Via Facsimile and First Class Mail

January 11, 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-2002-02, Amendment No. 1 - Amendment to Proposed Rule Change to Amend NASD Code of Procedure Rule 9522

Dear Ms. England:

Pursuant to discussions on January 10, 2002 with Joe Morra of your office, NASD Regulation, Inc., hereby amends the above-numbered rule filing as follows (additions are underlined; deletions are bracketed):

The last sentence of Item No. 7 appearing on page 5 should be modified to state: NASD Regulation also requested that the SEC waive the requirement that the proposed rule change, by its terms, not become operative for 30 days after the date of the filing as set forth in Rule 19b-4(f)(6)(iii), as consistent with the protection of investors and the public interest. <u>Rule 9522</u>, in its current form, does <u>not provide</u> [because the proposed rule change provides] a full description [, within Rule 9522,] of the cases in which the Department of Member Regulation may approve an MC-400 application for relief from NASD eligibility requirements. <u>Because the proposed rule change would provide a full description of such cases within Rule 9522</u>, NASD Regulation requests that the 30-day operative delay required by <u>Rule 19b-4(f)(6)(iii) be waived</u>. NASD Regulation believes such action is consistent with the protection of investors and the public interest.

The third sentence of Item III appearing on pages 10 and 11 of the rule filing should be modified in the same manner indicated above.

If you have any questions, please contact Sarah Williams, Office of General Counsel, NASD Regulation, Inc. at (202) 728-8083.

Very truly yours,

Sarah J. Williams Assistant General Counsel