

This proposal would cause an undue burden on small member firms. Not only in extra work, but a huge expense both in accountant man hours and the complete reworking of software systems to capture this information. We have about 14 brokers and we do not have a full time accountant on staff.

Let me state the obvious....Business is way down for small firms. Small firms are still trying to maintain a high level of service and a real relationship with their clients. That alone is the best protection for the customers.

This proposal, along with the Dodd-Frank financial reform bill may cause the Small firms in the industry to close their doors. The expenses incurred by small firms over the past five years due to additional compliance regulation has been an extreme drain on budgets and bottom line profitability. Most companies have gone from having the principals of the firm both run operations/ or compliance and still have a productive book of business to help offset their salaries. In the current environment of over regulation, these operational and compliance jobs have not only become full time, but also require additional staff to be hired to support these efforts. The Patriot Act and AML requirements have been eroding small firm profitability for the past few years.

These new regulations will punish the small business entrepreneur, and will be of no real consequence to the large firms with their in house counsel and the lobbyist pushing for loopholes.

I strongly and respectfully object to the Proposed 10-33

Camille Hodges Hays
Chief Operating Officer
Hodges Capital Management
First Dallas Securities
2905 Maple Avenue
Dallas, TX 75201
214-954-1177
chodgeshays@hodgescapital.com