

National Securities CORPORATION

Member Chicago Stock Exchange • Member National Association of Securities Dealers, Inc.

October 6, 1999

National Association of Securities Dealers
Attn: Brooks Johnson, Year 2000 Program Office
15201 Diamondback Drive
Rockville, MD 20851

Re: Certification Statement per SEC Rule 15b7-3T

The purpose of this statement is to attest to the fact that National Securities Corporation ("National") will be Year 2000 ready prior to November 15, 1999.

National has completed testing of all systems, both mission critical and non-mission critical, and the results of this validation and/or verification testing have provided a substantial basis for believing that we are currently prepared for Year 2000. Currently the one area of concern for National is the telephone system in the Seattle Headquarters. However this system is currently being retired and replaced with an entirely new phone network. National is fully confident that this replacement will be complete by November 15th.

After the replacement of this system, the only ongoing Year 2000 effort will consist of monitoring the readiness status of outside providers or services.

In addition, and though National considers the phase of Year 2000 readiness covering identification, assessment and remediation of systems under its control to be complete, the firm has enhanced its internal documentation to more thoroughly identify the testing, controls and internal processes used during this phase to satisfy the requirements of regulatory examiners.

National is not aware of any other Year 2000 compliance issues, within its control, which may impair the firm's ability to ensure prompt and accurate processing of securities transactions, including order entry, execution, compensation, allocation, clearance and settlement of securities transactions, maintenance of customer accounts, or the delivery of funds and securities.

A second certification will be filed with both the SEC and NASD, prior to November 15th, attesting to National Securities Corporation's complete Year 2000 readiness and its compliance with all requirements under SEC Rule 15b7-3T.

Sincerely,



Michael A. Bresner
President

cc: Janice Greene, Director of Compliance

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