

May 27, 2011

Elizabeth M. Murphy, Secretary
U.S. Securities and Exchange Commission | submitted electronically to: rule-comments@sec.gov
100 F Street
Washington, DC 20549

Subject: Request for rulemaking mandating *universal* institutional brokerage commission transparency and disclosure (Reference Interpretive Release S7-09-5).

Dear Ms. Murphy, Ms. Lewis, Commissioners of The SEC and Chairman Schapiro:

This is my second request for rulemaking and SEC Interpretive Guidance on the appropriate procedures institutional advisors and institutional brokerage firms must use to prove they are in compliance with Section 28(e) of the Securities Exchange Act of 1934.

After submitting my first Request for Rulemaking on May 24, 2011 (see attachments) SEC employee Naomi Lewis stated, via email, that to comply with Paragraph (a) of Rule 192 of the SEC's Rules of Practice, I must provide specific wording for the rule which I'm requesting. Therefore, I am submitting this *suggested* wording of the proposed rule:

All institutional brokerage commission payment arrangements must be transparent and disclosed.

All institutional investment advisors and all brokerage firms conducting institutional brokerage are required to be prepared to substantiate that they are in compliance with Section 28(e) of the Securities Exchange Act of 1934.

To that end, all institutional investment advisors and all institutional brokerage commission arrangements should be transparent and documented in ways that allow regulators (and institutional account owners) to easily determine that the costs of brokerage transaction execution have been fully-negotiated, and that the amount(s) paid-up* above those fully-negotiated costs of execution are reasonable in relation to the value of research and brokerage services provided. Further, the brokerage services exchanged for the commission amounts 'paid-up' must comply with current interpretations of qualifying services under Section 28(e) of the Securities Exchange Act of 1934.

*Amounts 'paid-up' above the fully-negotiated costs of brokerage transaction execution are commonly known as 'soft dollars'.¹

Thank you,

William T. George

¹ Please see SEC, OCIE, **Inspection Report: on the Soft Dollar Practices of Broker Dealers, Investment Advisors and Mutual Funds** published September 22, 1998 - Section II, item A *Soft Dollars Defined* at: <http://www.sec.gov/news/studies/softdolr.htm>