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

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October 6, 2000

The Honorable Arthur Levitt
Chairman's Office
U.S. Securities & Exchange Commission
450 5th St. NW
Washington, D.C. 20549

RE: File No. SR-NASD 97-44

Dear Chairman Levitt:

I am President of the Public Investors Arbitration Bar Association ("PIABA"), an organization of more than 250 lawyers, representing public investors in securities arbitration.

The vast majority of securities arbitrations with public customers are conducted in proceedings before the National Association of Securities Dealers (the "NASD"). The NASD Code of Arbitration Procedure, has for many years, had a rule which has limited the ability of public investors to bring their cases in *any* forum when six years have elapsed from the date of the "event or occurrence giving rise to the act or dispute, claim or controversy." Code of Arbitration Procedure, §10304.

In many instances, this has resulted in defrauded investors losing the right to bring their claims in *any* forum, despite the fact that the applicable statutes of limitations have not barred their claims.

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In some instances, investments are not intended to come to an end for more than six years, and investors may have no idea how the investment is performing or whether they have been defrauded for more than six years. This was certainly the case with thousands of investors who bought limited partnerships. While most of the limited partnership cases from partnerships sold in the late 1980's and early 1990's have been resolved, some entities were marketing limited partnerships into the mid-1990's.

The unfairness of the six year limitation was addressed by the Arbitration Policy Task Force in January, 1996. That body recommended changes to this limitation.

Following that recommendation, the NASD, with participation of the claimant's bar and the securities industry, drafted proposed changes to rules 10304, 10307 and 10324, designed to mitigate this terrible unfairness. These proposed rule changes were submitted to the SEC by the NASD in 1997.

While the rule changes were not the ideal answer for either the investing public or the securities industry, the changes represented a reasonable compromise, and a great improvement over the old rule.

The changes to Rules 10304, 10307 and 10324 continue to go unapproved, while some defrauded investors continue to have *no* forum in which to bring viable and meritorious claims because of the existing archaic rule.

We urge the Securities and Exchange Commission to immediately approve these rule proposals.

Very truly yours,



Mark E. Maddox
President
Public Investors Arbitration Bar Association

cc: Linda Fienberg
George Friedman