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May 16, 2006

United States Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: Objections to Accelerated Approval of Amendment Number Five to proposed rule change SR-NASD-2003-158

Dear Sir:

Please consider this letter as an objection to the request by the NASD to the accelerated approval of Amendment Number 5 to proposed rule change SR-NASD-2003-158 published on its web site on May 4, 2006.

Initially, I would like to echo the sentiments and concerns of my colleagues who have previously submitted comments concerning certain substantive portions of the proposed Amendment Number 5. My immediate concern, however, will focus more on the request by the NASD to accelerate the approval of these proposed changes, which will effectively avoid the provisions of Section 19(b)(1) concerning the opportunity for public comment on proposed changes.

There appears to be no legitimate reason set forth by the NASD for the request for accelerated approval of these proposed changes prior to giving persons the opportunity to comment. As you know, Section 19(b) of the Securities and Exchange Act of 1934 set forth the procedure for proposed rule changes, including notice and proceedings. Section 19(b)(1) specifically requires the Commission to publish notices of any rule changes and to give interested persons an opportunity to submit written data, views, and arguments concerning such proposed rule changes.

The NASD request for acceleration of that process without comment is premised on Section 19(b)(2), the relevant portion of which states:

...The Commission shall not approve any proposed rule change prior to the 30th day after publication of notice of the filing hereof

unless the Commission finds good cause for so doing and publishes its reasons for so finding.

The NASD has advanced one principal ground upon which they assert the existence of good cause; "the accelerated approval would benefit users of NASD as an arbitration forum." This principal is supported by three conclusory statements: 1. the proposed changes in Amendment Number 5 are non-substantive because they do not change the purpose or intent of the proposed rules; 2. the proposed changes address issues raised by commenters and will make the customer code easier to understand and use, thereby making the arbitration process more transparent for parties; and 3. the proposed changes provide additional guidance to parties, arbitrators, and staff regarding the procedures of its forum, which should result in the efficient and economical administration of claims.

Although I have been unable to locate a specific definition of "good cause" under the Securities Exchange Act of 1934, generally, good cause requires some sort of basis in the record that acceleration is necessary. A finding of good cause must be based upon a particular factual demonstration of the good cause and not conclusory statements. The conclusory statements set forth by the NASD do not set forth any need for the acceleration of approval. Moreover, good cause for the need for acceleration of approval is not adequately supported by any factual basis.

The drafters of Section 19(b) of the Securities and Exchange Act of 1934 obviously understood the importance of providing an opportunity for comment by interested persons on proposed rule changes. It is a critical function of the process which, in this instance, should be required.

Sincerely,

Patrick A. Davis