

April 13, 2006

United States Securities and Exchange Commission
Attention: Ms. Nancy M. Morris, Management Officer
Advisory Committee on Smaller Public Companies
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: **Exposure Draft of Final Report of Advisory Committee on Smaller Public
Companies, Release Nos. 33-8666; 34-53385; File No. 265-23**

Ladies and Gentlemen:

We are writing in support of the proposed Final Report of the Advisory Committee on Smaller Public Companies with respect to its Recommendation IV.P.6., *Spearhead a multi-agency effort to create a streamlined NASD registration process for finders, M&A advisors and institutional private placement practitioners*. We believe the regulatory concepts described in the recommendation—the creation of a workable registration regimen for M&A advisers, corporate finance consultants, and finders—would address the very serious issues that are adversely affecting smaller companies' ability to raise capital or to engage in business combinations involving corporate stock.

Our firm has long maintained an active and extensive securities practice, including the representation of public and private issuers, underwriters, and broker-dealers. We were actively involved in the research, drafting, and discussions of the Task Force on Private Placement Broker-Dealers, ABA Section of Business Law, that resulted in the *Report and Recommendations of the Task Force on Private Placement Broker-Dealers*, 60 Bus. Lawyer 959-1028 (May 2005). Attorneys in our firm have experienced, first hand, many of the issues identified in the Task Force's report.

We believe that the absence of definitive, detailed, and widely circulated guidance about what constitutes unregistered broker-dealer activities, and the absence of enforcement activity in this area, has lead to wide spread misunderstanding and disregard of federal and state securities laws regulating broker-dealer activities. Having worked with M&A advisers, corporate finance consultants, and similar service providers, including firms who have undertaken to come into compliance, we believe the current regulatory system is so geared to the regulation of retail brokerage services that such firms commonly believe it could not be meant to apply to their activities. Because the initial and on-going cost of complying with these requirements is so great, and requires such a significant commitment of time, management attention, and continuing education on topics not relevant to their actual activities, that many such firms rationalize ignoring the requirements. Widespread disregard of the requirements contributes to their rationalization that "no one is doing it, so why should we."

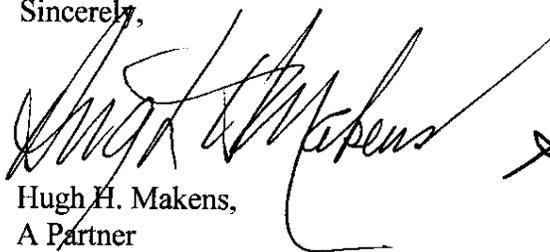
The creation and enforcement of a workable regulatory regimen, as the Advisory Committee has recommended, would aid issuers in raising capital or in selling their business with assurance that the transactions are compliant with applicable federal and state securities laws, and are not subject to the remedial provisions of those laws which can lead to fines, penalties, corporate and personal liability, and the possibility of investors' rescission of those transactions. A regulatory regimen such as the Advisory Committee proposes would better protect investors by assuring that properly qualified and educated professionals are involved in the transactions, and that compliance with applicable federal and state securities laws is properly documented. Finally, it would serve the interests of those professionals who have invested the time, money, and effort to comply by clearly establishing the legal standard and holding all participants accountable under that standard.

While the proposal of this regulatory regimen has sometimes been called "Broker-Dealer Lite," there is no reason why the proposed industry oversight cannot be robust while at the same time being well crafted to protect investors and the public. Industry participants can bear their fair share of the cost of maintaining the system of regulation—indeed, by bringing more professionals into regulatory compliance, that the cost burden can be spread across a substantially larger number of firms and representatives than are registered today. Tailoring the system of regulation to address the types of concerns that are prevalent or unique to these kinds of securities-related activities will also be more economically efficient for securities industry participants, issuers, and our economy.

Coordinated action by the SEC, states, and NASD can produce an effective system which will be beneficial for all participants, as well as better protecting the interests of investors and the public.

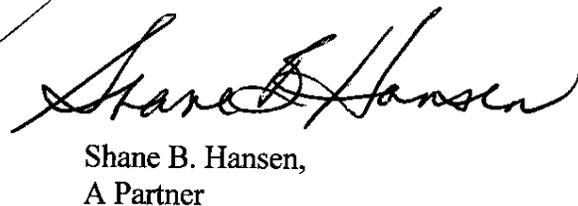
We appreciate this opportunity to provide public comments on the Advisory Committee's Report. Please do not hesitate to call us if you have any questions.

Sincerely,



Hugh H. Makens,
A Partner

Sincerely,



Shane B. Hansen,
A Partner

Via E-Mail
1257708