Our firm has spent some time discussing and evaluating the potential impacts of the proposed additions to Regulation S-P (Reg S-P). We would like to acknowledge the following:

1. The Client relationship is with the registered rep/investment advisor and not with the B/D or IA firm.
2. The rep already has client information as required by Reg 17A.
3. Both firms and reps are already required to maintain client privacy and confidentiality.
4. Thirty-nine States already require notification in the event of a security breach.
5. We can NEVER eliminate 100% of the risks.
6. Documenting document destruction is a costly redundancy.

Do all firms represent the same risks of breach? Does one size fit all?

We propose the SEC take this opportunity to demonstrate regulatory leadership in by employing Principals based and Risk based regulation. Not every firm has the same level of technology or needs it. Many of us are working with competent and professional service providers that already meet these requirements (at least in principal). It seems to us that every firm should develop its' own policies based on the risks their business activities create for breach.

No offense intended, but the cure and prevention appear to worse than the potential illness. This has every appearance of being similar to Anti Money Laundering regulation and could be handled in the same way.

Harrison Douglas, Inc.
by
Douglas W. Schriner, President