

February 13, 2006

Dear Sir or Madam:

This communication is in response to NASD NtM 06-06 request for comment on Proposed IM-3060. Dominion Investor Services, Inc. ***strenuously objects to the proposed rule in its current form*** for the following reasons:

(1) The rule leaves far too much conduct open to definition and interpretation by individual NASD Members. As proposed, the rule has the potential of making an acceptable level of conduct at one member firm potentially being totally unacceptable (and actionable) at another firm. We do not believe this should be the intent of regulation.

**Consider if you were to have a basketball game where one team were playing by one set of rules and the opposing team were playing by another set of rules they each had devised. Each team would hand their rules to the referee before each game for enforcement. It would not be long before the entire league would lose credibility.**

(2) The wording used to define a "customer" for purposes of the rule is inherently unclear and does little to clarify the issue at hand. We believe the word "customer" should be reserved specifically for "public customers."

A rule that does not proscribe firm and fair guidelines for all members equally is of little value to the membership. If the NASD can not determine whether or not a fair and equitable guideline exists that all members should follow, then we believe NASD should consider not having any guideline.

The entire purpose of business entertainment is for a vendor to promote their product or service line to individuals that are in a position to sell (or buy) the product or service being promoted. As such, the use of entertainment is a business tool used solely to entice and/or influence individuals and to have them think about a vendor's product and the person providing the entertainment. To suggest that each member firm can adequately discern, memorialize and enforce an appropriate level of such conduct among a myriad of grey area variables is highly unlikely. What if the entertainment provided is at an acceptable level for the member firm sponsoring the entertainment, but unacceptable at an attending representatives' employing firm? Has a violation occurred? How would they know before they attended - since the standards would be different?

No one at this firm will be able to tell where the exact psychological string lies that triggers any given Registered Representative to begin making unsuitable sales recommendations to their public "customers" due to undue business entertainment influence. Our belief is that it may be at a different level for each individual.

To be clear, we would even be fine with eliminating business entertainment altogether. We just want the rule to be the same for everyone.

In closing, we strongly recommend that the NASD provide firm, fair and even guidance to the membership on what constitutes acceptable business entertainment conduct.

Kevin P. Takacs

CCO DOMI/DFA

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Member NASD/SIPC