February 27, 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-2002-05, Amendment No. 3

Proposed Rule Change to Revise Uniform Application for Securities Industry Registration or Transfer (Form U-4) and Uniform Termination Notice for Securities Industry Registration (Form U-5)

Dear Ms. England:

NASD Regulation, Inc. ("NASD Regulation") hereby submits Amendment No. 3 to the above-referenced rule filing. Amendment No. 3 makes certain revisions to Exhibit 2 (Proposed Form U-4) and Exhibit 3 (Proposed Form U-5). The following describes the revisions made to these Exhibits. The page numbers reference the exhibit page numbers on which the revisions occur in both Amendment No. 3 and Amendment No. 2 filed on January 31, 2002. New language is underlined; deleted language is in brackets.

EXHIBIT NO. 2 - Proposed Form U-4

Form U-4 General Instructions

Page 39 of 189 Change ("CRD") to (CRD®") and

Change ("IARD") to ("IARDSM")

Page 41 of 189 Change definition of Designated Entity - now reads:

DESIGNATED ENTITY means the entity designated as the filing

depository by the U.S. Securities and Exchange Commission

pursuant to the Investment Advisers Act of 1940.

Page 41 of 189 Revise definition of Firm - now reads:

FIRM means a broker-dealer, investment adviser, or issuer, as

[applicable] appropriate.

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Revise wording in definition of Foreign Financial Regulatory Authority - now reads:

FOREIGN FINANCIAL REGULATORY AUTHORITY includes a foreign securities authority; <u>any</u> other government body or foreign equivalent of a *self-regulatory organization* empowered by a foreign government to administer or enforce its laws relating to the regulation of *investment-related* activities; or <u>a</u> membership organization, a function of which is to regulate the participation of its members in *investment-related* activities listed above.

Page 51 of 189 Change CRDSM and IARDSM to CRD and IARD

Form U-4

Page 55 of 189 The registration category "PR - Limited Representative - Private

Securities Offerings (S82)" was included twice; one was deleted

Page 62 of 189 Capitalize "please" to read:

([p]Please exclude...

Page 67 of 189 Question 15A9 - Parenthesis added before (REGISTRATION

REQUESTS WITH AFFILIATED FIRMS)

EXHIBIT NO. 3 - Proposed Form U-5

Form U-5 General Instructions

Page 89 of 189 First paragraph modified as follows:

The Form U-5 is the Uniform Termination Notice for Securities Industry Registration. Broker-dealers, investment advisers, or issuers of securities must use this form to terminate the registration of an individual in the <u>appropriate</u> [various *self-regulatory organizations and*] *jurisdictions* <u>and/or *SROs*</u>. These instructions apply to the filing of Form U-5 electronically with the Central Registration Depository ("CRD®") or the Investment Adviser Registration Depository ("IARD^(SM)"). Filers submitting paper filings should read the Special Instructions for Paper Filers in conjunction with the other instructions to the form. In addition, paper filers should contact the appropriate *jurisdiction* and/or *SRO*

for specific filing instructions or requirements.

Page 89 of 189 Correct font error in fourth paragraph

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Page 89 of 189 Correct misspelling of RESIDENTIAL to read:

2. CURRENT RESIDENTIAL ADDRESS

Page 91 of 189 Delete **DESIGNATED ENTITY** definition

Page 91 of 189 Add comma after *FELONY* to read:

FELONY, for jurisdictions etc.

Page 91 of 189 In Item (c) in definition of Investigation, change the letter "T" in

"The NASD By-Laws" to lower case to read:

(c) NASD Regulation, Inc. investigations after the "Wells" notice has been given or after a person associated with a member, as defined in [T]the NASD By-Laws, has been advised by the staff

that it intends to recommend formal disciplinary action;

Add comma after **MISDEMEANOR** to read: Page 92 of 189

MISDEMEANOR, for jurisdictions etc.

Page 93 of 189 Revise first paragraph to read:

NOTICE TO THE INDIVIDUAL WHO IS THE SUBJECT

OF THIS FILING Note: [As a former registered

representative of the *firm* filing this Form U-5, you are under the continuing jurisdiction of regulators and may have to provide information about your activities while associated with this firm. Forward any residential address changes for two vears following vour termination date or last Form U-5 amendment to:] Even if you are no longer registered, you continue to be subject to the jurisdiction of regulators for at least two years after your registration is terminated and may have to provide information about your activities while associated with this *firm*. Therefore, you must forward any residential address changes for two years following your termination date or last Form U-5 amendment to: CRD Address Changes, [at the CRD address listed on the Uniform Forms Reference Guide] CRD P.O. Box 9495, Gaithersburg,

MD 20898-9495.

Page 95 of 189 Revise wording in **AFFILIATED FIRM TERMINATIONS** to

read:

Indicate by answering "yes" or "no" whether the individual's registration will be terminated with one or more firms affiliated Ms. Katherine A. England February 27, 2002 Page 4

with the *filing firm*. For *partial terminations*, select the *affiliated firm*(*s*) <u>from which</u> the individual <u>seeks to</u> [will] terminate registrations and [the] indicate the registrations <u>the individual seeks to</u> [that will be] terminate[d]. For *full terminations*, select the *affiliated firm*(*s*) <u>from which</u> the individual [will] <u>seeks to</u> terminate.

Form U-5

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Under **REGISTRATION CATEGORY**, in the JP - Japanese box, change (S3 47) to (S47)

If you have any questions concerning this Amendment No. 3, please contact Shirley Weiss at (202) 728-8844.

Sincerely,

Patrice M. Gliniecki Vice President and Acting General Counsel

Enclosure

cc: Christopher Stone