

CIM Securities, LLC

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Commissioners
US Securities and Exchange Commission
Washington, D.C.

RE: File No. SR-NASD-2007-023

Notice of Filing of Proposed Rule Change to Amend the By-Laws of NASD to Implement Governance and Related Changes to Accommodate the Consolidation of the Member Firm Regulatory Functions of NASD and NYSE Regulation, Inc.

Ladies and Gentlemen:

I appreciate the opportunity to comment on the proposed by-law change to facilitate the acquisition of the New York Stock Exchange Regulation by the National Association of Securities Dealers.

I believe the by-law changes of the National Association of Securities Dealers as proposed are unnecessary, one sided, and contrary to good corporate governance.

The changes are unnecessary. Each of the broker-dealers that will become subject to the rules and regulations of the National Association of Securities Dealers are already members of the association and simply have to change there designated examining authority. It appears that the purpose of the merger is to retain the jobs of some 470 employees of the New York Stock Exchange Regulation.

The changes are one-sided. The current infrastructure of the NASD has survived through many market cycles, terrible scandals, and much comment. What has been proposed flies in the face of self-regulation. The current system has worked well and requires and receives member input and participation. Recent elections for the Board of Governors and District Committees saw a greater participation by the membership than at any time in the past. Anything that reduces that participation or hinders the ability of the membership to express itself is counterproductive and should not be allowed.

The changes are contrary to good corporate governance. As proposed, the staff of the NASD would be appointing almost seventy percent of the Board of Governors rather than the current practice of electing ALL governors. Additionally, the membership is forced to vote for only certain categories of governors. In this day and age, reducing voting rights, accountability, and oversight is wrong and should not be allowed. All governors should be elected by the entire membership. The one-firm one vote principal must be restored.

The changes should be denied, the merger should be placed on hold and the membership should be consulted and given the opportunity for input to overcome the above situations and allow self-regulation to continue.

Respectfully submitted,

Chester Hebert

Chester Hebert
President