

RE: Rule 2342 - Annual SIPC Advisory

I have been employed by NASD member firms for 25 years. I can recall clients requesting information about SIPC coverage twice in the past ten years. A brief statement regarding SIPC coverage has appeared on the back of monthly statements for all firms I have worked at for as long as I can remember, however, I must admit that it is now lost among all of the other required disclosure statements in very tiny print.

I visited the websites of my own clearing firm (Wedbush Morgan), Merrill Lynch, Smith Barney Citigroup, AG Edwards and Crowell Weedon. All but Merrill Lynch provided either information regarding SIPC coverage or a direct link to SIPC in less than three "clicks". Most provided a link directly from their home page. Merrill Lynch's was not to be found at all in about five minutes of browsing their site.

Annual SIPC notification is unnecessary. While doing so would be neither a hardship, or even a nuisance, most firms already disclose SIPC membership on their letterhead, business cards, statements and brochures, and all must post a sign at their office locations. Public interest is minimal, at best, particularly among those born after the Depression. (I agree that public awareness among post-Depression generations should be greater.)

The simple solution is to require a direct link to SIPC on the home page of the member firms' websites. One click away. Those investors who do not have web access can (and will) call their firm. Additionally, it would be reasonable to expect SIPC to engage in a public awareness campaign.

When it comes to disclosure, we must focus on the items that are truly important to investors. The Privacy Policy disclosure is important, margin disclosures are important, but if you asked a hundred clients what "order flow" is, I promise you none would know, and I doubt most individual investors care much about order routing.

Let's not travel in the direction of the pharmaceutical companies with disclosures and disclaimers no one can understand. Too much information does not always inform.

Thank you for the opportunity to comment.

Christine E. Saccente
Vice President, Chief Compliance Officer, Operations Manager
Maxwell Noll Inc.
800/660-2466
600 South Lake Avenue, Suite 405
Pasadena, CA 91106-3699