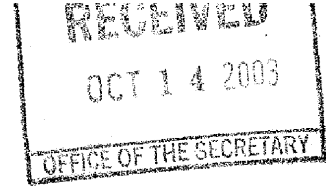


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#23

ROSEMARY J. SHOCKMAN
JAMES MICHAEL ABERNETHY

October 2, 2003

480-596-1986
FACSIMILE 480-596-2689

Secretary
Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0609

Re: SEC Release No. 34-48444; File No. SR-NASD-98-74;
Comment on Proposed Changes to NASD Rule 3110(f)

Gentlemen:

I write to oppose the amendment of NASD Rule 3110(f) to include subsection (f)(4)(B). I am an attorney. My firm has represented many investors in arbitrations before the National Association of Securities Dealers. I have represented investors for more than 20 years.

Allowing broker dealers to place choice-of-law provisions in customer agreements, and to enforce those provisions, would severely limit the rights of the investing public.

Investors should be allowed the protection of their state common law and **statutes**. A stockbroker, in signing the U-4 agreements, and in registering in a customer's state of residence, agrees to abide by the laws of that state. The customer should have the right to expect that the stockbroker can be held to that standard in his dealings with the customer, and should be permitted to vindicate those rights, if necessary, in an **NASD** arbitration proceeding.

The choice-of-law clauses will undoubtedly **be** used by broker dealers in an effort to choose the law that would be the most favorable to the broker dealer.

While the NASD suggests in its comments that parties to contracts should be permitted to agree to what they desire in contracts, this view does not adequately address the reality of customer/broker relationships. When is the last time a typical individual customer negotiated his form contract with a broker dealer? These are contracts of adhesion. They **are** not arms-length transactions.

October 2, 2003

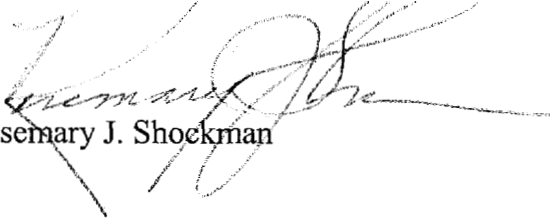
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The SEC should reject this amendment, and allow customers to continue with the protection of their state laws.

Thank you.

Very truly yours,

SHOCKMAN LAW OFFICE, P.C.



Rosemary J. Shockman

RJS:dlr