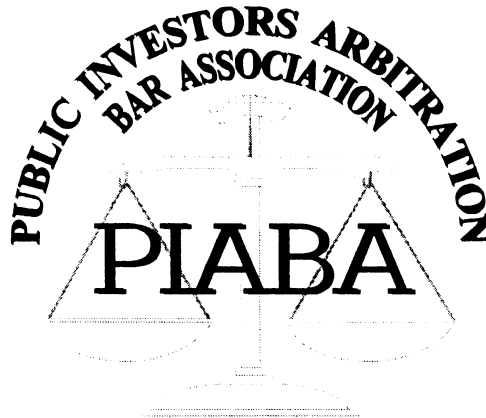


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"The Investor's Interest  
is the Public's Interest"

MARK E. MADDOX, PRESIDENT

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December 7, 1998

Jonathan G. Katz, Secretary  
Securities and Exchange Commission  
450 Fifth Street N.W., Mail Stop 6-9  
Washington, D.C. 20549

**RE: Release No. 34-40518; File No. S7-26-98  
Books and Records Requirements for Brokers and Dealers Under  
the Securities Exchange Act of 1934**

Dear Mr. Katz:


As President of the Public Investors Arbitration Bar Association, this is to express our strong support for the pending rule proposal relating to books and records requirements for brokers and dealers. In addition to the obvious benefits of this proposed Rule for regulators, it is of great importance for the public investor to require brokerage firms to retain records as provided in the proposed Rule. Not only does the proposed Rule make for a more efficient regulatory structure relating to audits of these records, but it also assists the public investor when they have disputes with their brokerage firms. All of the proposed records should be kept in all of the proposed locations in order to make it more probable that such records will be available during discovery in a dispute between a public investor and their respective firm.

We strongly believe that this proposed Rule should be adopted in its entirety, and no modifications should be made to the language relating to the definition of local office, what records are included in the local office records, and the one year retention period for such records.

Jonathan G. Katz, Secretary  
Securities and Exchange Commission  
**RE: Release No. 34-40518**  
December 7, 1998  
Page 2

If you would like any further information relating to this opinion from our association, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Mark E. Maddox".

Mark E. Maddox

MEM:jmk

cc: Robin Ringo  
Katy Mobedshahi