

RESOURCE MANAGEMENT, INC.

A Fee-Only Business and Financial Consulting Firm

D. Randolph Waesche, CFP
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September 2, 2004

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Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 5th Street, N.W.
Washington, D.C. 20549-0609

Re.: Release Nos. 34-42099; IA-1845; File No. S7-25-99

Resource Management, Inc. hereby requests that the Securities and Exchange Commission withdraw the subject proposed rule.

To the best of our knowledge the SEC has not taken formal action on the Rule since it was proposed more than four years ago. The Rule eliminates "special compensation" as a factor that would require broker-dealers to register as investment advisers, while permitting a broker-dealer to provide investment advice to customers, regardless of the form of its compensation, provided: a) the advice is provided on a non-discretionary basis; b) the advice is "solely incidental" to the brokerage services; and c) the broker-dealer discloses to its customers that their accounts are brokerage accounts.

We do not believe that the public comprehends the variations in the Rule and that in the long run, the Rule will create greater problems than it can solve.

We do believe that the Rule has too many flaws and should simply be withdrawn. Should it be determined however, that a final Rule will be adopted, it should be governed by the standards of others in the business and not the sordid and inconsistent standards of the commission that has failed to enforce the Rule since inception.

Functional regulation of investment advice under federal securities law must be restored. Withdrawal of the Rule and consistent and comprehensive disclosure of conflicts and related fiduciary protections would be a great benefit for investors.

Sincerely,

A handwritten signature in black ink, appearing to be "D. Randolph Waesche".

D. Randolph Waesche, CFP
President