

May 12, 2008

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: File # S7-06-08
Proposed Amendment To Reg S-P

Dear Ms. Morris:

This letter is to express our firm's concerns about the SEC's proposal to amend Regulation S-P ("Proposed Amendment"). As a broker-dealer who has independent financial advisors that work with retail clients, we know how important it is for investors to work with the financial advisor of their choice. When a financial advisor chooses to move from one broker-dealer to another, it is essential for the client to be immediately notified of this change, therefore allowing the client to choose who he/she wishes to do business with, so that accounts can be quickly and efficiently transferred to the new firm, if that is what the client chooses, without harm to the client. Therefore we support the Proposed Amendment's goals of promoting account portability and investor choice by allowing financial advisors to retain basic contact, account and position information following any change in broker-dealer affiliation. We believe that the Proposed Amendment strikes a balance between protecting investors from identify theft and preserving account portability and investor choice however, the Proposed Amendment suffers from shortcomings that will severely limit its effectiveness.

For instance, according to the SEC staff's enforcement position, if a financial advisor moves from a firm whose privacy policy restricts the use of client's personal information and the new firm assists the financial advisor in the preparation of the transfer documents, prior to the consent of each and every client, the new broker-dealer may be aiding and abetting violations of Reg SP. What is ironic about this interpretation is that the firm from which the financial advisor is moving could share the client information with a total stranger within the firm, without the client's prior consent. Even though the information is already in the financial advisor's possession, the financial advisor who originally collected the information and the person with whom the client is acquainted and the most comfortable, cannot contact the client.

The Proposed Amendment should allow departing financial advisors the right to utilize the client's name, address, telephone number, e-mail information, and a general description of the client's account and products held to facilitate account portability and investor choice without interference from their prior broker-dealer. The Proposed Amendment falls short by making the exception available only at the option of the prior broker-dealer firm. As proposed the Proposed Amendment would allow broker-dealers to establish policies that deny investors the important benefits the Proposed Amendment claims to promote, choice and portability.

Financial advisor should have the right to facilitate account portability without interference from their prior broker-dealer. In the independent broker-dealer world, we believe the relationship between the financial advisor and the client is the real connection not between the broker-dealer and the client.

The Proposed Amendment does not address the need for financial advisors to retain customer information to respond to regulatory inquiries or to defend themselves against customer complaints which result from activities at the old firm. The Proposed Amendment should be amended to allow financial advisors to retain customer information in order that they might respond to regulatory inquiries or to defend themselves against customer complaints.

The Proposed Amendment establishes the date of "separation from employment" as the deadline for the departing financial advisor to provide the broker-dealer a written record of the information that will be disclosed to the new firm under the new exception. Again this is unrealistic in that it is accepted in broker-dealers associated with independent financial advisors that the client and the information belong to the financial advisor rather than to the broker-dealer. It is unrealistic to expect the financial advisor to provide that information on the date of separation especially if there are strained relations between the broker dealer and the financial-advisor. This language must be changed so that it accurately reflects the independent contractor status of financial advisors.

As stated, this firm applauds the SEC's efforts to amend Reg S-P however we believe these additional changes are essential to achieve the Proposed Amendment's goal of promoting account portability and investor choice. Therefore, we urge the SEC to make these important changes to the Proposed Amendment.

Respectfully Submitted,



Mr. Leslie D. Smith
General Counsel
Berthel Fisher & Company Financial Services, Inc.
701 Tama Street
Marion, Iowa 52302
Email: lsmith@berthel.com