

Ms. Barbara Z. Sweeney
Office of the Corporate Secretary
National Association of Securities Dealers, Inc.
1735 K Street, N.W.
Washington, D.C. 20006-1506

Re: Notice to Members 06-06—Proposed Interpretive Material Addressing Gifts
and Business Entertainment

Dear Ms. Sweeney:

We participated in the drafting of the letter of The Bond Market Association and strongly concur with the conclusions expressed therein.

We wish, however, that the NASD would take this opportunity to change the regulation of gifts to a principles-based approach as well. It seems as though gifts and entertainment logically should be regulated in one overall manner. This is especially compelling given that the \$100 gift limitation is not economically realistic in our opinion.

Adopting a principles-based approach to gifts and entertainment together would result in clear responsibility on the part of member firms to engage in prudent and ethical behavior instead of having some artificial dollar limit which may or may not make sense in all situations. Since many of the customers affected have their own guidelines for receipt of gifts and entertainment by their employees, an NASD principles-based approach to gifts as well as to entertainment would create an additional significant barrier to prevent abuse.

Very truly yours,
GRIFFIN, KUBIK, STEPHENS &
THOMPSON, INC.

Robert J. Stracks,
Counsel