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Ms. Nancy Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-9303

RE: Proposed Amendments to NYSE and FINRA Rules Relating to Business Entertainment (File Nos. SR-NASD-2006-044 and SR-NYSE-2006-06)

CGMI appreciates the opportunity to respond to the above-referenced rule filings (the "Proposals") by the New York Stock Exchange and the Financial Industry Regulatory Authority (formerly known as the National Association of Securities Dealers).

CGMI participated in the preparation of the response by the Securities Industry and Financial Markets Association ("SIFMA"), dated June 11, 2007, to the Proposals. We support SIFMA's response, and are writing separately to highlight one of the issues noted in the response, specifically the proposed implementation date for the Proposals. Both Proposals set out an implementation date of six months from the time the Proposals are approved. CGMI believes this brief window for implementation is insufficient to implement necessary technological systems changes needed to ensure compliance with the Proposals.

The Proposals will require firms to track business entertainment expenses incurred by associated persons provided to any customer representative and maintain detailed records of such expenses. In addition, such records must be maintained in such a manner so that a member will be able to promptly provide information regarding the manner and expense of any business entertainment provided to a customer representative upon such customer's written request.

As detailed below, the undertaking involved in ensuring such information is tracked and maintained as required by the Proposals is immense, particularly for a broker-dealer such as CGMI, which encompasses both the retail and institutional broker-dealer businesses. It should be noted that several of the steps set out below have already been undertaken in an effort to ensure compliance with the Proposal once it becomes effective.

While the approval and tracking system for entertainment primarily resides within CGMI's travel and expense (T&E) system, the ability to capture information and adequately meet the Proposals will require significant changes to be made to our existing T&E system and processes. Therefore, we are essentially undertaking this project from scratch. As a result, a number of analyses need to be conducted to help ensure the successful implementation of our system.

For example, implementation involves "mapping" our current client identifiers to our system; these identifiers were not designed for the purpose of tracking expenditures (but rather for other purposes, such as counterparty risk management). We also need to "drill down" past the client (organizational) level to the individual employed by the client who receives the business entertainment; we currently do not have any method of assigning an objective identifying tag (e.g. an ID number) to such individuals. Without such an identifying tag, our ability to aggregate all business entertainment provided to an individual employed by our client would be very difficult.

In addition to the analyses above, we must also perform an in-depth analysis to ensure accurate communication and integration between existing systems and our business entertainment tracking/reporting system. These multiple systems, which will feed data to our business entertainment tracking system, will create multiple dependencies, further increasing the need to ensure proper integration. Capacity planning must also be conducted to ensure that our hardware, database, and CPU utilization rates are under established thresholds once the system is implemented. Impact analysis also needs to be conducted to ensure that the pre-approval process for business entertainment does not interfere with our existing (non-gift/non-business entertainment related) T&E process.

As important - and time-consuming - as these analyses are, they represent only a portion of the work needed to be conducted prior to the effective date of the Proposals.

Our ability to modify our existing T&E system will also be dependent, at least in part, on the outside vendor which provides such system. In order to implement the modifications called for by the Proposals, the vendor needs to provide an upgrade to the existing system. After we obtain the necessary system upgrade from our outside vendor, implementing the system will be a significant undertaking. How we implement the system will be dictated by the result of the analyses described above (e.g. mapping client IDs). In addition, our vendor solution does not have all of the functionality needed to ensure compliance with the Proposals. For example, the vendor solution we plan to utilize does not include generation of reports. As a result, this functionality (generation of reports to be provided to customers upon request and those used to monitor compliance) needs to be developed internally.

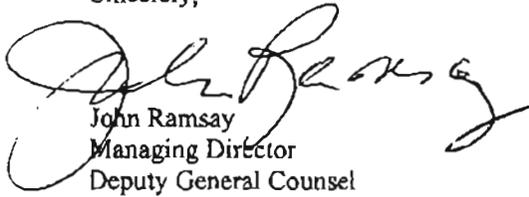
Of course, as with any technological undertaking of any consequence, we will need to test any system we adopt in order to ensure its proper function. Some testing will need to be completed prior to the implementation of the system. Once the system is rolled-out, we will need a thorough user testing of the system in a number of business units to ensure the proper functioning of the system. These business units will need dedicated resources and extensive training.

As with the implementation of any significant technological system, it is likely that such testing will highlight problems which need to be resolved before the system can be successfully implemented. Addressing these problems may necessitate revisiting the analyses conducted above, re-conducting certain analyses, further changing or upgrading the system, and re-testing the system. The time necessary to address such problems and re-test the system cannot be known until the tests are conducted and the problems discovered.

CGMI supports the goals of the Proposals, and believes that it is incumbent upon firms to ensure robust controls apply to entertaining clients. We therefore question why the Proposals set out an extraordinarily short implementation period of six months, particularly given that it is centered around capturing, aggregating and reporting significant amounts of data from disparate business lines – tasks which necessarily precipitate significant technological systems development. As such, CGMI requests that the implementation period be extended to a minimum of 12 months from the effective date of the Proposals. We believe that this time period would be adequate to make the required modifications to our existing systems, test such modifications and implement them in accordance with the Proposals.

We appreciate the opportunity to comment on the Proposals. Please do not hesitate to contact me at 212.816.8817 with any questions.

Sincerely,



John Ramsay
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CC: *SEC*

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