

Alden S. Adkins
Sr. Vice President
and General Counsel

July 7, 1999

Katherine A. England
Assistant Director
Division of Market Regulation
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549
Mail Stop 10-1

Re: **File No. SR-NASD-99-05, Amendment No. 2** - Amendments to Rule 2520 (Margin Rules) Relating to Margin for Exempted Borrowers, Good Faith Accounts, Joint Back Office Arrangements and Options Transactions

Dear Ms. England:

NASD Regulation hereby amends the referenced rule filing, on page 18 of 47, paragraph (e) of the rule language, as follows:

(e) Exceptions to Rule

The foregoing requirements of this [paragraph] Rule are”

If you have any questions, please contact Elliott R. Curzon, Office of General Counsel, NASD Regulation, Inc., at (202) 728-8451; e-mail curzone@nasd.com. The fax number of the Office of General Counsel is (202) 728-8264.

Very truly yours,

Alden S. Adkins
Sr. Vice President
and General Counsel