

May 4, 1998

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

Re: SR-NASD-98-34; Amendment to Rule 9514 to Change Hearing Panel Composition; Amendment No. 1

Dear Ms. England:

Pursuant to Rule 19b-4, NASD Regulation submits the following Amendment No. 1 to the above-numbered rule filing. On pages 4 and 9, the footnoted material should be moved to the text following the sentences that were footnoted in the original filing, and amended to read as follows: "Generally, the only issues to be addressed are whether: (1) the member or person paid the award in full or fully complied with the settlement agreement; (2) the claimant agreed to installment payments or has otherwise settled the matter; (3) the member or person has filed a timely motion to vacate or modify the arbitration award and such motion has not been denied; (4) the member or person has filed a petition in bankruptcy and the bankruptcy proceeding is pending, or the award or payment owed under the settlement agreement has discharged by the bankruptcy court; and (5) the member or person is unable to pay the award. The Commission has stated that a bona fide inability to pay an arbitration award is an important consideration determining whether any sanction for failure to pay an arbitration award is excessive or oppressive. See In the Matter of the Application of Bruce M. Zipper, Exchange Act Release 33376, Admin. Proc. File No. 3-7908. (Dec. 23, 1993)."

If you have any questions, please call Mary M. Dunbar, Office of General Counsel, at 728-8252.

Very truly yours,

Joan C. Conley
Corporate Secretary