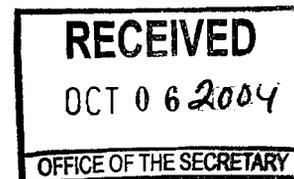


October 4, 2004



Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0609

Re: Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to the Implementation Date of Notice to Members 04-50 (Treatment of Commodity Pool Trail Commissions Under Rule 2810)
Release No. 34-50335
File No. SR-NASD-2004-136

Dear Mr. Katz:

Our firm – Beacon Management Corporation (“Beacon”) – is a Princeton, NJ-based Commodities Trading Advisor. Beacon was founded in 1982, and its principals average over 25 years of experience in finance and investment management. Based on our experience in the marketplace, we believe there are several compelling reasons for the Securities and Exchange Commission (the “SEC”) to suspend implementation of the proposed rule change by the National Association of Securities Dealers (the “NASD”).

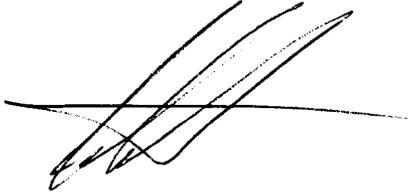
These reasons were detailed in our letter to you dated August 19, 2004, a copy of which is attached. However, we wanted to reiterate the depth of our belief that the NASD rule change is neither in the public interest, nor good public policy, and that we feel the NASD acted too quickly in arbitrarily dismissing the objections raised by futures industry participants and other concerned parties during the comment period. We also feel strongly that the practical implications of this rule change are far more wide-ranging than we believe the SEC would deem advisable or warranted.

Consequently, before such a drastic, unpopular, perhaps very harmful industry and market changing rule is implemented, we believe strongly that the SEC and NASD should undertake a study (with support from the NFA and MFA) to assess the real impact this rule change would have.

We also want to reiterate our objection to the classification of this policy change as “a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule.” Given the long history of the rule as previously interpreted, and given the 20-year development of the marketplace and its institutions, the NASD proposal represents a de facto rule change and should have been subject to the appropriate approval process.

For the reasons stated above, and in our previous letter, we respectfully suggest that the SEC intervene immediately and either overturn this policy change or at least suspend implementation of this change subject to further study, as outlined above.

Sincerely,

A handwritten signature in black ink, consisting of several overlapping, sweeping strokes that form a cursive, somewhat abstract shape.

Mark S. Stratton
President
Beacon Management Corporation

cc: John G. Gaine, President, Managed Funds Association