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June 2, 2006

Hon. Christopher Cox
Chairman
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

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OFFICE OF THE SECRETARY

Dear Chairman Cox:

We are writing on behalf of the Alliance in Support of Independent Research to urge the Commission to move rapidly to adopt interpretive guidance regarding client commission practices under Section 28(e) of the Securities Exchange Act of 1934.¹

The Alliance commends the SEC and its staff for addressing this important topic in a proposed interpretive release published for public comment on October 19, 2005.² The October 2005 proposed interpretive release offered additional clarity and guidance to broker-dealers, money managers and other investors involved in the research dissemination process.

Unfortunately, over the past seven months since the proposed interpretive release was issued for public comment, financial institutions

¹ Members of the Alliance in Support of Independent Research share a common interest in fostering a favorable regulatory environment in which research services may be furnished to the money management community. The members of the Alliance include: Capital Institutional Services, Inc.; The Interstate Group, A Division of Morgan Keegan & Co., Inc.; Knight Equity Markets LLP; Second Street Securities; E*Trade Securities LLC; Fidelity Capital Markets Services; and Westminster Research Associates Inc, a BNY Securities Group Company.

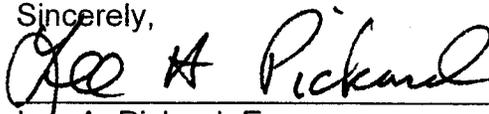
² Release No. 34-52635

providing research services as well as institutional money managers using such research services continue to face uncertainty and ambiguity on the proper regulatory setting for the provision of research services under Section 28(e). In the absence of final interpretive guidance many institutional money managers are adopting a "wait and see" approach, deferring decisions on the use of portfolio commissions to obtain research services, to the detriment of the investment decision-making process and the independent research community.

We believe that prompt action by the Commission to issue definitive interpretive guidance on the Section 28(e) safe harbor would be of significant benefit to the securities industry and investors.

Best regards.

Sincerely,



By: Lee A. Pickard, Esq.
William D. Edick, Esq.
Pickard and Djinis LLP
Counsel to The Alliance
In Support Of Independent Research

cc: Hon. Paul S. Atkins
Hon. Roel C. Campos
Hon. Cynthia A. Glassman
Hon. Annette L. Nazareth

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