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September 26, 2002

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-2002-40, Amendment No. 3 – Security Futures Rules**

Dear Ms. England:

NASD hereby submits Amendment No. 3 to SR-NASD-2002-40 (the “rule filing”). NASD stated in the original rule filing that it would announce the effective date of the proposed rule change regarding security futures in a *Notice to Members* to be published no later than 60 days following approval by the Securities and Exchange Commission (“SEC”) and that the effective date would be no less than 30 days following publication of the *Notice to Members* announcing SEC approval. NASD understands, however, that the industry is interested in beginning to trade security futures as soon as possible. In an effort to facilitate trading in security futures at the earliest possible date, NASD is amending the rule filing to state that the proposed rule change will become effective on the date that it is approved by the SEC. NASD will issue a *Notice to Members* announcing the rule changes shortly thereafter.

If you have any questions concerning this amendment, please contact the undersigned at (202) 728-8104; e-mail gary.goldsholle@nasd.com or Patricia Albrecht, NASD, Office of General Counsel, Regulatory Policy and Oversight at (202) 728-8026; e-mail patricia.m.albrecht@nasd.com. The fax number of the Office of General Counsel is (202) 728-8264.

Very truly yours,

Gary L. Goldsholle