

July 20, 2007

Barbara Z. Sweeney
Office of the Corporate Secretary
NASD
1735 K Street, NW
Washington, DC 20006-1506
RE: NTM 07-27; Proposed Rule 2721

Dear Ms. Sweeney:

Stephens Inc. ("Firm") appreciates the opportunity to comment on the NASD's proposal to adopt a new rule to be designated as Rule 2721.

The Firm recommends that the exemption described under proposed Rule 2721(e)(7) be expanded to exempt a Member Private Offering (MPO) made to employees of the Member or of its Control Entities (as defined in the proposed Rule), rather than limiting the exemption for offerings to employees to those MPO's made only to the employees of the *issuer*.

An affiliate of our Firm conducts a merchant banking business and, as a part of that business, regularly forms new investment entities (NIE's) for the purpose of investing in a particular company or engaging in a specific investment activity. Typically, these NIE's have no employees per se. The business of these NIE's is typically managed by employees of the merchant bank. However, in some cases, the merchant bank may wish to give selected employees of the merchant bank or selected employees of the Firm or of another Control Entity of the Firm an opportunity to participate in the investments of an NIE by permitting such employees to invest in the NIE. These selected employees are typically management or professional employees of the Firm or Control Entity. As a rule, these NIE's have no investors other than Control Entities of the Firm and, in some cases, employees of the Firm or of Control Entities of the Firm.

As we understand the proposed rule, an investment in such an NIE by such employees would constitute an MPO. Our Firm believes that employees of the Firm would be expected to have access to a similar level of information about these NIE issuers and their securities as the employees of other types of issuers would be expected to have about their employer/issuer and its securities. Similarly, since both the Firm and Control Entities of the Firm would also be affiliates of the issuer (which typically would have no employees), our Firm believes that employees of the Control Entities of the Firm would also be expected to have access to a sufficient level of information about the issuer and its securities.

Accordingly, we recommend that the exemption described under proposed Rule 2721(e)(7) be expanded to exempt an MPO made to employees of the Member or of its Control Entities, rather than limiting the exemption under proposed Rule 2721(e)(7) to those MPO's made only to the employees of the issuer.

Thank you for your consideration of our comments.

Yours truly,
Bill Keisler

Bill Keisler
Associate General Counsel

Stephens Inc.
111 Center Street
Little Rock, AR 72201