

March 14, 2001

Katherine A. England, Esq.  
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-00-69, Amendment No. 2**  
**Limited Representative – Private Securities Offerings**

Dear Ms. England:

Pursuant to Rule 19b-4, NASD Regulation, Inc. hereby makes the following amendments to the above-referenced rule filing. New text is underlined, deleted text is in brackets.

- On pages 6 and 16 in the first full paragraph, please amend as follows:

With respect to private placement activity, GLBA permits private placements to be effected in a bank (and not a broker or dealer) so long as the bank (a) is not affiliated with a broker or dealer that is engaged in dealing, market making, or underwriting, other than with respect to exempted securities, or (b) is not affiliated with any broker or dealer provided that the aggregate dollar amount of any private placement offering (excluding government or municipal securities) does not exceed 25% of the bank's capital. A bank that meets these conditions will be eligible to engage in private placement activities without having to register its personnel with the NASD. Notwithstanding this exclusion, many banks will be required to effect private securities offerings in a registered broker/dealer. For [these] banks that are not excluded from the definition of "broker," employees that effect sales of private securities offerings will be required to become associated persons of a registered broker/dealer, and as such, will be subject to NASD qualification examination and other requirements.

- On page 7 in the second paragraph and page 17 in the first paragraph, please amend as follows:

The proposed rule change effectuates the provisions of Section 203 by establishing a new registration category for persons engaged solely in sales of private securities offerings through a registered broker/dealer.

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- On pages 9 and 19 in the first paragraph, please amend as follows:

However, with respect to current bank employees who may be eligible to register under the new limited registration category without taking the qualification examination pursuant to paragraph (h)(2) of the proposed rule change, NASD Regulation staff has exemptive authority under Rule 1070 and under such authority will consider on a case-by-case basis whether a bank employee with experience in DPP securities registering with a broker/dealer should be authorized to effect sales of DPP securities without having to complete the general securities representative or specific DPP securities limited qualification examination.

- On pages 9 and 19 in the first full paragraph, please amend as follows:

As such, persons registered in this category will not be permitted to effect resales of or [engage in] secondary market [trading of] transactions in private placement securities. Persons wishing to effect resales of or secondary market transactions in private placement securities will be required to register as a General Securities Representative or, where appropriate, as a Limited Representative – Corporate Securities.

If you have any questions, please contact the undersigned at (202) 728-8104.

Very truly yours,

Gary L. Goldsholle  
Associate General Counsel

cc: Marie Ito, Securities and Exchange Commission