

February 27, 2002

Ms. Katherine A. England
Assistant Director
Division of Market Regulation
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-1001

Re: **File No. SR-NASD-2002-05, Amendment No. 3**
Proposed Rule Change to Revise Uniform Application for Securities Industry
Registration or Transfer (Form U-4) and Uniform Termination Notice for Securities
Industry Registration (Form U-5)

Dear Ms. England:

NASD Regulation, Inc. ("NASD Regulation") hereby submits Amendment No. 3 to the above-referenced rule filing. Amendment No. 3 makes certain revisions to Exhibit 2 (Proposed Form U-4) and Exhibit 3 (Proposed Form U-5). The following describes the revisions made to these Exhibits. The page numbers reference the exhibit page numbers on which the revisions occur in both Amendment No. 3 and Amendment No. 2 filed on January 31, 2002. New language is underlined; deleted language is in brackets.

EXHIBIT NO. 2 - Proposed Form U-4

Form U-4 General Instructions

Page 39 of 189 Change ("CRD") to (CRD®) and
Change ("IARD") to ("IARDSM")

Page 41 of 189 Change definition of Designated Entity - now reads:

DESIGNATED ENTITY means the entity designated as the filing
depository by the U.S. Securities and Exchange Commission
pursuant to the Investment Advisers Act of 1940.

Page 41 of 189 Revise definition of Firm - now reads:

FIRM means a broker-dealer, investment adviser, or issuer, as
[applicable] appropriate.

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Correct misspelling of RESIDENTIAL to read:
2. CURRENT RESIDENTIAL ADDRESS

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Delete **DESIGNATED ENTITY** definition

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Add comma after **FELONY** to read:
FELONY, for jurisdictions etc.

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In Item (c) in definition of Investigation, change the letter "T" in
"The NASD By-Laws" to lower case to read:

(c) NASD Regulation, Inc. investigations after the "Wells" notice
has been given or after a person associated with a member, as
defined in [T]the NASD By-Laws, has been advised by the staff
that it intends to recommend formal disciplinary action;

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Add comma after **MISDEMEANOR** to read:
MISDEMEANOR, for jurisdictions etc.

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Revise first paragraph to read:

**NOTICE TO THE INDIVIDUAL WHO IS THE SUBJECT
OF THIS FILING Note: [As a former registered
representative of the *firm* filing this Form U-5, you are under
the continuing jurisdiction of regulators and may have to
provide information about your activities while associated with
this *firm*. Forward any residential address changes for two
years following your termination date or last Form U-5
amendment to:] Even if you are no longer registered, you
continue to be subject to the jurisdiction of regulators for at
least two years after your registration is terminated and may
have to provide information about your activities while
associated with this *firm*. Therefore, you must forward any
residential address changes for two years following your
termination date or last Form U-5 amendment to: CRD
Address Changes, [at the CRD address listed on the Uniform
Forms Reference Guide] CRD P.O. Box 9495, Gaithersburg,
MD 20898-9495.**

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Revise wording in **AFFILIATED FIRM TERMINATIONS** to
read:

Indicate by answering "yes" or "no" whether the individual's
registration will be terminated with one or more *firms affiliated*

with the *filing firm*. For *partial terminations*, select the *affiliated firm(s) from which* the individual seeks to [will] terminate registrations and [the] indicate the registrations the individual seeks to [that will be] terminate[d]. For *full terminations*, select the *affiliated firm(s) from which* the individual [will] seeks to terminate.

Form U-5

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Under **REGISTRATION CATEGORY**, in the JP - Japanese box, change (S3 47) to (S47)

If you have any questions concerning this Amendment No. 3, please contact Shirley Weiss at (202) 728-8844.

Sincerely,

Patrice M. Gliniecki
Vice President and
Acting General Counsel

Enclosure

cc: Christopher Stone