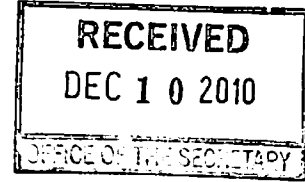


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December 6, 2010

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Re: File S-7-53-10

Dear Ms. Murphy:

These comments on Security Based Swap Data Depository Registration, Duties and Core Principles focus on the model to be used for an SDR and how that model impacts the regulatory scheme.

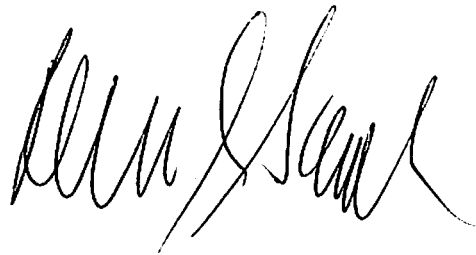
In view of the importance of SDR's to the operation and regulation of derivatives, the Commission should seek to have only one or two SDR's to service the industry. It does not make sense to foster competition among SDR's when these institutions will be closely regulated and when they serve the entire industry as a utility. Treating an SDR as a utility would also make it easier for the industry to provide the manpower and the capital to form an SDR.

The regulation of SBS's could be impeded by the formation of multiple SDR's. If a transaction is processed by different SDR's, aggregation becomes more difficult for the Commission when different legs of the same transaction reside in different SDR's. It seems to me that the objective of an SDR should be maximum efficiency to serve the entire industry -- not some ideal of competition among industry participants -- when prices will be overseen by the Commission.

2.

As an industry utility, market participants should provide the nucleus of governance and the capital necessary to get on SDR started. The role of the Commission is to insure that the governing structure is fair to all market participants not just to those who form the original institution.

Finally, it would be wise for the Commission, if it has not already done so, to encourage the formation of a planning group composed of market participants. Many of the questions posed the Commission in its release can only be answered by this planning group. But it is important that the Commission state at the outset that it sees an SDR as a utility servicing the entire financial community.

A handwritten signature in black ink, appearing to read "Allan Isaac". The signature is written in a cursive, flowing style with a long, sweeping underline.