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February 11, 2004

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-2003-183 – Proposed Amendments to Rule 1120
Regarding Regulatory Element Contact Person**

Dear Ms. England:

This letter responds to the comment letter submitted by Wellfleet Investments LLC (“Wellfleet”) in response to the publication in the *Federal Register* of Notice of Filing of SR-NASD-2003-183 to amend NASD Rule 1120 to require that each member designate and identify to NASD the individual(s) who will receive Web Central Registration Depository (Web CRD[®]) continuing education (“CE”) Regulatory Element e-mails and quarterly review and update such CE contact person(s) information.¹

Wellfleet requests that NASD (or, if applicable, the Securities and Exchange Commission) provide a member firm with 30-day notification prior to requiring action by the member firm. Wellfleet notes that current e-mail systems can facilitate such notifications and that firms are provided notifications in certain instances. In addition, notification reminders would simplify compliance with rule requirements.

The rule proposal would require each member to review and, if necessary, update its CE contact person(s) information within 17 business days after the end of each calendar quarter to ensure the accuracy of the information. NASD agrees that members would benefit from receiving reminders of the requirement to quarterly update the CE contact person(s) information. Such reminders would serve to simplify and assist members’ compliance with the rule change. In this regard, NASD stated in the purpose section of SR-NASD-2003-183 that NASD is examining different methods of notifying members of their quarterly review and update requirement. The methods under consideration include

¹ Release No. 34-48986 (December 23, 2003); 68 F.R. 75682 (December 31, 2003). The public comment period announced in the Federal Register expired on January 21, 2004.

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reminders tied to the act of filing quarterly FOCUS reports in the form of a link to the NASD Contact System where the CE contact person information will be collected or a reminder message on a pop-up screen,² as well as periodic reminders through NASD's e-mail broadcasts distributed to members' Executive Representatives.

We hope this response to comments is helpful. Please feel free to contact me at (202) 728-6939 if you wish to discuss this matter further.

Very truly yours,

Grace Yeh
Assistant General Counsel

cc: Hong-Anh Tran
Michael A. Pierson

² Members are required to file FOCUS reports within 17 business days after the end of each calendar quarter, which is consistent with the schedule for member review and update of the CE contact person information required by this rule change.