

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

October 21, 1965

To: Members of the National Association of Securities Dealers, Inc.

The attached questionnaire represents the initial phase of one of the most significant studies ever undertaken for the securities business. It is the first part of the NASD's comprehensive investigation conducted under the auspices of Booz, Allen & Hamilton, Inc. to determine the effects on the securities markets of the changeover to publication of inter-dealer quotations on National List over-the-counter issues earlier this year and the possible effects of further SEC recommendations requiring elimination of "riskless" principal transactions and disclosure of inter-dealer markets on confirmation slips in risk principal transactions.

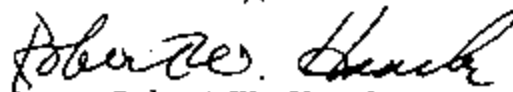
We fully realize the great burden which this questionnaire will place upon NASD members. While every effort is being made to obtain the necessary data and information from other sources, the fact remains that your books and records offer the sole source of material necessary for the successful completion of certain segments of this work. Because the final results of this study will be vital to the future of our industry and will ultimately affect every firm engaged in the over-the-counter securities business, we solicit your cooperation in the answering of every question by every firm.

There are many phases of this study, including a follow-up questionnaire that will be sent to approximately 100 broker/dealer firms and a series of interviews conducted by Booz, Allen & Hamilton with broker/dealer firms in five geographically representative areas of the country, as well as with issuers.

To facilitate handling, all questionnaires should be completed and returned to Booz, Allen & Hamilton on or before November 22, 1965. All individual replies, of course, will be held in strictest confidence by Booz, Allen & Hamilton and will not be made available to NASD personnel. Although data in the replies will be analyzed and utilized in preparation of a study report, complete anonymity of individual firms' replies will be maintained. This and subsequent requests for information should be viewed as an official request for information by the Association.

We thank you for your needed cooperation.

Sincerely,



Robert W. Haack
President

Attachment

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