

From Raymond H Gambel

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Ladies and Gentlemen:

I welcome the opportunity to comment on the proposed changes to the NASD CRD system. I recognize that the CRD was an innovative attempt to make information available to investors and potential investors and is unmatched in any other industry of which I am aware. Nevertheless, at its inception it was never intended or expected to be such a valuable tool for the public and for the regulators.

I think that much needs to be done first, to make the records of individuals available promptly and accurately. I can't count (but I hope you can) the number of times over the years I have been unable to find representatives who are in the CRD system, but do not come up even when you enter their full name (as reported in the press or their own sales literature) along with their employing broker dealer and the firm's CRD number. Very often I have had to resort to the 800 number, which as you point out is not the preferred way, to get one of your representatives access the broker that was inaccessible by me even with the name, Broker Dealer and CRD number inputted into the system. Paradoxically, CRD seems to work best with less information rather than more. And I cannot overemphasize the importance of accuracy and promptness to CRD inquiries made by the public. If the representative is not found he is not likely to get the business; or worse the investor might proceed without the information that is only cryptically available in CRD after the manipulations of your service representatives. I urge you, before trying to change the CRD as presently constituted, you put your focus on making representative records available with the accuracy that can be expected of any computer system which has had 18 years or so to reach an acceptable level of performance.

Moreover, as a former regulator I found the CRD system most unhelpful in finding information on branches, non branches and other places where securities business is transacted during the normal course of business. And I note recent efforts to reexamine the branch issue and hopefully reconcile the apparent discrepancies among NASD and the various exchanges.

As an example, in early October on "Bank of America Broker, ""Theodore Sihpol III," was charged with securities violations by Mr. Spitzer. Various attempts by me to find his CRD records were in vain,

notwithstanding the fact that I had a full name and a Broker Dealer with whom he was affiliated. There have been a myriad of similar examples in my own personal experience over the years and they continue even as I am retired and have more time and more patience to query CRD on behalf of myself and my friends.

I believe that the various glitches that have been tolerated in CRD from its inception to the present day have had the effect of falling disproportionately on the smaller and independent firms. An investor may be more willing to use the services of a large firm without the confirmation of that broker's status on CRD; but they are less likely to be that trustworthy in the case of a broker from a less well known firm who doesn't have the benefit of a huge advertising campaign and fancy brick and mortar edifices supporting his or her efforts. I believe it is crucial that the CRD system be seen as fair to all registered persons and firms. It is my earnest hope that the machinations required to get accurate information on brokers and firms will become less, not more. It is unclear to me how the proposed changes will increase either the accuracy or the fairness of the CRD system. As a regulator who was there at the beginning of CRD, I always took its results with a certain caution that the information may not be complete. Indeed, purging of CRD records has been a perennial issue where one wonders if the big firms have an advantage over smaller firms in getting expungements.

Presently, there is little beyond faith, and faith is a commodity in short supply among many who have been both shocked and saddened by recent events at the SRO's, that CRD is constructed with that level of fairness in mind. Fairness for investors and fairness for representatives and fairness for the broker dealers of all sizes and shapes should be the goal along with accuracy and timeliness. I fail to see how any of the three goals will be served by the proposed changes. Thank you.