that the lack of clarity within the rules and failure to positively address issues of great concern to numerous whistleblowers, as expressed by me to the

¹ Notably such possible proposals, to a large extent, notably parroted the commentary of a large law firm Baker Donelson who notably did not state what clients views they represented, and whose Oct 12, 2010 comments to our knowledge were first posted on the SEC web site the last week of October (along with the four line Sunshine Act mandated "Agenda" of the meeting, first posted on Friday October 29, 2010 of a unique Oct 26, 2010 meeting the Staff apparently had with a of lawyer and/or officers from ten large public companies/investment firms from around the country and the law firm, Gibson Dunn that represents them), just days before the Commission's Nov 3, 2010 Open Meeting, which then unanimously approved the publication of the instant proposed rules. Notably Gibson Dunn has in its employ a former SEC Deputy Director of Enforcement and the former NY SEC Regional Office Director, among many other former senior SEC officials.

Commission in my comment letter of last August and in person to the SEC staff last September, is, as this is being written, detrimentally impacting a prominent ongoing SEC Enforcement proceeding.

It has been only two years since the September 2008 collapse of Lehman Brothers and the near collapse of the U.S. Banking system, yet it would appear from the general theme of the proposed rules as well as the commentary to the SEC by the attorneys for many of the banks which were just bailed out by taxpayer funds due to their being too big to fail, that collective memories are very short. True, some of these companies would assert that the government appears to be making a profit on their “investments”, yet many Americans would argue the very same occurrence would result if the same banks similarly provided them a blank check to bail them out of their debts until a couple of years pass so that they can get back on their feet, and they are not the ones who caused the crises unlike those who received the bailouts. Although I personally supported the Troubled Asset Relief Program (“TARP”) program of October 3, 2008, as I believe our system of commerce, as we knew it, would have completely collapsed, but for such program. However, I also believe such legislation was simply the lesser of two evils. Unlike financial institutions, which had leverage over the government due to the very threat of their failure and the impact of such on the economy, ordinary Americans cannot leverage the size of their debts so as to be in a similar powerful negotiating position with banks.

The source of funds for TARP was supported by every individual and corporate tax-payer in this country. The large corporations and banks who now have been lobbying in force with the SEC on the instant provision, and utilizing all sorts of former Senior SEC Attorneys and even Commissioners who now defend the companies they once regulated, were all directly or indirectly dependent upon such TARP funds being provided to the financial industry. As such, the hundreds of thousands of dollars apparently currently being utilized to pay corporate lobbyists and highly paid corporate attorneys who work for Gibson Dunn, Bakery Donelson, among others, including, but not

limited to companies like **Citigroup, JPMorgan Chase, Prudential**,² is in essence being spent to pay for such high priced attorneys who generally charge from \$500 to \$1000 dollars per hour, if not more, for their “services”. Such may be considered the norm pre-2008, if it were only the shareholders of such public companies paying such fees, although one would think the SEC, rather than be concerned about whistleblower attorneys’ retention terms negotiated between to private parties, would be more concerned about such questionable expenditures being paid by public companies in the name of public shareholders, so as to, in essence, seek to protect senior management from liability (criminal and/or civil), directly due to the whistleblower leads the statute was meant to encourage. However, now in 2010, after all that has been revealed of corporate excesses, the SEC should clearly be more focused on the explicit and unseemly showering of public shareholder funds on such defense law firms today, no different than the Commission’s focus on excessive Officer compensation in public companies including TARP recipients. In addition, certainly the SEC should be more focused on ensuring that tax-payer funds are not being permitted to be expended, directly or indirectly, on such lawyers and lobbyists with the clear aim of seeking to create multiple barriers for whistleblowers who may file claims which may result in senior management of such companies being removed from office, forced to pay civil penalties and/or be criminally prosecuted for misdeeds. It is frankly mind-boggling that the SEC and its intelligent staff of attorneys appears to have knowingly or unknowingly placed blinders on with regard to such grave concerns and contradictions, when it is blatantly clear to the public at large and will be in the coming days.

We hereby submit the following comments with the aim of correcting the false premise that many of the proposed rules are apparently based upon and in an attempt to constructively modify the proposed rules so as not to create apparent barriers for whistleblower filings pursuant to the statute, something which the instant rules in fact do, whether intentionally or not. Further, we hope that the instant comments can assist in making the proposed rules “user friendly”, as mandated by Congress, and to again

² All of whom met with the SEC on October 25, 2010, along with their Counsel from Gibson Dunn and Crutcher, LLP, with regard to the instant proposed rules according to the SEC’s own public disclosure.

suggest rules that for some reason were not included or even suggested in the proposed rules (unlike several suggestions submitted by the Corporate lobby which were incorporated in the proposal), notwithstanding the whistleblower advocates, including this firm, who explained to the SEC staff the dire need for such rules, so as to in fact encourage whistleblowers to come forward and not explicitly discourage them as the proposals would in fact do. As one of the founding fathers of this country, John Adams stated “facts are stubborn things.” One fact that the Commission Staff seems to ignore, a seemingly reoccurring theme in the proposed rules, is the extent to which whistleblowers, especially the quality senior whistleblowers in an organization which the Commission purportedly seeks to encourage, have been and will continue to be “tarred and feathered” and thus, from the start, are reluctant to come forward, notwithstanding any potential bounty at the end of the rainbow. According to the Commission’s own statistics in the instant submission, based on submissions already made to the Commission since the passage of Dodd Frank, it expects 30,000 submissions per year (See p. 97 of the Proposed Rules) and that only 117 submission would even be eligible for any award. Thus only .39 of 1% of submissions would even be eligible for an award. **To highlight the point of the remoteness that any one whistleblower could hope to obtain any bounty, let alone anything significant, according to the MegaMillions Lottery web site, the overall chances of a lottery purchaser winning a prize in such lottery is 2.5% or one in every forty tickets played. In other words, based on the SEC’s own statistics provided in the rule proposals, MegaMillion lottery players are more than 600% more likely to win something from such multi-state lottery than even be considered for a bounty as a result of a SEC Dodd Frank whistleblower submission³.** stated to the press after the last Open Meeting that it was now receiving approximately 100 submissions every day.

³ We do believe however, based on recent personal experience and pure submit common sense, that the odds of such award increase exponentially to the whistleblower when a whistleblower seeks out qualified, experienced credentialed counsel knowledgeable about securities violations and prosecutions, whether or not the whistleblower wishes to be utilize the anonymous provision of the statute, who after thorough review and screening of the whistleblower, as well as the facts presented and the evidence the whistleblower may have, chooses to accept retention and then properly presents such to the SEC and continues to assist the SEC both during the investigatory process and after charges are made, in seeking out more evidence and proving its case. Counsel also may be involved, as we have already been in several of our submissions, in presenting a stream of additional evidence to the SEC that the whistleblower may become aware of after the initial presentation, whether or not the Commission had yet even notified the

We can appreciate that the SEC Staff devoted a fair amount of time drafting the proposed rules with the assistance of input from the corporate lobbyists. Perhaps well intentioned, it appears that, at best, the proposed rules demonstrate a naïve view of the world. At worst, it demonstrates corporate lobbying gone wild. The proposed rules ignore the overarching fact that the SEC is in fact the Gate Keeper. The Statute currently does not provide for any private right of action and thus there are no “plaintiff attorneys” involved in these matters, contrary to what the corporate lobby and their law firms would like to portray. The only attorneys that would be involved with regard to these rules are “whistleblower attorneys”. Such distinction is significant, as any case that the SEC, for whatever reason (for example their not being happy with the whistleblower’s counsel, their being uncomfortable with who the Whistleblower is, their being unhappy with the whether the whistleblower waited to report the violations to the SEC and why, etc), chooses not to pursue, presumably the SEC will not choose to pursue such matter. As such, one must ask why is the SEC proposing 180 pages of rule and interpretations which mostly serve to create barriers and in effect provide multiple reasons to warn people away from submitting Whistleblower complaints

1) Lack of Being “User Friendly” as Mandated By Congress

As stated in the proposed rules Dodd Frank §922(d)(1) require that the Commission’s whistleblower rules be clearly defined and user-friendly. We submit that the one-hundred and eighty page submission is the complete opposite. Such submission is only usurped by the US Tax Code in its complexity. In preparing the instant commentary this firm consulted with several other counsel as well as former SEC enforcement attorneys who had difficulty understanding not only the logic behind the proposals but how to interpret the proposals. Nevertheless, the Commission expects non-lawyer

whistleblower or their counsel of the opening of a case. Notably, the SEC staff in its rule proposals unfortunately did not account for the significant time involved in such process, which has little if anything to do with simply filling out forms and can involve hundreds if not thousands of hours of legal work, all of which, at the end of the day assists the U.S. government (as well as the whistleblower) in the pursuit of legitimate claims of securities violations, if the in fact the submission is successfully pursued by the Commission or related regulators or entities.

whistleblowers to be able to understand the proposed rules and be comfortable knowing they are complying with such. If experienced counsel cannot easily interpret and apply many aspects of the rules, we wonder exactly how a Whistleblower could do so, with or without the advice of counsel. Such is especially of concern given the severe consequences of non-compliance.

We are at a loss to understand why the Commission feels the need, in advance, to attempt to try and add complexity to the existing statute by spending countless pages attempting to limit and prohibit various people from being eligible for an award and numerous references to subjective criteria, like privileged communication – See Page 20 Rule 21F-4(b)(4) (as such may be applied to attorneys who may happen to work in-house, rather than a whistleblower attorney as the proposed rules do not appear to make a distinction) or evidence that somehow was gained “by means or in a manner that violates federal or state criminal law [See P.28 Rule 21F-4(b)(4)(vi)]; both of which on the surface may sound reasonable. However, even State and Federal Appellate Courts have much difficulty in often determining whether attorney client privilege applies to a communication, which is why privilege logs are required in litigation and why there are hundreds if not more court opinions on such issue. Further, who shall decide whether evidence was gathered in violation of State or Federal criminal law and what standard of proof?. Shall the SEC decide such issue when no prosecutor has even alleged such regarding such evidence, let alone any jury decided such beyond a reasonable doubt as required?. Such is not explained by the rules. As an example there is one state statute, unlike most other states, which makes it a crime for a participant to record others who have a reasonable expectation of privacy for such communications, (having nothing to do with a phone conversation), but such has then been refined by such state’s case law regarding when one could have a “reasonable expectation of privacy”. These are just two examples of the unnecessary over-analysis and fear of “shadows” exemplified by the proposed rules and, in the process, making two inch thick maze of proposals which directly conflict with the Congress’ mandate that such rules be “user [as in whistleblower] friendly,” not corporate fraud friendly.

Once again, it must be emphasized that at the end of the day, the SEC is the Gatekeeper for all submissions and what happens to them and can and will decide whether to pursue any submission. Such is exemplified by the SEC's own admission in the instant proposal that in effect statistically only .39 of 1% of all submissions will in fact be pursued (See P.97-98). As such, there is simply no rational basis for the vast majority of these 180 pages of rules other than to appease the corporate lobby who desperately seek to water down the statute and Congress' intent. Notably to our knowledge such rules were not proposed for the prior SEC Whistleblower program in existence since 1989 and the SEC apparently had no problem limiting such awards to a grand total of five (5) claimants for a grand total of \$159,537 in total bounties from 1989 until March 2010, according to the SEC's Office of Inspector General's Assessment of the SEC's Bounty Program, dated March 29, 2010.

2) Rule Proposal Which May Completely Eviscerate The Dodd/Frank Whistleblower Law With Regard to All Current and Future Employees of Businesses.

Proposed Rule 240.21F-4(a)(3) states as follows:

(3) In addition, your submission will not be considered voluntary if you are under a pre-existing legal or contractual duty to report the securities violations that are the subject of your original information to the Commission or to any of the other authorities described in paragraph (1) of this section.

And such appears to be referred to on page 15

21F-4(a)(2) [which reference appears to be incorrect] also includes a similar exclusion for information that the whistleblower is contractually obligated to report to the Commission or to other authorities. This exclusion is intended to preclude awards to persons who provide information pursuant to preexisting agreements that obligate them to assist Commission staff or other investigative authorities.

Such appears nowhere in the original statute and we predict has the capacity to completely eviscerate the statute as it relates to current employees and future former employees of the subject companies. We have no doubt that if this is approved many if not all companies will include a reference to a requirement to report all such violations to the SEC in their employee handbooks and/or all their employment contracts, knowing that the overwhelming majority of employees are in no rush to be run to the SEC and be

tagged for the rest of their lives as a “whistleblower” with the sole possibility of a .39 of 1% chance of even being considered for an award. Such is also reflected in a well known recent US Department of Labor Case of Josef Walters vs. Deutsche Bank, Case No 2008 SOX 70 March 23, 2009 the Court held the following:

Complainant contends that he warned his supervisors and other Schweiz and Deutsche Bank officials about DIAM's infrastructure weaknesses and lack of ability to service its clients' portfolios even as Deutsche Bank personnel were publicly touting to U.S. investors the growth potential and stability of DIAM and Schweiz Compl. -,r-,r 29, 55-66. Complainant alleges he was, thereafter, terminated for blowing the whistle on problems in DIAM's Frankfurt, Germany, operations. On August 26, 2008, OSHA, noting that Complainant was located in Switzerland when the alleged adverse action took place, dismissed his complaint, because: "adverse employment actions occurring outside the United States are not covered by § 806 of SOX." (See, OSHA Decision dated August 26, 2008). Complainant thereafter requested a hearing.

"We learn from Sherron Watkins of Enron that these corporate insiders are the key witnesses that need to be encouraged to report fraud and help prove it in court. Look what [Enron was] doing on this chart. There is no way we could have known about this without that kind of a whistleblower." See, Senate Banking Committee Legis. History, Vol. III, at 1632.

We learn from Sherron Watkins of Enron that these corporate insiders are the key-witnesses that need to be encouraged to report fraud and help prove it in court." Id. at 1632. 2

12 Apparently, neither Ms. Watkins' situation as a whistleblower nor the Enron experience was unique. See, e.g., The Road to Reform; A White Paper From The Public Oversight Review Board, S. Hrg. 107-938, Vol. II, at 1040. The Senate Judiciary Committee Report noted that: "According to media accounts, this (Watkins) was not an isolated example of whistleblowing associated with the Enron case.... A top Enron risk management official alleges he was cut off from financial information and later resigned from Enron after repeatedly warning both orally and in writing as early as 1999 of improprieties in some of the company's off-balance sheet partnerships.... These examples further expose a culture, supported by law, that discourages employees from reporting fraudulent behavior not only to the proper authorities, such as the FBI and the SEC, but even internally. This 'corporate code of silence' not only hampers investigations, but also creates a climate where ongoing wrongdoing can occur with virtual impunity. The consequences of this corporate code of silence for investors in publicly traded companies, in particular, and for the stock market, in general, are serious and adverse, and they must be remedied." Senate Judiciary Committee Report, supra, at 4-5.

Whistleblowers act on a wholly voluntary basis; and if they remain silent, their jobs are not in jeopardy. They can "get along" if they "go along." Inaction and silence will provide all the protection they need

I suggest that such is enlightening as to what barriers senior quality whistleblowers face and which the SEC must overcome.

- 3) Proposed Rules Is Not “User Friendly” as it Prohibits Key Personnel in Legal, Compliance, Audit, Supervisory, or Governance Responsibilities, Who Would Be Most Likely to Be Aware of Wrongdoing, from Recovering Unless He/She is Able to Determine that, After He Responded “Appropriately”, to the Wrongdoing that the Violations Were Reported to the SEC and “Reasonable Time” has passed or that the Company Acted in “Bad Faith”. (Proposed Rule 21F-4(b)(4), Pages 4, 24-27, 36, 106-107, 129, 130)

One of the most troubling components of the proposed rules is the limitation Legal, Compliance, Audit, Supervisory, or Governance Responsibilities from accessing the statute. Common sense and this counsel’s actual experience in representing such whistleblowers dictates that these individuals are perhaps the most valuable people when it comes to the “high quality” tips Congress meant to encourage with the statute. However, the proposed rules apparently is based on a false premise that a) the whistleblower and/or his attorney determines that he responded “appropriately” in the eyes of the Commission, b) that he is aware whether or not the violations were reported to the SEC c) that a “reasonable time” in the eyes of the SEC has passed since he or she had responded “appropriately” internally. All of which assumptions are faulty and not based on reality. For this purpose we have requested one of this firm’s prior whistleblower clients, who stood in this very category of whistleblower, as a senior national compliance related employee to a major multinational investment bank, who filed a FINRA arbitration against such entity, after being isolated and eventually dismissed, following his/her raising numerous red-flags internally regarding securities violations and even with the audit committee of the Board of Directors, to comment on such specific section of the whistleblower rule proposal. He/she provided us with the following commentary recently to pass on to the Commission:

Once you report an issue internally above your direct supervisor, you are considered " persona -non- grata". You are kept at arms length and not informed of who was informed, what has been investigated, what was discovered, who was interviewed, who was informed of the internal

investigation, or what remedial action was taken and who made the decisions."

In the end, our client and my firm reported the issues raised to regulators and N.Y. State Attorney General took action on the issue raised. In addition, the arbitration claim, which the firm claimed was a simply "lay-off" (of just one employee) was settled for a significant confidential settlement.

4) 21F-2 Definition of Whistleblower

In response to the Commission's inquiry on page 8 of its submission we suggest that the Commission should refer to "potential violations of securities laws" involving another person or entity not controlled by the whistleblower.

5) 21F(b)(1) and 21F-4(a)(1) Voluntary Submission

We suggest that the Commission make clear that such solely refers to the original whistleblower submission. Obviously following an initial submission, if the SEC decides that it is interested in such submission and makes follow-up requests of the whistleblower or their counsel such follow-up requests by the Commission could be considered an "informal request" but such should not in any way serve to invalidate the additional information from being credited to the whistleblower.

6) Proposed Rules Improperly Legislates By Adding to the Short List of Categories of People Who Congress Specifically Identified To Not Being Eligible For Whistleblower Awards

7) Proposed Rules Obsessive Focus on Absurd Overblown Fears And At the Same Time Fails to Address Almost All Legitimate Real Concerns Of Whistleblowers Which Concerns Were Provided to the SEC Staff Prior to The Rule Proposals

a) Proposed rules are unclear as to whether Whistleblowers shall be eligible to recover a single dollar if, as is often the case a "related action" by either the Justice Department or another state or federal regulatory body or SRO such as FINRA recovers millions as a result of the information provided by the Whistleblower. (Rule 21F-3, See Pages 3, 8, 44, 48)

Often times the SEC provides information to other regulators, prosecutors and or the Self Regulatory Organization FINRA, to take action. Further Often times such bodies take action and in fact recover many millions as a result. However, based on the proposed rules, it would appear that the Whistleblower would not be even eligible to receive a dollar unless the SEC itself takes action and actually recovers in excess of one million dollars. Such is of significant concern especially with regard to the Justice Department who is involved in the most serious cases of securities violations and frauds and the SEC defers to until their prosecution is over. Such often results in significant fines and recoveries on behalf investors that would not have been possible but for the whistleblower. Obviously such serves to discourage whistleblowers.

- b) Proposed Rules Indicate that Multiple SEC Actions Arising from the whistleblower action but involving the same subject matter or people, will not be aggregated so as to account for the 1 million dollar threshold.

We submit that this again is not “user friendly” and serves to discourage whistleblowers which is the exact opposite of Congress’ intent. Such also permits the Commission to divide up claims, with the intended or unintended results of having to avoid paying the whistleblower the bounty provided for. Therefore, if the SEC successfully pursues ten separate claims involving the same people as a result of the whistleblower information and the in total the Commission obtains just under ten million dollars, but each prosecution is settled for \$999,000 the whistleblower

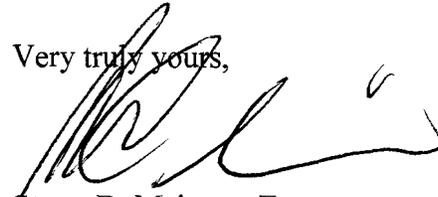
- 8) Proposed Rules Regarding Whistleblower Counsel Conflict With Current SEC Rules and Guidance, and Would Inhibit the Ability of Whistleblowers from Even Retaining Qualified Counsel And May Interfere With Significant Ongoing SEC/Regulatory/Prosecutorial Investigations Which Resulted from the Legislation
 - a) Neither the SEC, Nor Any Other Regulator To Our Knowledge Has Issued Rules Regulating Counsel Fees Interfering with Private Party Contracts. Nor Has The

SEC Chosen to Regulate Fees Charged by Counsel to Public Companies Which Result in Costs to the Public Shareholder and now often to the Taxpayer, As it Relates to TARP Recipients.

- i) Gibson Dunn and Baker Donelson's - Matt Heiter Esq. who was quoted in public sources stating that his law firm represented an employee Worldcom in criminal and civil proceedings and apparently has no litigation or prosecutorial experience is hardly the source the SEC should be taking advice from.
- 9) While Addressing Concerns Over the Cost of "*Postage*" (p.116) to the Whistleblower in Submitting Three Forms, the "*Overflow of Noisy Signals*" (P.113) and Private Attorney Fee Arrangements of the Whistleblowers (P.55), None of the 180 Pages of Rules Make a Single Solitary Mention to "FINRA," Despite FINRA Being Supervised By The SEC and it Being the Prime Regulatory Body and Dispute Resolution Forum For All Brokerage/Investment Banking Institutions, As Well As All Registered Representatives and Supervisors Within Such Institutions
- a) Chairman Schapiro is well aware of Finra.
- 10) Faulty Premise of the Proposed Rules
- a) Obsessive focus Overload of Frivolous Complaints
 - b) SEC Eventually Tracks Down All Securities Violations With or Without Whistleblowers
 - c) Employees Are Rushing to Be Whistleblowers to the SEC Because of a Potential Bounty
 - d) Attorney Time Is Limited to Completing Proposed Forms
 - e) Ignores The Fact that Most If Not All Quality Whistleblowers Will Want Counsel
 - f) Ignores The Fact that Most If Not All Quality Whistleblower Will Wish To Be Anonymous And Thus Counsel Would Need to Be (and already are) the Mouthpiece for Such Whistleblower Throughout
 - g) Ignores the Fact that Numerous Submissions Have Already Been Filed By Retained Counsel Which Are Being Followed Up Upon By the SEC and Related Entities

Should you have any questions, please feel free to contact me at your convenience.

Very truly yours,



Stuart D. Meissner Esq.