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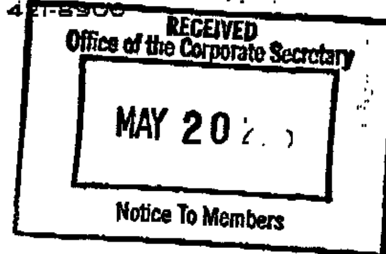

May 17, 2005

Barbara Z. Sweeney
Office of Corporate Secretary, NASD
1735 K Street, NW
Washington, DC 20006-1500

Dear Ms. Sweeney:

Wulff, Hansen & Co. is a regional broker/dealer specializing in public finance and municipal bonds. We are writing to comment on NASD's proposals to require pre-filing of advertisements for new products and to single out broadcast advertising for special treatment under the advertising rules.

New Products:

The proposed change requiring pre-filing of advertisements for 'new products', as defined, is not entirely clear to us. If the proposed 2210(4)(D)(iii) means "traded in the secondary market" by ***any*** member firm, we would support the intent of this section of the proposal as written, but with the caveat that its present language poses an interpretive nightmare. If, on the other hand, it means 'traded specifically by the member firm in question', we would oppose it because it would be unduly burdensome with regard to many widely traded "plain-vanilla" securities. We will not expand on this because we suspect that the proposal refers to trading by any member firm, but strongly suggest that it be reworded to improve clarity both in this regard and in general.

Broadcast Advertisements:

We cannot, however, support the proposed amendment to 2210(6). There is nothing particularly different about television, radio, or video advertisements, and to single them out for mandatory pre-filing by all members seems illogical. It is also impractical with regard to live or unscripted broadcast interviews and the like.

The stated rationale, that "in the past some members used broadcast advertisements that raised regulatory issues", applies equally to all forms of advertising and sales literature, not just to broadcasts.

There is no form of communication with the public – advertising, correspondence, sales literature, and the spoken word - which hasn't been used in abusive or misleading ways by someone in the past. To single out one particular form of communication, especially without providing evidence that it is particularly susceptible to abuse, seems unreasonable. We have no axe to grind here, as we do not use such broadcast advertisements ourselves.

If any past "raising of regulatory issues" by communication in a particular medium is now to be the criterion for a pre-filing requirement, then logically all communications, in all media, should be made subject to it. Indeed, we wonder if this proposal is the opening gambit in moving toward such a requirement. This would be extremely burdensome and unreasonable, and probably unworkable. Therefore, we respectfully suggest that the proposed addition of 2210(6) be abandoned.

Thank you for the opportunity to comment on these proposals.

Respectfully submitted,

Chris Charles
President