

December 17, 2003

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-2003-166 – Amendments to Schedule B to the NASD By-Laws – Amendment No. 1

Dear Ms. England:

NASD hereby submits Amendment No. 1 to SR-NASD-2003-163 (the “rule filing”) proposing that the following changes should be made to the rule filing.

1. In the proposed rule language to Schedule B to the NASD By-Laws beginning on pages two and seven, a comma that should be deleted in the description of District No. 10 is not shown in the deleted text. Accordingly, a comma should be inserted in the beginning of the deleted text that reads “[Orange, Putnam, Rockland].” The revised deleted text should read “[, Orange, Putnam, Rockland].”
2. The paragraph in the section setting forth the purpose of the proposed rule change beginning on pages three and seven that begins with the sentence “The proposed rule change would amend Schedule B to the NASD By-Laws to correct inaccurate descriptions of certain counties in the state of New York with respect to two NASD District Offices” should be deleted in its entirety and the following new paragraphs inserted:

The proposed rule change would amend Schedule B to the NASD By-Laws to correct inaccurate descriptions of Districts 9 and 10. Prior to 1997, the New York counties of Orange, Rockland, Putnam, and Westchester were assigned to NASD’s District 10 office. In late 1997, during a reorganization of the district offices, District 11 assumed responsibility for Orange, Rockland, Putnam, and Westchester Counties. However, NASD failed to amend Schedule B to reflect this change.

In 2003, NASD conducted its most recent reorganization of the District Offices and, among other things, transferred responsibility for the New York counties of Orange, Rockland, Putnam, and Westchester from District 11 to District 9. After filing a rule change to Schedule B to the NASD By-Laws to reflect the Districts' new descriptions,¹ NASD became aware that the 1997 change was never reflected in Schedule B and that Schedule B still lists District 10 as being responsible for the New York counties of Orange, Rockland, Putnam, and Westchester. Accordingly, NASD is filing the proposed rule change to amend Schedule B to the NASD By-Laws to accurately align these counties within District 9.

If you have any questions regarding this amendment, please do not hesitate to contact me.

Sincerely,

Patricia M. Albrecht

¹ See SR-NASD-2003-138 (September 3, 2003), 68 FR 54762 (September 12, 2003).