



VOICE OF THE INDEPENDENT CONTRACTOR BROKER-DEALER

VIA ELECTRONIC MAIL

July 27, 2006

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

RE: SEC File Number SR-NASD-2006-073

Dear Ms. Morris:

The Financial Services Institute¹ ("FSI") appreciates this opportunity to comment on SR-NASD-2006-073 ("Proposed Interpretative Material") filed by the National Association of Securities Dealers, Inc. (NASD) on June 26, 2006. The NASD is proposing to adopt an amendment to IM-2210-4 that would require member firms who refer on their Internet Web site to the firm's membership in the NASD to provide a hyperlink to the NASD's Web site. These requirements would also apply to Web sites relating to the member's investment banking or securities business maintained by or on behalf of any person associated with a member firm.

In general, FSI supports the Proposed Interpretative Material. We believe the Proposed Interpretative Material is well designed to achieve the NASD's goal of helping investors understand the significance of a broker-dealer indicating that it is an NASD member without imposing a significant burden on member firms. However, FSI requests clarification of one important point before the Proposed Interpretative Material is adopted.

The Proposed Interpretative Material would require the inclusion of the hyperlink to the NASD's Web site (<http://www.nasd.com/>) "in close proximity to the member's *most prominent* indication of NASD membership." (emphasis added) Unfortunately, the term "most prominent" is not defined by the proposal. FSI believes the NASD's failure to define the term "most prominent" is likely to lead to differing interpretations and confusion. For example, is prominence merely a function of font size, or are other elements, including the location of the text on the Web page, the location of the text within the pages of the Web site, the color of the text, and the style of text, to be factored into the determination of the reference's prominence? If these other factors are to be considered, what weight is to be given to each? FSI would request that the NASD answer these questions in order to insure it has provided sufficient clarity for members to achieve a reasonable degree of certainty that they have achieved compliance with the Proposed Interpretative Material's requirements.

¹ The Financial Services Institute, Voice of Independent Broker-Dealers and Independent Financial Advisors, was formed in 2004. Our members are broker-dealers, often dually registered as federal investment advisors, and their independent contractor registered representatives. FSI's 96 member firms have more than 126,000 registered representatives who serve more than 14 million households. FSI also has more than 3,100 individual members.

Thank you for your consideration of our comments. Should you have any questions, please contact me at 770 980-8487.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dale E. Brown". The signature is fluid and cursive, with the first name "Dale" being more prominent than the last name "Brown".

Dale E. Brown, CAE
Executive Director & CEO

pc: Honorable Christopher Cox
 Honorable Paul S. Atkins
 Honorable Roel C. Campos
 Honorable Annette L. Nazareth
 Honorable Kathleen L. Casey
 Robert Colby
 Mary L. Schapiro
 Elisse B. Walter
 Marc Menchel