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November 26, 2002

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-2002-161, Amendment No. 1 – To Establish Effective Dates For NASD Rule 2711, Research Analysts and Reports**

Dear Ms. England:

Pursuant to our conversations with the staff of the Division of Market Regulation, NASD hereby submits Amendment No. 1 to SR-NASD-2002-161 (the “rule filing”). The amendments to the rule filing are as follows (new language is underlined):

1. NASD is amending Section 3(a) on page 7 and Section (II)(A)(a) of Exhibit 1 on page 15 of the rule filing to include the following additional final paragraph:

As a further condition for the delayed implementation date, those firms that meet the eligibility requirements outlined above would be required to maintain records of communications that would otherwise be subject to the gatekeeper provisions of Rules 2711(b) and (c).

2. NASD is replacing the reference to “Jonathan G. Katz, Secretary” in Section IV of Exhibit 1 appearing on page 17 of the rule filing with a reference to “Margaret McFarland, Deputy Secretary.”

The rule filing was effective upon filing pursuant to Section 19(b)(3)(A) of the Act and paragraph (f)(1) of Rule 19b-4 thereunder. Accordingly, this amendment should relate back to the effective date of the rule filing. If you have any questions concerning this amendment, please

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contact Philip A. Shaikun, Office of General Counsel, NASD, at (202) 728-8451; e-mail philip.shaikun@nasd.com. The fax number of the Office of General Counsel is (202) 728-8264.

Very truly yours,

Philip Shaikun  
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cc: Larry Bergmann  
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