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March 29, 2004

Securities and Exchange Commission  
Attn: Jonathon G. Katz - Secretary  
450 5th Street, NW  
Washington, DC 20549-0609

**Re: Alternative Forms of Privacy Notices  
Request for Comment File #S7-30-03**

Dear Mr. Katz;

As the chief compliance officer and vice president of a small broker dealer, I appreciate the opportunity to comment on the Interagency Proposal to consider alternative forms of Privacy Notices mandated under the Gramm-Leach-Bliley Act. In our case, my Firm has five employees and twenty-five independent contractor registered representatives. We are a fully disclosed, introducing broker dealer who clears through a large East Coast clearing firm and also facilitates direct paper applications to approximately seventy-five mutual fund and insurance companies for our customers. Quite a large number of our customers have a number of accounts at various vendors, including the clearing firm.

It has been my experience that every new piece of legislation considered has the potential of greatly impacting the standard operating procedures and budgets on small firms like mine in a negative way. Additionally, these same regulatory proposals have the potential of also confusing, annoying, and/or alienating the very consumers that they are trying to protect. I feel that this is, in part anyway, true with some of the facets of the Privacy Policy requirements. Let me explain.

In my case, with so many direct vendors involved in our business, I find it extremely challenging each year to come up with a list of customer names and addresses to send the annual notice to without duplicating them. We do not have a large enough budget to have a centralized database of all of the customers of each of our Reps so we rely on the lists that the various companies send us upon request for that information. Each year the process of manually cross-checking the various lists to eliminate duplicate mailings is quite a time consuming, onerous task. Our clearing firm sends out our Privacy Policy with one of the quarter-end statements for accounts held at the clearing firm, but we still must cross-check those names against our direct vendor lists to eliminate duplicate

mailings. Many customers have notified us complaining of the multiple copies of this mailing that they receive every year. In my estimation, that adds up to wasted effort, as well as wasted resources that could be better used somewhere else.

In the three annual mailings we have done since the passage of the GLB legislation, several concerns have been raised by the customers that I have talked to about this and I also have several opinions of my own. Though understanding the need for customer privacy and their right to know what is done with their account information by the financial institutions that they do business with, it is my opinion that we have effectively protected the types of information-sharing arrangements that we are trying to disclose. In essence, flooding a customer's mailbox with privacy notices every year has trained the consumer to throw these notices away with the rest of the junk mail that they receive before they ever even read it. No matter how well intentioned these notices, customers do not read all the disclosure that we continue to bury them with. In my own case personally, even being well versed about the legislation and what the annual notice is designed to do, I tend to throw away all of them that I get without looking at them. If one out of one hundred notices did actually give me the opportunity to "opt out", I would never know it..... thus letting that one entity continue to share my information without my knowledge and/or permission. The comments that I have received from customers, Reps, and acquaintances support this general consensus.

In reading through the proposed changes to the Privacy Policy legislation, I support a shortened, standardized format, especially for the small firms that do NOT share customer information with other institutions except where disclosed that it is necessary in the establishment and maintenance of the customer's account. Standardization would make it easier for the customer to tell at a glance if the firm they are receiving the notice from allows them to take action or not. This would streamline the format so that they can actually understand what they are trying to read in the first place. With the infinite versions of the notice allowed as it is now, it is extremely difficult and tedious to even ascertain what the firm is trying to say in that notice, much less if there is anything you can do about it. A standardized format would eliminate a lot of that confusion. Customers would probably still be thrown away the mailings at the pace that they are now, but they might recognize that a longer notice with it's opt out options was worth a more detailed look.

However, I propose to go a step further to eliminate what I feel is unnecessary, useless information being delivered to the customer at an ever-increasing rate. In my perfect world, a detailed Privacy Policy statement like the ones we have now would be delivered to the customer upon account establishment, describing the various issues and how the firm does NOT share information unnecessarily. This detailed notice would thereafter be available upon request, as always, and would only be required to be mailed out to existing clients again if the firm in question changed it's policies at some point in the future. Assuming that the firm's policies stay the same, annual notices would no longer be required, that is, unless the firm changed to one that does share information. Annual notices would only be required of the institutions that DO share customer information with others and that DO have the capability of letting customers "opt out". In this

scenario, a customer would be a lot more likely to look at the notices that they do receive possibly recognizing their ability to actually do something about the sharing of their information, while not being flooded with ones that they can't.

Lots of people would win. The economic burden of yearly mail-outs would be greatly reduced on the firms that don't share information unnecessarily by doing away with the annual mailing that is proving to be exceedingly difficult for small firms. Meanwhile the ones that do share information would still have to disclose that status to its customers on an annual basis to give them the opportunity to "opt out" of the process, gaining customer confidence in their firm by allowing the customer to have some control over his personal, non-public information. And finally, the customer would be the real winner due to the fact that he gets all the disclosure due him about this issue, without being flooded with the unnecessary duplicative information that is currently so confusing and annoying.

I look forward to seeing what direction this legislation takes after the comment period is over and once again, I appreciate the ability to comment on this issue. I respectfully request your consideration of my remarks and invite you to contact me to discuss if warranted.

Thank you;

Sandra T. Masek  
EVP/Compliance Officer