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March 1, 2004

Mr. Jonathan G. Katz, Secretary
Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0609

re: S7-06-04:

Dear Mr. Katz:

Member NASD/SIPC
500 Park Boulevard, Suite 800
Itasca, Illinois 60143-2645
Phone 630-250-7000
Outside Illinois 800-223-9100
Fax 630-250-7097
www.waterstonefinancialgroup.com

Waterstone Financial Group is a Broker/Dealer located in Itasca, Illinois that services over 500 Registered Representatives, many are also dual registered as Registered Investment Advisors. Waterstone is licensed in all 50 states and has been in business since 1979. Waterstone is a subsidiary of Pacific Select Distributors (PSD) which is owned by Pacific Life Insurance located in Newport Beach California. PSD also owns four other broker/dealers throughout the country.

Thomas A. Hopkins
CHAIRMAN

Stephen F. Anderson, CLU, ChFC, CFP
PRESIDENT

We are very interested in responding to the above-captioned proposal, however we believe there are many complex issues contained in the proposal that will require broker/dealers to give serious thought and reflection to adequately respond to it.

We therefore request the Commission extend the comment period at least 180 days beyond the original comment period to give the industry ample time for analysis and thorough investigation.

Respectfully,

Stephen F. Anderson CLU ChFC CFP