

April 19, 2001

Florence Harmon, Esq.
Senior Special Counsel
Division of Market Regulation
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-1001

Re: File No. SR-NASD-01-21 – Amendments to NASD Code of Arbitration Procedure
to Modify Certain Provisions Relating to the Assessment and Payment of Fees –
Amendment No. 1

Dear Ms. Harmon:

NASD Dispute Resolution, Inc. hereby amends the above-referenced rule filing as follows:

* * *

10306. Settlements

(a) Unchanged.

(b) The terms of a settlement agreement do not need to be disclosed to [the Association] NASD Dispute Resolution. However, the parties will remain responsible for payment of fees incurred, including fees for previously scheduled hearing sessions. If the parties fail to agree on the allocation of outstanding fees, the fees shall be divided equally among all parties.

If you have any questions, please contact me at (202) 728-8275; e-mail laura.gansler@nasd.com. The fax number of NASD Dispute Resolution, Inc. is (202) 728-8833.

Very truly yours,

Laura Gansler

Counsel
NASD Dispute Resolution, Inc.