



VOICE OF THE INDEPENDENT CONTRACTOR BROKER-DEALER

January 20, 2006

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

RE: Request for Extension of Compliance Dates for Rule 202(a)(11)-1(b)(2) (S7-25-99)

Dear Ms. Morris:

The Financial Services Institute¹ (FSI) respectfully requests that the Commission extend the compliance dates for Rule 202(a)(11)-1(b)(2) (the Rule) of the Investment Advisers Act of 1940. FSI requests this extension to allow our member firms adequate time to implement changes in their systems and procedures to ensure compliance with the Rule.

Paragraph (b)(2) of the Rule defines when a broker-dealer provides advice that is more than solely incidental to the conduct of its business as a broker or dealer because it is "in connection with providing financial planning services." An extension of the date of compliance for paragraph (b)(2) of the Rule is needed so FSI member firms can draft, implement and test appropriate policies and procedures in light of the interpretative guidance provided by SEC Associate Director Robert E. Plaze's December 16, 2005 letter to the Securities Industry Association (SIA). Because of the timing of the interpretative guidance contained in that letter, we believe that this additional extension of time is necessary to enable our member firms to fully comply with the Rule.

As a result, we would request that the date of compliance be extended from the current deadline of January 31, 2006 to March 31, 2006. FSI believes that such an extension would provide our members the opportunity to make the needed changes to relevant documents, disclosures, contracts and procedures necessary to achieve compliance with the Rule. The extension would also allow FSI member firms the opportunity to educate their affiliated financial advisors about how to comply with the Rule. Finally, FSI notes that this appeal for an extension is in-line with previous requests forwarded to the SEC by the SIA and the American Council of Life Insurers. FSI believes this indicates that there is widespread agreement within the industry that additional time is essential.

¹ The Financial Services Institute, Voice of Independent Broker-Dealers and Independent Financial Advisors, was formed on January 1, 2004. Our members are broker-dealers, often dually registered as federal investment advisers, and their registered representatives who are independent contractors. FSI has 100 member firms, with more than 124,000 registered representatives and over \$8.3 billion in total revenues. FSI also has more than 2,800 individual members.

Thank you for the Commission's consideration of our request. Please feel free to contact me at 770 980-5457 with any questions or to discuss this request for extension.

Respectfully Submitted,



Dale E. Brown, CAE
Executive Director & CEO

pc: The Honorable Christopher Cox, Chairman
The Honorable Paul S. Atkins, Commissioner
The Honorable Roel C. Campos, Commissioner
The Honorable Cynthia A. Glassman, Commissioner
The Honorable Annette Nazareth, Commissioner
Brian G. Cartwright, General Counsel
Robert E. Plaze, Associate Director, Division of Investment Management
Robert L.D. Colby, Acting Director, Division of Market Regulation

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