

SNYDER

KEARNEY^{LLC}

February 21, 2008

Via Online Submission

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

Re: Self-Regulatory Organizations; National Association of Securities Dealers, Inc. (n/k/a Financial Industry Regulatory Authority, Inc.); Notice of Filing of Proposed Rule Change and Amendment Nos. 1, 2, 3 and 4 Relating to the Regulation of Compensation, Fees and Expenses in Public Offerings of Real Estate Investment Trusts and Direct Participation Programs (Release No. 34-57199, File No. SR – NASD – 2005 – 114)

Dear Secretary Morris:

We appreciate the opportunity to comment on the proposed amendment to NASD Rule 2810 (the "Proposal").

Snyder Kearney LLC is a law firm that provides due diligence services to broker-dealers in connection with the offer and sale of direct participation programs ("DPPs") and other securities. Since 2001 we have represented more than 100 broker-dealers in connection with several hundred offerings of DPPs, non-traded real estate investment trusts, and other alternative and non-conventional investments.

We are writing to request clarification of two aspects of the Proposal.

First, neither the Proposal nor the proposing release provides guidance as to what constitutes a sufficiently detailed and itemized invoice for due diligence expenses for purposes of being treated as "issuer expenses" (and thus not subject to the 10% limit on underwriter compensation or the 3% limit on non-accountable expenses) under the Proposal. We are a law firm that typically charges clients on an hourly basis and, as a result, our attorneys' detailed time entries may include information that is attorney-client privileged. If this information were provided to a person other than the broker-dealer client (such as the issuer or sponsor of an offering), the privilege might be waived.

Accordingly, we request that the Proposal clarify that where a law firm provides due diligence services to a broker-dealer pursuant to a written engagement letter or other agreement with the broker-dealer, the invoice for such services that is provided to the sponsor or issuer for reimbursement as "issuer expenses" need not include detailed descriptions of work performed to be considered detailed and itemized for purposes of the Proposal. Rather, summary information consisting of hours billed and hourly rates would be considered sufficiently detailed and itemized for purposes of the Proposal under the circumstances described above.

Second, for administrative convenience, many broker-dealers prefer that our firm be reimbursed directly by the sponsor or issuer, rather than the broker-dealer initially paying us directly and separately obtaining reimbursement from the sponsor or issuer. We document this arrangement in an agreement signed by us, the issuer or sponsor, and the broker-dealer client. The agreement clearly discloses that the broker-dealer, and not the sponsor or the issuer, is our client and that the payment to us by the sponsor or issuer is a reimbursement of our fees on behalf of the broker-dealer. Accordingly, we request clarification that where an issuer or sponsor reimburses legal fees for due diligence services provided by a law firm on behalf of a broker-dealer, the issuer or sponsor may make payments directly to the law firm where the agreement to reimburse such fees on behalf of the broker-dealer is clearly documented.

We understand that FINRA may be of the view that it is not appropriate to address these specific points in the rule itself, in which case we respectfully suggest that they be addressed in the release announcing the adoption of the Proposal or the FINRA notice to members advising members of the adoption of the Proposal.

Please contact John Kearney or Todd Snyder at (410) 964-2500 if you have any questions or require any additional information.

Very truly yours,

Snyder Kearney LLC