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November 1, 2004

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-2004-136
Treatment of Commodity Pool Trail Commissions under Rule 2810

Dear Ms. England:

NASD staff has reviewed the comment letters received by the Securities and Exchange Commission (“Commission”) in response to SR-NASD-2004-136 (“Extension Filing”).¹ As the Commission is aware, the Extension Filing was very limited in scope - it merely delayed the implementation date of NASD Notice to Members 04-50 from July 13, 2004 until October 12, 2004. Moreover, the Extension Rule filing was effective upon filing pursuant to Section 19(b)(3)(A) of the Securities Exchange Act of 1934.

In sum, the comment letters seek to reargue the merits of going forward with the policy announced in Notice to Members 04-50. Such matters were the subject of SR-NASD-2004-108 and the attendant notice and comment period to that filing has expired. The record created in the course of the process of that previous filing amply supports the policy determinations announced in Notice to Members 04-50. The policy determinations contained in Notice to Members 04-50 are neither raised nor revived as a consequence of the Extension Filing and, consequently, further response to those concluded issues in the instant filing is not appropriate.

¹ Letter from Lawrence D. Israel, Exchange Analytics Inc., dated Sept. 24, 2004; Letter from Mark S. Stratton, Beacon Management Corporation, dated Oct. 4, 2004; Letter from Rita M. Molesworth, The Association of the Bar of New York, dated Oct. 7, 2004; Letter from John G. Gaine, Managed Funds Association, dated Oct. 7, 2004; Letter from David J. Vogel, Citigroup Managed Futures LLC, dated Oct. 7, 2004; Letter from Bruce L. Cleland, Campbell & Company, Inc., dated Oct. 7, 2004; Letter from Ken Steben, Steben & Company, Inc., dated Oct. 7, 2004; and Letter from Christopher Malo, CIS Investments, Inc., dated Oct. 4, 2004.

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If you have any further questions, feel free to contact me at (202) 728-8104.

Very truly yours,

Gary L. Goldsholle
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