



Delivered Electronically to rule-comments@sec.gov

April 1, 2008

Re: Release No. 34-57308; File No. S7-03-08

“Notice of Solicitation of Public Views Regarding Practices Being Developed To Deal With the Increasing Number of Senior Investors”

The American College is a non-profit educational institution with the highest level of accreditation specializing in educating financial advisors. We are the exclusive grantor of the prestigious CLU[®] designation and the leading provider of education leading to the CFP[®]. For 81 years we have been working to build academic integrity, rigor and depth into professional education for the benefit of both advisors and the consumers they serve.

Over the past several years, we have been campaigning aggressively against “weekend” designations and other credentials that do not serve consumers well – especially seniors. We believe great confusion is created for consumers when advisors use letters after their names that they can purchase after a few days of study or a seminar in a hotel. Using these “credentials” as if they were professional designations is shameful and misleading.

Professional designations are those obtained through organizations with regional accreditation, the highest level of academic accreditation available. In some cases acceptable designations have other types of accreditation, but there are numerous issues with some of those approaches that focus on process over content and could, under the right circumstances, accredit a “weekend” designation.

Professional designations involve programs that can take many months or years to achieve, have strong continuing education and ethics requirements and have closed book, proctored exams. It is important that a single national standard emerge for separating acceptable designations from those which are problematic, and The American College has prepared a Designation Toolkit for that purpose (copy attached).

We hope the SEC will examine this issue carefully in the context of compiling best practices for use in serving seniors well. If we can be of any assistance in this important work, please don't hesitate to contact us.

Very best regards,

Keith Hickerson
VP, Marketing & Student Success
The American College
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Background:

Professional designations in the financial services area are appropriately receiving increased scrutiny from regulators and from company compliance teams. A growing number of for-profit, “weekend” designation programs has led to a dangerous level of confusion in the marketplace about what constitutes appropriate standards of professional education.

The guidelines below are designed to help companies conduct due diligence and make determinations about which designations they will support, reimburse and allow for business card use. As a non-profit educational institution with the highest level of accreditation available, The American College offers these points of consideration based on our 80-years of educational expertise in financial services.

Instructions:

Use the attached checklist to evaluate each designation under consideration.

In reaching your conclusion about any particular designation, make a balanced judgment by weighing all of the various aspects of a designation’s quality and potential use.

You can access additional copies of this toolkit online at:
theamericancollege.edu/designationtoolkit.

Should you need assistance, contact The American College’s Vice President of Academic Affairs and Dean at: 610.526.1398.

***The American College does not provide legal advice or counsel.
Please consult an attorney for matters involving legal and compliance issues.***

1. What is the full title, purpose and proposed use of the credential?

Name of the designation: _____

Acronym: _____

Is the intent to reimburse for this program? Yes No

Will this designation be used by advisors on business cards, letterhead and promotional material? Yes No

Does the title of this credential imply knowledge or specialization beyond what is contained within its educational content? Yes No

What to look for: If you are planning to reimburse for the program or are intending to permit use on business cards, letterhead and promotional material, you should complete the remaining parts of this evaluation. Generally, designations and academic degrees are the only credentials considered for public use. Certificate programs – while often very valuable – are less likely to pass the other tests needed to qualify for use with the public (although certain ones may). Make sure the title of the designation accurately represents the program to an extent that would seem reasonable to the average consumer.

2. What is the source of the credential?

Is the organization offering the designation primarily an educational institution? Yes No

Is the organization a not-for-profit entity? Yes No

Does the educational institution have regional accreditation, the highest level of accreditation available? Yes No

[If “yes,” skip next question]

If the answer to the above question is “no,” has the credential itself been accredited by either The American National Standards Institute or the National Commission for Certifying Agencies? Yes No

Does the organization have a long tradition of educational excellence? Yes No

What to look for: Many people are understandably confused about the various types of accreditation for organizations and designations that are currently in the marketplace. The highest standard – represented by such colleges and universities as Princeton, Stanford and The American College – is regional accreditation. As an alternative, if the organization is not accredited, the specific designation may be. In that case, look for accreditation by either ANSI or NCCA. These organizations currently have only limited presence in financial services (being more prominent in health care fields). Make certain that the organization providing the education for a designation is primarily an educational institution, not a marketing organization. Some for-profit firms offer high-quality education, but look for a primary motivation of growing professionalism and serving consumers and the industry. Finally, look for an educational institution that has some history and experience in providing education leading to designations in the field of financial services education.

3. Does the content have depth and rigor and are examinations appropriate?

- Is the course work required for the designation the equivalent of at least nine semester credit hours of study? Yes No
- Is the focus of the program knowledge-based, instead of marketing driven? Yes No
- Does the course content support any implications of expertise that the designation's title suggests? Yes No
- On average, does it take at least six months of work (with a minimum of ten hours per week) to earn the credential? Yes No
- Are examinations proctored and "closed book"? Yes No
- Are pass rates on exams for the program as a whole generally 80% or below? Yes No

What to look for: Expect professional designation programs to represent at least nine credit hours of study; many will include even more extensive course work. All professional designations in financial services should be focused on growing expertise, not sales skills. Some designations may offer some marketing content, but the great majority of educational material should be knowledge based. The designation's title should not be misleading in any way, and on average it should take at least six months to earn the credential. Most professional designations will take longer. All examinations, whether given at the end of a course or at the end of a designation program, should be closed book and proctored, and pass rates generally should not exceed 80% for the program overall (an indication of examination rigor).

4. Are there prerequisites for earning and using the credential, and can use be prohibited in the event of non-compliance?

- Is there a significant experience and/or educational requirement that must be met prior to earning the designation? Yes No
- Does the designation have an ethics requirement or professional pledge associated with it? Yes No
- Are there continuing education requirements for maintaining the designation? Yes No
- Can the designation be removed in the event of non-compliance or unethical conduct? Yes No

What to look for: Designations should have some experience requirement or similar prerequisite, and some also require high school or college degrees as well. Look for either a code of ethics or a pledge of professional conduct and/or significant ethics content as a requirement in the coursework. Meaningful continuing education as a requirement to maintain a quality designation is the standard. The organization offering the designation must also have the facilities in place to remove the credential or suspend its use in the event of unethical behavior or failure to meet continuing education requirements.

5. How have regulators and the marketplace viewed this credential?

- Has public use of this designation been specifically prohibited by state or federal regulators in any jurisdiction? Yes No
- Does this credential receive support from other companies in the industry? Yes No
- Has this particular credential been the specific subject of negative news coverage or adverse publicity that could negatively impact consumer perceptions? Yes No

What to look for: State insurance and securities regulators across the country take differing views of how professional designations should be used, especially with protected classes such as seniors. A designation you support should generally not have been specifically prohibited by any state jurisdiction. Be careful in this stage of your due diligence, as some regulators provide guidelines for evaluations rather than offering specific lists of approved designations, and of the states offering lists, some are not all inclusive. It is imperative that companies do their own due diligence, such as completing this guideline form. The guidelines in this document are, in fact, closely aligned with those used by many states. Remember that how a designation is actually used is as important as the quality of the designation itself. In supporting a designation, you should also be broadly aware of both media coverage and the actions of other companies.

6. What is the credential's benefit to consumers and their advisors?

- Will attainment of the knowledge offered by the designation benefit advisors in their interactions with clients? Yes No
- Will an advisor be in a better position to serve the needs of clients after completing the designation? Yes No
- Do you have a policy in place about how the designation may be used with consumers? Yes No

What to look for: In the final analysis, think about the consumer. Will consumers be better served by advisors who have earned this credential? If you need assistance with putting a policy in place for use of a designation with consumers, refer to The American College's "Designation Use Policy" included in the Designation Toolkit. The toolkit is available online at theamericancollege.edu/designationtoolkit.

Conclusion:

- Recommended for public use by advisors
- Recommended for reimbursement
- Held pending further information
- Not allowed for reimbursement or public use

Reviewer:

Date:

The following policy provides guidance to advisors as to how they may use approved professional designations conferred by The American College with the public. The goal at all times is clarity with consumers, and absolutely no misrepresentation in the use of any designation will be tolerated. Failure to adhere to this policy may result in the reporting of an ethical violation to The American College for subsequent disciplinary action.

- 1. No designation may be used that has not been officially approved for use by The College following completion of all courses in the selected program. The designee must also have met all mandated experience and ethics requirements prior to the use of any designation.**
- 2. Designations approved by an advisor's company for public use may be used on business cards and stationery in the acronym form only and only following the designee's name and any terminal academic degree. Font size must be either equal to or smaller than the font size of the designee's name. No logo or other mark associated with The American College or the designation may be used.**
- 3. Designations may not be referenced in promotional material or advertising – whether in a print or online format – as an inducement to attend a workshop or seminar or to purchase a product or service. Designations may be used in promotional material following the designee's name only, as outlined in point two above.**
- 4. No reference may be made to a designation or other educational program that in any way serves to mislead consumers or misrepresent the nature of the designation or educational program completed.**
- 5. All appropriate continuing education requirements of The American College must be met in a timely manner to continue public use of a professional designation. Should such requirements not be met during any given continuing education period, all public use of the designation must immediately cease until such situation has been rectified and explicit permission has been received by the designee from The College allowing resumption of use.**

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