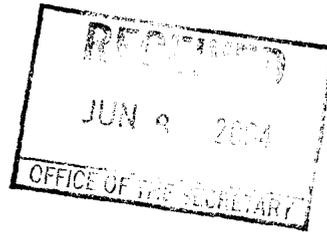


# Public Investors Arbitration Bar Association



June 7, 2004

Jonathan G. Katz, Secretary  
U.S. Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0609

Re: Release No. 34-49688; File No. SR-NASD-2003-163  
Proposed Rule Relating to Voluntary Direct  
Communication Between Parties and Arbitrators

Dear Mr. Katz:

I write on behalf of the Public Investors Arbitration Bar Association ("PIABA"). PIABA has more than 650 attorneys as members. The members typically represent public investors in disputes with broker-dealers. This letter is in response to the NASD's filing of a proposed rule change relating to voluntary direct communication between parties and arbitrators.

PIABA supports the proposed rule change. Direct communication with arbitrators has taken place in some parts of the country, pursuant to pilot projects and agreement of the parties and arbitrators. PIABA members have found the practice to be helpful.

Very truly yours,

Rosemary J. Shockman  
Vice-President/President-Elect

RJS:dlr

cc: Linda Feinberg  
George Friedman  
Jean Feeney  
Charles Austin

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