

August 23, 2004

Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Re: File Number SR-NASD-2003-176
Proposed Chief Executive Officer ("CEO") Certification

Dear Mr. Katz:

NFP Securities, Inc. ("NFPSI") appreciates the opportunity to comment on the NASD's amended proposal regarding broker-dealer CEO certification of a process to establish, maintain, review, modify and test compliance policies and procedures.

We applaud the NASD's effort to advance the important cause of investor protection and support the requirement that broker-dealers designate and identify a principal to serve as chief compliance officer.

However, we believe the proposed CEO certification process will in fact distract broker-dealers from substantive compliance efforts. We believe the CEO certification process:

- Is unnecessary in light of existing rules requiring maintenance of reasonable policies and procedures designed to ensure compliance with applicable law;
- Will hinder compliance efforts by imposing on firms a bureaucratic process fostering documentation of meetings rather than enactment and implementation of supervisory systems; and
- Will expose CEO's to even greater risk of litigation based on hindsight evaluation of the certified "process" beyond the current hindsight evaluation of the reasonableness of supervision and the supervisory system to which broker-dealer management and front-line supervisors are already exposed today.

Accordingly, we urge the Commission to reject the proposed certification requirement.

Thank you for your consideration of our views.

Respectfully,

NFP Securities, Inc.

By: _____
R. Bredt Norwood
General Counsel