



National Association of Securities Dealers, Inc.
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 84-42

August 9, 1984

TO: All NASD Members and Municipal Securities Bank Dealers

ATTN: All Operations Personnel

RE: Labor Day: Trade Date-Settlement Date Schedule

Securities markets and the NASDAQ System will be closed on Monday, September 3, 1984, in observance of Labor Day. "Regular-Way" transactions made on the business days immediately preceding that day will be subject to the following schedule.

Trade Date-Settlement Date Schedule
For "Regular-Way" Transactions

<u>Trade Date</u>	<u>Settlement Date</u>	<u>*Regulation T Date</u>
August 24	August 31	September 5
27	September 4	6
28	5	7
29	6	10
30	7	11
31	10	12
September 3	Markets Closed	—
4	11	13

The foregoing settlement dates should be used by brokers, dealers and municipal securities dealers for purposes of clearing and settling transactions pursuant to the Association's Uniform Practice Code and Municipal Securities Rulemaking Board Rule G-12 on Uniform Practice. Questions regarding the application of these settlement dates to a particular situation may be directed to the Uniform Practice Department of the NASD at (212) 839-6256.

* Pursuant to Section 4(c)(2) of Regulation T of the Federal Reserve Board, a broker-dealer must promptly cancel or otherwise liquidate a purchase transaction in a cash account if full payment is not received within seven (7) business days of the date of purchase or, pursuant to Section 4(c)(6), make application to extend the time period specified. The date members must take such action is shown in the column entitled "Regulation T Date."

NASD

National Association of Securities Dealers, Inc.
1735 K St. N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 84-43

August 9, 1984

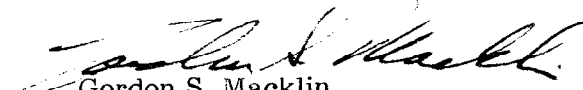
TO: All NASD Members

RE: NASDAQ Market Open on Election Day, November 6, 1984

The NASDAQ market will be open on Election Day, Tuesday, November 6, 1984, marking the first time in NASDAQ's 13-year history that it has been open for trading on Presidential Election Day.

In addition, all NASD offices will be staffed on that date and will follow normal operating hours.

Sincerely,


Gordon S. Macklin
President

The logo for the National Association of Securities Dealers, Inc. (NASD) is displayed in a large, bold, sans-serif font. The letters are white with a black outline, set against a dark, textured background.

National Association of Securities Dealers, Inc.
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 84-44

August 31, 1984

TO: All NASD Members

ATTN: Operations Principals, Cashiers, and P&S Dept.

RE: Amendments to the Uniform Practice Code Sections 5, 9, 12 and 30

The Securities and Exchange Commission has approved amendments to Sections 5, 9, 12 and 30 of the Uniform Practice Code. The Code prescribes the manner in which over-the-counter securities transactions other than those cleared through a registered clearing agency are compared, cleared and settled between NASD member firms. These amendments apply to all NASD members.

BACKGROUND AND EXPLANATION OF AMENDMENTS

The amendments to the Uniform Practice Code are designed to revise, clarify and adjust certain sections of the Code to reflect current market practices. These specific revisions were brought about at the suggestion of the Subcommittee on Unit Investment Trust Securities. The Subcommittee, while in the process of making recommendations for amending the Code to permit UITs to be covered, earmarked certain sections of the Code which were in need of revision.

The following is a brief description of the Uniform Practice Committee's recommended amendments to the Code.

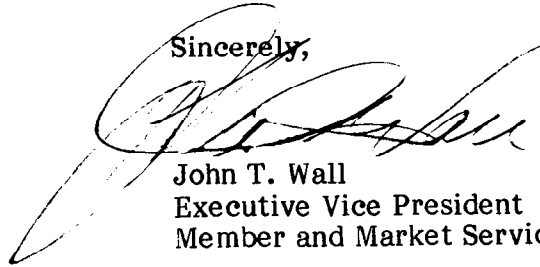
- Section 5(b)(3) of the Code which relates to ex-dividend dates for investment company shares is deleted since such shares are no longer covered by the Code. It was believed that the recent addition of Section 1(a)(iv) specifically excluding investment company shares other than those in Unit Investment Trusts made the retention of Section 5(b)(3) inappropriate.
- Section 9 relating to comparisons or confirmations and "Don't Know" Notices has been amended by the addition of a new Section 9(d) which, in addition to the normal DK notice procedure contained in Section 9(c) allows

sending a DK notice by any means of transmission which will provide for verification of delivery and receipt of the notice. This provision was adopted to allow the use of modern telecommunications capacities of many member firms which enable them to more efficiently transmit notices by means other than registered or certified mail as contemplated by Section 9(c). Additionally, the 15 calendar day time period contained in Section 9(c)(1) was deleted since the DK notice procedure is voluntary in nature and therefore such a restriction serves no valid purpose.

- Section 12 dealing with time and place of delivery has been amended to allow the parties involved in a transaction to utilize delivery instructions other than those provided for under the rule, such as delivery to a different location, if the alternate instructions are provided by the purchaser at the time of the transaction.
- Section 30 dealing with witnesses to assignments has been deleted since the procedure is not required under the rules of the Stock Transfer Association and has not been in common use for many years.

The text of these amendments to the Association's Uniform Practice Code is attached. Questions regarding these amendments may be directed to Donald J. Catapano, Uniform Practice Department at (212) 839-6255.

Sincerely,



John T. Wall
Executive Vice President
Member and Market Services

Attachment

AMENDMENTS TO THE UNIFORM PRACTICE CODE

Sections 5, 9, 12 and 30

(New language is underlined, deletions are indicated by brackets)

Transactions in Securities "Ex-Dividend," "Ex-Rights" or "Ex-Warrants"

Sec. 5(b).

[Ex-dividend dates for investment company shares

- (3) Notwithstanding the above, the ex-dividend date on securities of an open-end management investment company shall be the date designated by the issuer or its principal underwriter.]

Comparisons or Confirmations and "Don't Know Notices"

Sec. 9.

Sent By Each Party

- (a) (no change)

Uniform Comparison or Confirmation

- (b) (no change)

"DK" Procedures Using "Don't Know Notices" (NASD Form No. 101)

- (c) When party to a transaction sends a comparison or confirmation [or comparison] of a trade, but does not receive a comparison or confirmation [or comparison] or a signed DK, from the contra- [broker] member by the close of four business days following the trade date of the transaction, the following procedure may be utilized:
 - (1) [Not later than the fifteenth calendar day following the trade date] The confirming member shall send by certified mail, return receipt requested, or messenger, a "Don't Know Notice" on the form prescribed by the Association to the contra-[broker] member in accordance with the directions contained thereon. If the notice is sent by certified mail the returned, signed receipt therefor must be retained by the confirming member and attached to the fourth copy of the "Don't Know Notice." If delivered by messenger, the fourth copy must immediately be dated and manually receipted by, and imprinted with the firm stamp of, the contra-[broker] member pursuant to the provisions of paragraph (c) (4) [hereof] of this section, returned to the messenger and thereafter be retained by the confirming member.

- (2) [(a)] (A) After receipt of the "Don't Know Notice" as specified in [section (1) hereof] paragraph (c)(1) of this section, the contra- [broker] member shall have four business days after the notice is received to either confirm or DK the transaction by mail or messenger in accordance with the provisions of [subparagraphs (b) or (c) and subsection (4) hereof]. paragraphs (c)(2)(B) or (C) of this section.
- [(b)] (B) If the contra-[broker] member desires to respond by mail, the second copy of the "Don't Know Notice" previously received shall be executed in accordance with the provisions of [subsection (4) hereof] paragraph (c)(4) of this section and sent to the confirming broker by certified mail, return receipt requested. The notice so returned shall indicate clearly whether the contra-[broker] member desires to confirm or DK the transaction. The returned, signed receipt must thereafter be retained by the contra-[broker] member.
- [(c)] (C) If the contra-broker member desires to respond by messenger, [he] it shall return to the confirming broker member the second and third copies of the notice which shall indicate clearly whether the contra-[broker] member desires to confirm or DK the transaction. The third copy shall be dated and manually receipted by the confirming [broker] member pursuant to the provisions of [subsection (4) hereof] paragraph (c)(4) of this section and immediately be returned to the messenger and thereafter be retained by the contra-[broker] member.
- (3) If the confirming member does not receive a response from the contra- [broker] member by the close of four business days after receipt by the confirming member of either the fourth copy of the "Don't Know Notice" [as specified in subsection (1)] if delivered by messenger, or the post office receipt if delivered by mail, as specified in paragraph (c)(1) of this section, such shall constitute a DK and the confirming member shall have no further liability for the trade.
- (4) All "Don't Know Notices" sent by any party pursuant to the provisions of this section 9[(b)] (c) must be manually signed by a person authorized to pursue further discussions in respect to the transaction on behalf of the signing member. In addition to the manual signature receipt on the third and fourth copies, as required by paragraphs [(b)] (c)(1) and [(b)(2)(c)] (c)(2)(C) hereof, if delivered by hand, the firm stamp of the contra-[broker] member must be imprinted thereon to signify receipt.
- (5) (no change)

"DK" Procedure Using Other Forms of Notice

- (d) When a party to a transaction sends comparison or confirmation of a trade, but does not receive a comparison or confirmation or

a signed DK, from the contra-member by the close of four business days following the date of the transaction, the following procedure may be utilized in place of that provided in the preceding paragraph (c).

- (1) The confirming member shall provide notice to the contra-member identifying the trade in question by providing the information described in Section 10 of this Code. The notice shall, in addition, contain a request for the contra-member to confirm or "DK" the trade and the name of the individual issuing the notice.
- (2) The confirming member shall record and retain verification of delivery to the contra-member of each notice issued in accordance with paragraph (d)(1) of this section.
- (3) The contra-member, on receipt of the notice from the confirming member, shall research the trade in question.
- (4) The contra-member shall then send notice to the confirming member to either confirm or "DK" the trade and shall include the name of the individual issuing the notice.
- (5) If the confirming member does not receive a response in the form of a notice from the contra-member by the close of four business days after receipt of the confirming member's notice, such shall constitute a DK and the confirming member shall have no further liability.
- (6) Both the confirming member and the contra-member shall record and retain verification of the delivery and receipt of each notice issued pursuant to paragraph (d)(4) of this section.
- (7) If the trade in question is confirmed by the contra-member pursuant to paragraph (d)(4) of this section, settlement shall be completed in the normal manner.
- (8) Notices under this paragraph (d) may be delivered through any communications medium which provides verification of delivery and receipt as required under paragraphs (d)(2) and (d)(6).

Delivery of Securities
Time and Place of Delivery

Sec. 12. Delivery shall be made at the office of the purchaser between the hours established by rule or practice in the community where such office is located. If the purchaser maintains more than one office, delivery shall be made at the office with which the transaction was effected, unless delivery instructions are provided at the time of the transaction.

Witnesses to Assignments

[**Sec. 30.** Each signature to an assignment or power of substitution shall be witnessed by an individual and dated. Where there are two or more signatures to an assignment, the witness shall state definitely, in his own handwriting, to which signature he was witness. A certificate with either the assignment or power of substitution witnessed by a person since deceased is not a good delivery.]

NASD

National Association of Securities Dealers, Inc.
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 84-45

August 31, 1984

IMPORTANT OFFICERS, PARTNERS AND PROPRIETORS

TO: All NASD Members and Other Interested Persons

RE: Request for Comments on a Proposed New Section to the Uniform Practice Code Concerning Customer Account Transfers

COMMENTS MUST BE RECEIVED BY OCTOBER 1, 1984

The National Association of Securities Dealers, Inc. (the "Association" or "NASD") is publishing for comment a proposed new Section 65 to the Association's Uniform Practice Code which would establish procedures for customer account transfers between member firms. Comments on the proposed new section are invited from members and other interested persons. After the comment period has expired, the Association's Uniform Practice Committee and the Board of Governors will review the proposal taking into consideration the comments received. The proposal will thereafter be filed with the Securities and Exchange Commission for approval. The text of proposed new Section 65 is attached to this notice. A discussion of the background and explanation of the rule appear below.

BACKGROUND AND EXPLANATION OF NEW SECTION 65

In September 1982, the New York Stock Exchange proposed amendments to NYSE Rule 412, Customer Account Transfer Contract. The amendments were recommended to the Exchange by the Ad Hoc Rule 412 Industry Committee which consisted of individuals responsible for processing transfers of customer accounts at member firms and representatives from the various regulatory agencies. The purpose of the amendments was to strengthen existing Rule 412 by specifying the procedures to be used in transferring customer accounts, by establishing a specified timeframe for completing the transfer and by requiring that fails to receive/deliver be established at the end of that period. Additionally, the amendments provided a procedure for processing the transfer of financial service accounts which support checking account and/or credit card privileges.

The Association's Uniform Practice Committee reviewed the proposed Rule 412 amendments and in November 1982, the NASD sent a comment letter to the Exchange generally supporting the proposal. The proposed amendments to NYSE Rule 412 have not as yet been declared effective.

Also, on the basis of its review of the NYSE proposal, the Uniform Practice Committee recommended to the NASD Board that the Association adopt a comparison rule comparable to the proposed NYSE Rule 412 to cover the more than 4,000 NASD members that do not belong to the Exchange. In formulating its proposal, the Committee determined to parallel closely the New York Stock Exchange's proposal to promote uniform industry standards and to minimize conflicts wherever possible.

The following is a brief description of major provisions of proposed new Uniform Practice Code Section 65.

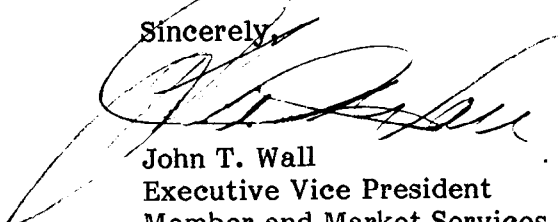
- Paragraph (b) would require the carrying broker, upon receipt of transfer instructions to validate or reject said instructions within five (5) business days of receipt. Further, Section 65 would require the actual transfer of all security and money balances to take place within ten (10) business days after validation, with no subsequent extension of time. If the transfer of the account(s) has not been accomplished by the tenth business day, both members would be required to establish fail contracts at current market value.
- Paragraph (d) would give the Association the authority to exempt from the provisions of this rule any member where special circumstances exist.
- Paragraph (f) would allow the carrying member, where Financial Service Account(s) which support check writing privileges and/or charge card(s) are involved, to delay the account transfer until such checks and/or cards are returned or destroyed.
- Paragraph (g) would provide that if one or both of the members involved in an account transfer is not a member of a registered clearing agency, fails must be established on an "ex-clearing house" basis.

Proposed Section 65 closely parallels the proposed amendments to NYSE Rule 412 with one exception. In subsection (b), ten (10) business days are provided for completion of the transfer of security or money balances with no extension of time permitted (the NYSE proposal would allow an additional five (5) days via an extension of time.)

COMMENT PROCEDURE

All comments relating to proposed Section 65 should be sent to James M. Cangiano, Secretary, NASD, 1735 K Street, N.W., Washington, D.C. 20006, and received by October 1, 1984. Any questions concerning this notice should be directed to Donald Catapano, Uniform Practice Department, at (212) 839-6255.

Sincerely,


John T. Wall
Executive Vice President
Member and Market Services

Attachment

PROPOSED NEW SECTION TO THE UNIFORM PRACTICE CODE

Customer Account Transfer Contracts

SECTION 65

(a) When a customer whose securities account(s) are carried by a member (the "carrying member") wishes to transfer the entire account(s) to another member (the "receiving member") and gives written notice of that fact to the receiving member, both members must expedite the transfer.

(b) Upon receipt from the customer of a signed broker-to-broker transfer instruction to receive such customer's securities account(s) from the carrying member, the receiving member must immediately submit such instruction to the carrying member. The carrying member must, within five (5) business days following receipt of such instruction (1) validate and return the transfer instruction to the receiving member (adjusted if necessary to reflect the carrying member's record) or (2) take exception to the transfer instruction for reasons other than securities positions or money balance differences and advise the receiving member of the exception taken.

Within ten (10) business days following the validation of a transfer instruction, the carrying member must complete the transfer of the account(s) to the receiving member. At the termination of the ten (10) business day period, the receiving member and the carrying member must immediately establish fail-to-receive and fail-to-deliver contracts at then current market values upon their respective books of account against the long security positions in the customer's account(s) and the receiving member must charge the related money amount (after properly considering the debit or credit balance in the customer's account(s) to the carrying member through a registered clearing agency. Simultaneously, short security positions in the customer's account(s), including options, must be delivered by the receiving member to the carrying member and the customer's account(s) shall thereupon be deemed transferred.

(c) Both the receiving and the carrying members must coordinate activities with respect to the transfer of the customer's account(s) in order to avoid any loss to the customer during the transfer process, including any loss resulting from an improper trade, a failure to execute open orders, or from dividends of cash and securities, and other similar distributions (rights, warrants, stock splits, etc.), interest payments, bond or preferred stock calls for redemption or tender offers affecting the customer's account(s) and to which the customer is entitled.

(d) The Association may exempt from the provisions of this rule, either unconditionally or on specified terms and conditions, any member if the Association determines that such exemption is consistent with the public interest, the protection of investors or the maintenance of fair and orderly markets.

(e) For the purposes of this rule, the term "securities account(s)" shall be deemed to include any and all of the account's(s') money market fund positions or the redemption value thereof.

(f) Where the account being transferred is a Financial Service Account (an account that supports check writing privileges and/or charge card(s)) it is recognized that the carrying member may be unable to validate the transfer instruction until the customer has returned or destroyed the charge card(s) and all unused checks. When a receipt signed by the carrying member attesting to the return of the charge card(s) and all unused checks or a notarized affidavit signed by the customer attesting to the loss or destruction of the charge card(s) and all unused checks is attached to the original transfer of account instruction, the carrying member must validate or take exception within the five (5) business day period as specified in paragraph (b) herein. The provisions of paragraph (b) relating to the procedures to be followed commencing upon such validation, shall then be fully applicable to the carrying member.

(g) If one or both of the members processing a customer account transfer pursuant to this Section is not a member of a registered clearing agency, the fail-to-receive and fail-to-deliver contracts required to be established in paragraph (b), must be established outside a clearing corporation on an "ex-clearing house" basis. Similarly, settlement of the fail contracts and any close-out executions must be made "ex-clearing house."

NASD

National Association of Securities Dealers, Inc.
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 84-46

August 31, 1984

TO: All NASD Members and Level 2 and Level 3 Subscribers
RE: SEC Approval of Revised Rules for Bunching of NASDAQ/NMS Trades

The Securities and Exchange Commission has approved amendments to Schedule D of the Association's By-Laws with respect to the rules which permit the aggregation or "bunching" of orders in NASDAQ National Market System securities into a single transaction report.

Under the amendments, which are effective immediately, orders of less than 10,000 shares which are either received or initiated by the trading departments of member firms and executed at the same price may be bunched into a single transaction report. The amendments therefore extend bunching to principal trades by members and increase the size of individual orders which may be bunched in a single transaction report from 5,000 to less than 10,000 shares.

All other aspects of the bunching rule contained in Section 2(f), Part XIV of Schedule D are unchanged. As a reminder to members in this regard the rule still states that:

- It is not permissible for a member to withhold reporting a trade in anticipation of bunching the transaction with other transactions;
- Bunching can only occur if all bunched transactions are executed within 60 seconds of the first trade bunched;
- Each bunched trade report must be made within 90 seconds of the first trade executed;
- The reporting member must identify each bunched trade report by appending a ".B" to the trade report; and,
- All order tickets of bunched trades must be identifiable by the member.

The new bunching amendments were first proposed by the NASD's Trading Committee and were adopted earlier this year by the Association's Board of Governors. The rule change received considerable support from the National Security Traders Association (NSTA) both before and during the period of formal consideration by the SEC. The NASD and NSTA believe substantial benefits to members and investors will result from the amended bunching rule. These include an increase in the accuracy and promptness of trade reports; a reduction of late transaction reports; and, a lessening of the administrative burdens on member firms since less equipment and personnel will be required by members to fulfill their transaction reporting responsibilities.

In order to assist members' understanding of the amendments, the text of the rule change together with examples of how the new bunching rules will operate are attached to this Notice.

Questions regarding the new rule and this Notice should be directed to the undersigned at (202) 728-8050.

Sincerely,



S. William Broka
Vice President
NASDAQ Operations

Attachment

NASD BY-LAWS
SCHEDULE D, PART XIV, SECTION 2(f)

(f) Aggregation of Transaction Reports

(1) Under the following conditions, individual executions of orders in a security at the same price may be aggregated, for transaction reporting purposes, into a single transaction report.

(A) Orders received prior to the opening of the reporting member's market in the security and simultaneously executed at the opening. Also, orders received during a trading or quotation halt in the security and executed simultaneously when trading or quotations resume. In no event shall a member delay its opening or resumption of quotations for the purpose of aggregating transactions.

Example: A firm receives, prior to its market opening, several market orders to sell which total 10,000 shares. All such orders are simultaneously executed at the opening at a reported price of 40. REPORT 10,000 shares at 40.

(B) Simultaneous executions by the member of customer transactions at the same price, e.g., a number of limit orders being executed at the same time when a limit price has been reached.

Example: A firm has several customer limit orders to sell which total 10,000 shares at a limit price of 40. That price is reached and all such orders are executed simultaneously. REPORT 10,000 shares at 40.

(C) Orders relayed to the trading department of the reporting member for simultaneous execution at the same price.

Example: A firm purchases a block of 50,000 shares from an institution at a reported price of 40. REPORT 50,000 at 40.

Subsequently, one of the firm's branch offices transmits to the firm's trading department for execution customer buy orders in the security totalling 12,500 shares at a reported price of 40. REPORT 12,500 at 40.

Subsequently, another branch office transmits to the firm's trading department for execution customer buy orders totalling 15,000 shares in the security at a reported price of 40. REPORT 15,000 at 40.

Example: Due to a major change in market conditions, a firm's trading department receives from a branch office for execution customer market orders to sell totalling 10,000 shares. All are executed at a reported price of 40. REPORT 10,000 at 40.

- (D) Orders received or initiated by the reporting member which are impractical to report individually and are executed at the same price within 60 seconds of execution of the initial transaction; provided however, that no individual order of 10,000 shares or more may be aggregated in a transaction report and that the aggregated transaction report shall be made within 90 seconds of the initial execution reported therein. Furthermore, it is not permissible for a member to withhold reporting a trade in anticipation of aggregating the transaction with other transactions.

Examples: A reporting member receives and executes the following orders at the following times and desires to aggregate reports to the maximum extent permitted under this rule.

First Example

11:01:00 500 shares at 40
11:01:05 500 shares at 40
11:01:10 9,000 shares at 40
11:01:15 500 shares at 40
REPORT: 10,500 shares at 40 within ninety seconds of 11:01.

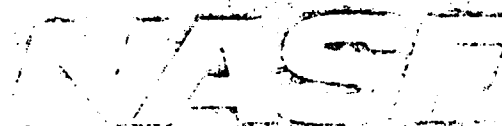
Second Example

11:01:00 100 shares at 40
11:01:10 11,000 shares at 40
11:01:30 300 shares at 40
REPORT: 400 shares within ninety seconds of 11:01 and 11,000 shares within ninety seconds of 11:01:10 (individual transactions of 10,000 shares or more must be reported separately).

Third Example

11:01:00 100 shares at 40
11:01:15 500 shares at 40
11:01:30 200 shares at 40
11:02:30 400 shares at 40
REPORT: 800 shares at 40 within ninety seconds of 11:01 and 400 shares at 40 within ninety seconds of 11:02:30 (the last trade is not within sixty seconds of the first and must, therefore, be reported separately).

- (2) The reporting member shall identify aggregated transaction reports and order tickets of aggregated trades in a manner directed by the Corporation.



National Association of Securities Dealers, Inc.
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 84-47

September 4, 1984

TO: All NASD Members and Other Interested Persons

RE: Adoption of Amendments to Section 4 of Appendix A, Article III, Section 30 of the Association's Rules of Fair Practice

The Securities and Exchange Commission has recently approved amendments to Section 4 of Appendix A, Article III, Section 30 of the Association's Rules of Fair Practice that relates to minimum margin requirements for option contracts on a market or industry index. These amendments which became effective on April 13, 1984 establish minimum margin requirements for stock index options that are listed or traded on a registered national securities exchange, or displayed in the NASDAQ System, and extends these requirements to members for whom the Association is the designated examining authority who deal in index options on an access basis.

The text of the rule change, a copy of which is attached hereto, should be closely reviewed for a complete understanding of present margin requirements. Any questions concerning this notice may be directed to I. William Fishkind, Assistant Director, Surveillance Department at (202) 728-8405 or your local District Office.

Sincerely,

John E. Pinto, Jr.
Senior Vice President
Compliance

Attachment

1. Text of Rule Change

The following is the full text of the amendments to Section 4 of Appendix A, Article III, Section 30 of the Association's Rules of Fair Practice.

Sections 1 through 4(a)(4)(iii) unchanged.

Sec. 4.

Minimum Margin—Option Contracts on a Market Index

(iv) in the case of puts and calls listed or traded on a registered national securities exchange or displayed in the NASDAQ System and representing options on a market index carried in a short position in an account, 100% of the current market value of the option contract plus 10% of the product of the current index value and the index multiplier applicable to the option contract. In each case, the amount shall be decreased by any excess of the aggregate exercise price of the option over the product of the current index group value and the applicable index multiplier in the case of a call, or any excess of the product of the current index value and the applicable index multiplier over the aggregate exercise price of the option in the case of a put; provided, however, that the minimum margin required on each such option contract shall not be less than 100% of the current market value of the option contract plus 2% of the product of the current index group value, and the applicable index multiplier;

Option Contracts on an Industry Index

(v) for each put or call option contract on an industry index carried in a short position in the account, margin must be deposited and maintained equal to at least 30% of the product of the current index value times the index multiplier, increased by any unrealized loss or reduced by any excess of the aggregate exercise price of the option over the product of the current index value times the index multiplier in the case of a call, or any excess of the product of the current index value times the index multiplier over the aggregate exercise price of the option in the case of a put; provided, however, that the margin shall not be less than \$250 per option contract.

The requirements set forth in paragraphs (iv) and (v) hereof are subject to the following exceptions, which in each case may be applied at the discretion of the member organization with which the account is maintained.

(1) In the case of long call index options (or long put index options) which are offset by positions in short call index options (or short put index options) for the same underlying index with the same index multiplier, provided that the expiration date of the long calls (or long puts) is the same as or subsequent to the expiration date of the offsetting short calls (or short puts), the treatment shall be as follows:

(A) When the exercise price of the long call index option (or short put index option) is less than or equal to the exercise price of the offsetting short call index option (or long put index option), no margin is required.

(B) When the exercise price of the long call index option (or short put index option) is greater than the exercise price of the offsetting short call index option (or long put index option) margin is required equal to the difference in aggregate exercise prices.

(2) In the case of accounts carrying positions in short put index options which are offset by positions in short call index options for the same underlying index with the same index multiplier, the margin required shall be the margin required for the short put option contract or the margin required for the short call option contract (pursuant to subparagraphs (iv) and (v) of this Rule), whichever is greater, as determined by (iv) and (v) above, increased by the amount of any unrealized loss on the other option contract.

NASD

National Association of Securities Dealers, Inc.
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 84-48

September 4, 1984

IMPORTANT

PLEASE DIRECT THIS NOTICE TO ALL FINANCIAL AND OPERATIONAL OFFICERS AND PARTNERS

TO: All NASD Members and Other Interested Persons

RE: New SEC Staff Interpretation Concerning the Treatment of Concessions Receivable and Related Concessions Payable Under the Uniform Net Capital Rule

In NASD Notice to Members 81-12, the Association advised the membership of the SEC's Division of Market Regulation interpretation concerning the treatment of concessions receivable and related commissions payable under the Uniform Net Capital Rule (SEC Rule 15c3-1). The Commission took the position at that time that concessions receivable must be deducted from net worth in computing net capital and that any related commissions payable be included in the computation of aggregate indebtedness. However, it said it would not recommend any action if concessions receivable were not deducted from net capital to the extent they are offset by related commissions payable to sales representatives or unaffiliated selling group members provided that the following four conditions were met:

- (a) a written contract exists between the broker/dealer and sales representative or unaffiliated selling group member, whereby the sales representative or unaffiliated selling group member waives payment of the commission until the broker/dealer is in receipt of the concession;
- (b) an opinion of counsel is obtained which states that such contract is enforceable in the state in which the broker/dealer and sales representative or unaffiliated selling member reside;
- (c) the broker/dealer's liability for the commission payable is limited solely to the proceeds of the concession receivable; and,

- (d) the entire amount of the commission payable is included in aggregate indebtedness at the time of the accrual.

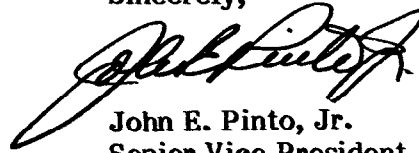
Based on the experience gained from the application of the above interpretation and as a result of discussions with the Association's staff, the Division of Market Regulation has reconsidered the above provisions and found it appropriate to modify items (b) and (d) as follows:

- with respect to the requirement of an opinion of counsel there was some question as to whether a contract that obligates the broker-dealer to pay a commission to a sales representative only upon the broker-dealer's receipt of the concession may be void or voidable under various state laws. Counsels' opinions have been rendered on the validity of these agreements under the laws of most if not all states. To date, no agreement has been found invalid because of applicable state laws and consequently, the opinion of counsel may not generally be necessary. Rather, the Designated Examining Authority may now impose the requirement in those instances where it is deemed appropriate.
- the inclusion of the entire liability for commissions payable in aggregate indebtedness may unnecessarily restrict the ability of a broker-dealer to expand its business, particularly if a substantial amount of the commissions are payable years after the net capital computation is prepared. Effective immediately, a broker-dealer should include in the calculation of aggregate indebtedness that portion of the liability which is payable within twelve months from the net capital computation date and in addition include in such calculation an amount equal to one percent of the remaining commission payable.

Please note that while provisions (b) and (d) enumerated above have been modified, the requirements addressed under (a) and (c) with respect to the written contract and the limitation of the liability to proceeds of the concessions receivable remain intact.

Questions concerning this notice may be directed either to I. William Fishkind, Assistant Director, Surveillance Department at (202) 728-8405 or your local District office.

Sincerely,



John E. Pinto, Jr.
Senior Vice President
Compliance



National Association of Securities Dealers, Inc.
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 84-49

September 6, 1984

TO: All NASD Members and Level 2 and Level 3 Subscribers

RE: 32 More Securities to Join NASDAQ/NMS on September 18

With the 32 issues joining the NASDAQ/National Market System on Tuesday, September 18, 1984, there will be 1,078 securities trading under real-time trade reporting. These 32 issues meet the SEC's voluntary designation criteria.

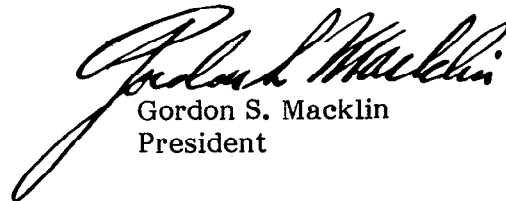
The 32 securities scheduled to be phased into NASDAQ/NMS on September 18 are:

SYMBOL	COMPANY	LOCATION
ASEC	American Security Corporation	Washington, D.C.
AMWS	AmeriWest Financial Corporation	Albuquerque, NM
BNHN	Benihana National Corp.	Miami, FL
BNHNW	Benihana National Corp. (Wts)	Miami, FL
CALSF	California Silver Ltd.	Vancouver, BC
CTYN	City National Corp.	Beverly Hills, CA
CPCI	Ciprico Inc.	Plymouth, MN
CLCH	Clear Channel Communications, Inc.	San Antonio, TX
CFGRS	Commonwealth Financial Group Real Estate Investment Trust	Houston, TX
CUCD	Comp-U-Card International Inc.	Stamford, CT
CIDN	Computer Identic Corporation	Canton, MA
KONX	EIKONIX Corporation	Bedford, MA
EOILD	Energy Oil, Inc.	Longmont, CO
FITB	Fifth Third Bancorp	Cincinnati, OH
FSCO	First Security Corporation	Salt Lake City, UT
FUDD	Fuddruckers, Inc.	San Antonio, TX
IDTI	Integrated Device Technology, Inc.	Santa Clara, CA
IOMG	Iomega Corporation	Ogden, UT

SYMBOL	COMPANY	LOCATION
KVPH	K V Pharmaceutical Co.	St. Louis, MO
KEYC	Keystone Camera Products Corporation	Clifton, NJ
LMRK	Landmark Savings Association	Pittsburgh, PA
PGLOY	Philips (NV) Gloeilampenfabrieken	Eindhoven, Netherlands
RADX	Radionics, Inc.	Salinas, CA
RDGC	Reading Company	Philadelphia, PA
RIOC	Royal International Optical Corporation	Dallas, TX
RPAL	Royal Palm Savings Association	West Palm Beach, FL
SHOS	Southern Hospitality Corp.	Nashville, TN
SNMD	Sunrise Medical, Inc.	Torrance, CA
UFURF	Universal Furniture Limited	Hong Kong
VIRA	Viratek, Inc.	Covina, CA
WALB	Walbro Corporation	Cass City, MI
WCHI	Westworld Community Health Care, Inc.	Lake Forest, CA

Any questions regarding this notice should be directed to Donald Botic, Assistant Director, NASDAQ Operations, at (202) 728-8043. Questions pertaining to trading reporting rules should be directed to Steve Hickman at (202) 728-8202.

Sincerely,



Gordon S. Macklin
President



National Association of Securities Dealers, Inc.
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 84-50

September 18, 1984

TO: All NASD Members and Municipal Securities Bank Dealers
ATTN: All Operations Personnel
RE: Trade Date-Settlement Dates for October and Early November

Transactions made on Monday, October 8, Columbus Day; Tuesday, November 6, Election Day; and Monday, November 12, Veterans Day, and the days immediately preceding these days, will be subject to the schedule below. The purpose of this schedule is to provide uniformity since, while the NASDAQ System and other securities markets will be open on these days, many banking institutions will be closed.

Trade Date-Settlement Date Schedule
For "Regular-Way" Transactions

<u>Trade Date</u>	<u>Settlement Date</u>	<u>Regulation T Date*</u>
October 1	October 9	October 10
2	10	11
3	11	12
4	12	15
5	15	16
8	15	17
October 30	November 7	November 8
31	8	9
November 1	9	12
2	13	13
5	14	14
6	14	15
7	15	16
8	16	19
9	19	20
12	19	21

* Pursuant to Section 4(c)(2) of Regulation T of the Federal Reserve Board, a broker-dealer must promptly cancel or otherwise liquidate a customer purchase transaction in a cash account if full payment is not received within seven (7) business days of the date of purchase or, pursuant to Section 4(c)(6), make application to extend the time period specified. The date by which members must take such action is shown in the column entitled "Regulation T Date."

October 8, November 6, and November 12 will not be considered business days for determining the day for settlement of a trade, the day on which stock shall be quoted ex-dividend or ex-rights, or in computing interest on bond trades. Marks to the market, reclamations, and close-outs should not be made on these days.

It should be noted that October 8, November 6, and November 12 shall be considered as business days for receiving customers' payments under Regulation T of the Federal Reserve Board.

The foregoing settlement dates should be used by broker-dealers and municipal securities dealers for purposes of clearing and settling transactions pursuant to the Association's Uniform Practice Code and Municipal Securities Rulemaking Board Rule G-12 on Uniform Practice.

Questions regarding the application of these settlement dates to a particular situation may be directed to the Uniform Practice Department of the NASD at (212) 839-6256.

NASD

National Association of Securities Dealers, Inc.
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 84-51

September 28, 1984

TO: All NASD Members

RE: Amendments to Code of Arbitration Procedure

On September 7, 1984, the Securities and Exchange Commission ("Commission" or "SEC") approved amendments to the Association's Code of Arbitration Procedure. These rule changes will be effective on October 1, 1984. A summary of the major provisions and the text of the rule changes follows.

The amendments are intended to conform the provisions of the Association's Code of Arbitration Procedure to recent amendments to the uniform arbitration code (the "Uniform Code") which has been developed by the Securities Industry Conference on Arbitration ("SICA"). SICA is composed of representatives of the Association, nine other self-regulatory organizations, four public members, and the Securities Industry Association. The Uniform Code, as implemented by the various self-regulatory organizations, has established throughout the securities industry a uniform system of arbitration procedures.

MAJOR PROVISIONS

1. Jurisdiction: The amendment to the Code's time limitation provision would permit a court which has jurisdiction over a claim to direct that the claim be resolved by arbitration. Currently, if the claim is six years old or more, the Association and other self-regulatory organizations could not accept the matter for arbitration. The change will make the Code's time limitation co-extensive with various state statutes of limitations and permit all securities-related disputes which are eligible for a judicial disposition to be resolved by arbitration.

2. Fees: The amendment increases the upper dollar limit for Small Claim submissions by public customers from \$2,500 to \$5,000. This should help alleviate the strain on the Association's arbitration pool and is of particular importance in view of the continued, substantial increase in case filings in this dollar range.

In addition, the increases in certain arbitration fees are reasonable and reflect the results of inflation in the years since the Code's adoption.

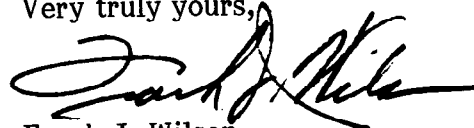
3. Procedures: The amendments also describe the arbitrators' discretion to bar the presentation by the Respondent of certain facts and defenses not disclosed to the Claimant prior to hearing. This amendment should result in more complete answers filed by Respondents.

Other minor amendments expand the procedural rights afforded to all parties. The amendments provide that the Director of Arbitration may determine preliminarily whether multiple Claimants, Respondents and/or Third Party Respondents are to proceed in the same or separate arbitrations. Also, Claimants, Respondents, and Third Party Respondents will have the right to one peremptory challenge and unlimited challenges for cause. The Director of Arbitration will be given the discretion to extend the time period allowed for a party to challenge an arbitrator when necessary (e.g., when a party requires more time to investigate the background of an arbitrator prior to making a decision regarding the use of a peremptory challenge). Finally, the amendment will allow parties to amend pleadings prior to the appointment of an arbitration panel.

* * * *

Questions concerning the Notice may be directed to Deborah Masucci, Director of Arbitration, at telephone number (212) 839-6246, Dennis C. Hensley, Vice President and Deputy General Counsel, at telephone number (202) 728-8245, or Jean Ivey McNeill, Senior Attorney, at telephone number (202) 728-8286.

Very truly yours,



Frank J. Wilson
Executive Vice President
and General Counsel

AMENDMENTS TO THE CODE OF ARBITRATION PROCEDURE

(New language is underlined, deletions are indicated by brackets)

Simplified Arbitration

Sec. 13. (a) Any dispute, claim or controversy, arising between a public customer(s) and an associated person or a member subject to arbitration under this Code involving a dollar amount not exceeding [\$2,500.00] \$5,000.00, exclusive of attendant costs and interest, shall upon demand of the customer(s) or by written consent of the parties, be arbitrated as hereinafter provided.

(b) (No change)

(c) The Claimant shall pay the sum of \$15.00 if the amount in controversy is \$1,000 or less, \$25.00 if the amount is more than \$1,000.00 but \$2,500 or less, or \$100.00 if the amount in controversy is more than \$2,500, but does not exceed \$5,000 upon filing of the Submission Agreement. The final disposition of the sum shall be determined by the arbitrator.

(d) The Director of Arbitration shall endeavor to serve promptly, by mail or otherwise, on the Respondent(s) one (1) copy of the Submission Agreement and one (1) copy of the Statement of Claim. The Respondent(s) shall, within twenty (20) calendar days from receipt of service, file with the Director of Arbitration one (1) executed Submission Agreement and one (1) copy of Respondent's answer, together with supporting documents. The Answer shall designate all available defenses to the Claim and may set forth any related Counterclaim and/or related Third Party Claim the Respondent(s) may have against the Claimant or any other person. If the Respondent(s) has interposed a Third Party Claim, the Director of Arbitration shall endeavor to serve promptly by mail or otherwise a copy of same, together with a copy of the Submission Agreement on such Third Party who shall respond in the manner herein provided for response to the Claim. If the Respondent(s) files a related Counterclaim exceeding [2,500.00] \$5,000, the arbitrator may refer the Claim, Counterclaim and/or Third Party Claim, if any, to a panel of three (3) or five (5) arbitrators in accordance with Section 19 of this Code, or he may dismiss the Counterclaim and/or Third Party Claim without prejudice to the Counterclaimant(s) and/or Third Party Claimant(s) pursuing the Counterclaim and/or Third Party Claim in a separate proceeding.

Time Limitation Upon Submission

Sec. 15. No dispute, claim, or controversy shall be eligible for submission to arbitration under this Code [in any instance] where six (6) years have elapsed from the occurrence or event giving rise to the act or dispute, claim or controversy. This section shall not extend applicable statutes of limitations, nor shall it apply to any case which is directed to arbitration by a court of competent jurisdiction.

**Tolling of Time Limitation(s) for the Institution of Legal Proceedings
and Extension of Time Limitation(s) for Submission to Arbitration**

Sec. 18. (a) Where permitted by applicable law, the time limitations which would otherwise run or accrue for the institution of legal proceedings shall be tolled where [all the parties shall have filed duly executed Submission Agreements upon the dispute, claim or controversy submitted to arbitration] a duly executed Submission Agreement is filed by the Claimant(s). The tolling shall continue for such period as the Association shall retain jurisdiction upon the matter submitted.

(b) The six (6) year time limitation upon submission to arbitration shall not apply when the parties have submitted the dispute, claim or controversy to a court of competent jurisdiction. The six (6) year time limitation shall not run for such period as the court shall retain jurisdiction upon the matter submitted.

Peremptory Challenge

Sec. 22. In any arbitration proceeding [being heard by a panel consisting of more than one (1) arbitrator], each party shall have the right to one peremptory challenge. In arbitrations where there are multiple Claimants, Respondents and/or Third Party Respondents, the Claimants shall have one peremptory challenge, the Respondents shall have one peremptory challenge and the Third Party Respondents shall have one peremptory challenge, unless the Director of Arbitration determines that the interests of justice would best be served by awarding additional peremptory challenges. Unless extended by the Director of Arbitration, [A] a party wishing to exercise a peremptory challenge must do so by notifying the Director of Arbitration in writing within five (5) business days of notification of the identity of the persons named to the panel. There shall be unlimited challenges for cause.

Initiation of Proceedings

Sec. 25. Except as otherwise provided herein, an arbitration proceeding under this Code shall be instituted as follows:

Statement of Claim

(a) (No change)

Answer — Defenses, Counterclaims and/or Cross-Claims

(b)(1) The Respondent(s) shall within twenty (20) business days from receipt of service file with the Director of Arbitration one (1) executed Submission Agreement and one (1) copy of the Respondent's(s') Answer. The Answer shall [designate all available defenses to the Statement of Claim] specify all available defenses and the relevant facts thereto that will be relied upon at hearing and may set forth any related Counterclaim the Respondent(s) may have against the Claimant and any Third Party Claim against any other party or person upon any existing dispute, claim or controversy subject to arbitration under this Code.

(2) (i) A Respondent, Responding Claimant, Cross-Claimant or Third-Party Respondent who pleads only a general denial as an answer may, upon written objection by the adversary party before the hearing to the Director of Arbitration, in the discretion of the arbitrators, be barred from presenting any facts or defenses at the time of the hearing.

(ii) A Respondent, Responding Claimant, Cross-Claimant or Third-Party Respondent who fails to specify all available defenses and the relevant facts thereto may, upon objection by the adversary party, in the discretion of the arbitrators, be barred from presenting such facts or defenses not included in such party's answer at the hearing.

Note: The present subsections (2), (3), (4) hereunder will remain as presently in the Code, but will be renumbered (3), (4) and (5) respectively.

Joining and Consolidation — Multiple Parties

(c) (1) (No change)

(2) For purposes of this subsection, the Director of Arbitration shall be authorized to determine preliminarily whether a claim is directly related to the matter in dispute and to join any other party to the dispute and to consolidate the matter for hearing and award purposes. In arbitrations where there are multiple Claimants, Respondents and/or Third Party Respondents, the Director of Arbitration shall be authorized to determine preliminarily whether such parties should proceed in the same or separate arbitrations.

(3) All final determinations with respect to joining [and], consolidation and multiple parties under this subsection shall be made by the arbitration panel.

Amendments

Sec. 39. [No amendment to the pleadings shall be permitted after receipt of a responsive pleading except upon the consent of the arbitrators and upon such terms and conditions as they may direct.]

(a) After the filing of any pleadings, if a party desires to file a new or different pleading, such change must be made in writing and filed with the Director of Arbitration. The Director of Arbitration shall endeavor to serve promptly by mail or otherwise upon all other parties a copy of said change. The other parties may, within ten (10) business days from the receipt of service, file a response with the Director of Arbitration.

(b) After a panel has been appointed, no new or different pleading may be filed except for a responsive pleading as provided for in (a) above or with the panel's consent.

Schedule of Fees

Sec. 43. (a) At the time of filing a Submission Agreement, a Claimant shall deposit with the Association the amount indicated below unless such deposit is specifically waived by the Director of Arbitration.

Amount in Dispute (Exclusive of interest and expenses)	Deposit
[\$2,500 or less]	[\$50 (\$15 for Simplified Arbitration, Section 13)]
<u>\$1,000 or less</u>	<u>\$15</u>
<u>Above \$1,000 but not exceeding \$2,500</u>	<u>\$25</u>
Above \$2,500 but [less than] <u>not exceeding \$5,000</u>	\$100
<u>Above \$5,000 [or more but less than]</u> <u>but not exceeding \$10,000</u>	\$200
<u>Above \$10,000 [or more but less than]</u> <u>but not exceeding \$20,000</u>	[\$250] <u>\$300</u>
<u>Above \$20,000 [or more but less than]</u> <u>but not exceeding \$100,000</u>	[\$350] <u>\$500</u>
<u>Above \$100,000 [and over]</u>	[\$550] <u>\$750</u>

Where the amount in dispute is [less than] \$10,000 or less, no additional deposits shall be required despite the number of sessions. Where the amount in dispute is above \$10,000 [or more] and multiple sessions are required, the arbitrators may require any of the parties to make additional deposits for each additional session. In no event shall the aggregate amount deposited per session exceed the amount of the initial deposit as set forth in the above schedule.

(b) The arbitrators, in their awards, may determine the amount chargeable to the parties as forum fees (fees) and shall determine by whom such fees shall be borne. Where the amount in dispute is [less than] \$10,000 or less, total fees in the parties shall not exceed the amount deposited. Where the amount in dispute is above \$10,000 [or more] but [less than] does not exceed \$20,000, the maximum fee shall be [\$250] \$300 per session. Where the amount in dispute is above \$20,000 [or more] but [less than] does not exceed \$100,000, the maximum fee shall be [\$350] \$500 per session. Where the amount in dispute is above \$100,000 [or more], the maximum fee shall be [\$550] \$750 per session. In no event shall the fees assessed by the arbitrators exceed [\$550] \$750 per session. Amounts deposited by a

party shall be applied against fees, if any. If the fees are not assessed against a party who had made a deposit, the deposit will be refunded.

(c) If the dispute, claim or controversy does not involve or disclose a money claim, the amount to be deposited by the Claimant shall be \$100, or such amount as the Director of Arbitration or the panel of arbitrators may require, but shall not exceed[\$550] \$750.

(d) (No change)

(e) (No change)

(f) The arbitrators may assess forum fees and Section 43 costs in any matter settled or withdrawn subsequent to the commencement of the first session.



National Association of Securities Dealers, Inc.
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 84-52

October 5, 1984

TO: All NASD Members and Level 2 and Level 3 Subscribers

RE: Next NASDAQ/NMS Phase-In Scheduled for October 16

Another 34 issues are scheduled to join the NASDAQ National Market System on Tuesday, October 16, making the total issues in NASDAQ/NMS 1,105. These 34 securities, which will begin trading under real-time trade reporting, meet the Securities and Exchange Commission's criteria for voluntary designation.

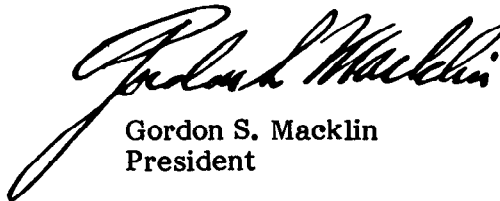
The 34 issues scheduled to join NASDAQ/NMS on, Tuesday, October 16 are:

Symbol	Company	Location
SOFA	Bench Craft, Inc.	Blue Mountain, MS
CASY	Casey's General Stores, Inc.	Des Moines, IA
CFBS	Central Fidelity Banks, Inc.	Richmond, VA
CTME	Clothestime, Inc. (The)	Anaheim, CA
COKE	Coca-Cola Bottling Company Consolidated	Charlotte, NC
CESC	Computer Entry Systems Corp.	Silver Spring, MD
EGLA	Eagle Telephonics, Inc.	Hauppauge, NY
EGLAW	Eagle Telephonics, Inc. (Wts)	Hauppauge, NY
ELCH	El Chico Corp.	Dallas, TX
ENDL	Endo-Lase Inc.	New York, NY
ENDLW	Endo-Lase Inc. (Wts)	New York, NY
ERICY	Ericsson (L.M.) Telephone Co.	Stockholm, Sweden
XOVR	Exovir, Inc.	Great Neck, NY
FFMY	First Federal Savings and Loan Association of Fort Myers	Fort Myers, FL
FNAC	First National Cincinnati Corporation	Cincinnati, OH

Symbol	Company	Location
ISCX	Integrated Software Systems Corporation	San Diego, CA
ISMX	Isomedix, Inc.	Whippany, NJ
KIMB	Kimbark Oil & Gas Co.	Denver, CO
MFLX	Mediflex Systems	Evanstown, IL
MBAK	Merchants Savings Bank	Manchester, NH
NORKZ	Norsk Data A.S. (C1 A)	Oslo, Norway
ORFA	ORFA Corp. of America	Cherry Hill, NJ
OKEN	Old Kent Financial Corporation	Grand Rapids, MI
TONE	One Bancorp (The)	Portland, ME
OVER	Overland Express, Inc.	Blaine, MN
POFO	PO Folks, Inc.	Nashville, TN
LEGL	Pre-Paid Legal Services, Inc.	Ada, OK
SFGD	Safeguard Health Enterprises, Inc.	Whittier, CA
SHLM	Schulman (A.), Inc.	Akron, OH
SSIAA	Stockholder Systems, Inc. (C1 A)	Atlanta, GA
SUPX	Supertex, Inc.	Sunnyvale, CA
TIME	Time Energy Systems, Inc.	Houston, TX
TLCR	Telecrafter Corporation	Lakewood, CO
TOFU	Tofu Time, Inc.	Brooklyn, NY

Any questions regarding this notice should be directed to Donald Boscic, Assistant Director, NASDAQ Operations, at (202) 728-8043. Questions pertaining to trading reporting rules should be directed to Steve Hickman at (202) 728-8202.

Sincerely,



Gordon S. Macklin
President

NASD

National Association of Securities Dealers, Inc.
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 84-53

October 9, 1984

TO: All NASD Members and Other Interested Persons
Attention: Direct Participation Programs Department

RE: Request for Comments on Proposed Amendment to Appendix F
Concerning Suitability Requirements for Freely Tradeable Partnership
Units

COMMENTS MUST BE RECEIVED BY NOVEMBER 8, 1984

The Association's Board of Governors has approved for membership comment a proposed amendment to Appendix F to Article III, Section 34 of the Rules of Fair Practice. Appendix F contains rules and regulations relating to public offerings of direct participation programs. The proposed amendment would liberalize the special suitability criteria contained in Section 3(b) of Appendix F by exempting from its provisions direct participation programs which are quoted on NASDAQ or listed on an exchange. The text of the proposed amendment is attached to this Notice.

All comments received during the comment period will be reviewed by the Association's Direct Participation Programs Committee and the Board of Governors. If the Board of Governors approves the proposal or an amended version resulting from comments received, it must be filed with the Securities and Exchange Commission for approval.

Background and Explanation of Proposed Amendment

It has become increasingly common for direct participation programs to issue freely tradeable units or to place units of limited partnership interest in a depository and issue depository receipts for such units. Such units and depository receipts are freely tradeable in a manner generally analogous to common stock and evidence entitlement to a portion of a program's income, gains, losses, deductions, credits and distributions.

Section 3(b) of Appendix F requires members in "recommending the purchase, sale or exchange of an interest in a direct participation program" to obtain certain enumerated information, make an affirmative finding of suitability, and

retain a record of the basis for that finding in its files. These requirements were specifically included in light of the general absence of liquidity in the market for limited partnerships as well as to assure that the unique tax status and investment characteristics of these programs be considered in secondary market transactions as well as initial distributions. With the emergence of active trading markets for certain programs, however, questions have arisen as to the applicability of these requirements to transactions in NASDAQ quoted or exchange-listed programs.

The Committee and the Board reviewed the purposes of the special suitability requirements and concluded that freely tradeable program units present liquidity, tax and investment considerations which are different from those for other partnership securities. It was also concluded that where an active trading market exists, potentially adverse consequences to an investor resulting from such unique considerations can be remedied by quickly liquidating the investor's holdings. Ordinarily, investors may be forced to bear those consequences in the absence of an active secondary market.

With the above distinction in mind, the Committee and the Board concluded that it would be appropriate to amend Appendix F to exempt transactions in direct participation programs which are quoted on NASDAQ or listed on an exchange from the special suitability requirements contained in Section 3(b). Such transactions would, however, remain subject to the general suitability requirements contained in Article III, Section 2 of the Rules of Fair Practice.

It is important to note that the proposed amendment would relate only to freely tradeable partnership units or depositary receipts quoted on NASDAQ or listed on a registered securities exchange. Members will still be expected to assure compliance with the suitability requirements of Section 3(b) of Appendix F in all initial public offerings of and secondary market transactions in other direct participation programs. In addition, the provisions of Section 3(a), which requires the establishment and disclosure of investor suitability standards in the prospectus, remain applicable to all public offerings of direct participation programs.

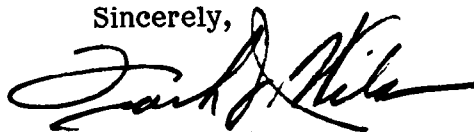
All written comments should be addressed to the following:

James M. Cangiano, Secretary
National Association of Securities Dealers, Inc.
1735 K Street, N.W.
Washington, D.C. 20006

All comments must be received by November 8, 1984. All comments received will be made available for public inspection.

Any questions regarding this notice should be directed to Suzanne E. Rothwell of the Corporate Financing Department at (202) 728-8258.

Sincerely,



Frank J. Wilson
Executive Vice President
Legal and Compliance Department

Attachment

**Proposed Amendment to Appendix F to
Article III, Section 34 of the
Rules of Fair Practice ***

Section 3(b)

In recommending to a participant the purchase, sale or exchange of an interest in a direct participation program, a member or person associated with a member shall:

- (1) have reasonable grounds to believe, on the basis of information obtained from the participant concerning his investment objectives, other investments, financial situation and needs, and any other information known by the member or associated person, that:
 - (i) the participant is or will be in a financial position appropriate to enable him to realize to a significant extent the benefits described in the prospectus, including the tax benefits where they are a significant aspect of the program;
 - (ii) the participant has a fair market net worth sufficient to sustain the risks inherent in the program, including loss of investment and lack of liquidity; and
 - (iii) the program is otherwise suitable for the participant; and
- (2) maintain in the files of the member documents disclosing the basis upon which the determination of suitability was reached as to each participant ;

provided however that this subsection 3(b) shall not apply to a secondary public offering of or a secondary market transaction in a unit, depositary receipt, or other interest in a direct participation program for which quotations are displayed on the NASDAQ System or is listed on a registered national securities exchange.

* New language is underlined.



National Association of Securities Dealers, Inc.
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 84-54

October 9, 1984

TO: All NASD Members and Other Interested Persons

RE: Quarterly Checklist of Notices to Members

Following is a list of NASD Notices to Members issued during the third quarter of 1984. Requests for copies of any notice should be accompanied by a self-addressed label and may be directed to: NASD Administrative Services, 1735 K Street, N.W., Washington, D.C. 20006.

Notice Number	Date	Topic
84-36	July 18, 1984	Request for Comments on Possible Amendments to Venture Capital Restrictions
84-37	July 18, 1984	Interpretation of Venture Capital Restrictions
84-38	July 13, 1984	Five Securities Mandated to Join NMS August 7, 1984
84-39	July 25, 1984	Quarterly Checklist of Notices to Members
84-40	July 26, 1984	Compensation Arrangements With Respect to Sale of Mutual Fund Shares
84-41	July 30, 1984	40 More Securities to Join NMS on August 14
84-42	August 9, 1984	Labor Day: Trade Date-Settlement Date Schedule

84-43	August 9, 1984	NASDAQ Market Open on Election Day, November 6, 1984
84-44	August 31, 1984	Amendments to the Uniform Practice Code Sections 5, 9, 12 and 30
84-45	August 31, 1984	Request for Comments on a Proposed New Section to the Uniform Practice Code Concerning Customer Account Transfers
84-46	August 31, 1984	SEC Approval of Revised Rules for Bunching of NASDAQ/NMS Trades
84-47	September 4, 1984	Adoption of Amendments to Section 4 of Appendix A, Article III, Section 30 of the Association's Rules of Fair Practice
84-48	September 4, 1984	New SEC Staff Interpretation Concerning the Treatment of Concessions Receivable and Related Concessions Payable Under the Uniform Net Capital Rule
84-49	September 6, 1984	32 More Securities to Join NASDAQ/NMS on September 18
84-50	September 18, 1984	Trade Date-Settlement Dates for October and Early November
84-51	September 28, 1984	Amendments to Code of Arbitration Procedure

* * *

NASD

National Association of Securities Dealers, Inc.
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 84-55

October 15, 1984

IMPORTANT

Officers * Partners * Proprietors

TO: All NASD Members

RE: Implementation of NASDAQ Equity Audit Trail

The NASDAQ market has over the past several years experienced a sustained period of growth which in many ways is attributable to the use of technologically advanced facilities and systems that have served to enhance the quality of this marketplace. The significant growth and visibility of the NASDAQ market, along with the anticipated addition of NASDAQ options, has underscored the need for increased use of state-of-the-art automation and technology to facilitate continued improvements in the regulatory programs affecting NASDAQ securities. In recognizing this need and as a result of the SEC's emphasis on improved automated surveillance capabilities on NASDAQ and the exchange markets, the NASD Board of Governors, on July 13, 1984, approved an Association plan for the development of a NASDAQ Equity Audit Trail.

The NASDAQ Equity Audit Trail will embody trade-for-trade detail in NASDAQ securities and listed securities traded off-board by all participants, which will include:

- security identifier
- price of the trade
- size of the trade
- time of trade
- clearing firm - buy side
- clearing firm - sell side
- executing firm - buy side and capacity (principal or agent)
- executing firm - sell side and capacity (principal or agent)
- trade reference number of automated executions (i.e., SOES, CAE)

Although several of the above-listed items are already available through NASDAQ and/or clearing corporation systems, the collection and processing of those key elements which are not presently available will require additional information from members. Most significant among these are:

- An expanded level of transaction information to be provided by members to the clearing corporations to include "time of trade" and a capacity indicator (principal/agency) for each transaction in a NASDAQ security.
- Additional information to be included by members in real-time trade reportable securities to include a "buy/sell" indicator (NASDAQ/NMS and off-board trades).
- Audit trail information to be provided by members to the clearing corporations for internalized trades in non-trade reported NASDAQ securities.
- The submission of trades in NASDAQ securities between members now done ex-clearing to a clearing facility.

The NASDAQ Equity Audit Trail will be implemented in seven phases, with each phase containing steps designed to assure that all aspects of the audit trail will be accomplished in a way which maintains the accuracy and completeness of the information collected. Priorities associated with the development of the NASDAQ Options Program have been taken into account in the sequencing of these phases so that the NASDAQ Equity Audit Trail for trade reportable securities will be available at the earliest stage possible. The seven phases of the Audit Trail Plan are as follows:

- | | | |
|-------|-----|--|
| Phase | I | Capturing time of trade and a capacity (principal/agency) indicator by clearing corporations. |
| Phase | II | Trade reporting changes for inclusion of a buy or sell indicator for reporting firms. |
| Phase | III | On-line audit trail retrieval capabilities in the form of an integrated journal. |
| Phase | IV | TARS Phase II - including mandatory submission of trades between NASD members to a clearing corporation. |
| Phase | V | Mandatory submission of internalized trades in non-trade reported NASDAQ securities to a clearing corporation. |
| Phase | VI | Inclusion of Form T information with the audit trail. |
| Phase | VII | Inclusion of news headlines as part of the audit trail data. |

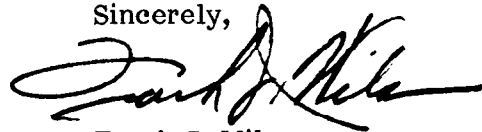
Phases I and II are tentatively scheduled for implementation beginning during the second quarter of 1985. This projection is, of course, dependent on timetables established by the clearing corporations, with whom the Association is closely coordinating, and the ability of members to adapt to new clearing input formats. In this regard, every effort will be made by the Association to assure that members are given adequate assistance and time to make necessary internal system or procedural changes to accommodate the data collection processes.

Trade reporting rule changes will be made under Schedule D and G of the Association's By-Laws to reflect the additional requirement to report a buy or sell indicator for each trade report.

Members will be kept apprised of developments regarding the NASDAQ Equity Audit Trail well in advance of scheduled implementation dates for the various phases. In this connection, the clearing corporations will be providing guidance on changes effecting member clearing input within the next several weeks.

Should you have specific questions or wish to discuss any aspects of NASDAQ Equity Audit Trail requirements as they relate to your firm, please contact Christopher Franke, Director, Market Surveillance, at (202) 728-8186 for changes in trade reporting rules or Robert Primmer, Assistant Director, Systems Development, at (212) 839-6223 for matters affecting changes to clearance procedures.

Sincerely,



Frank J. Wilson
Executive Vice President
and General Counsel

NASD

National Association of Securities Dealers, Inc.
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 84-56

October 19, 1984

TO: All NASD Members and Level 2 and Level 3 Subscribers

RE: Three Securities Mandated to Join NASDAQ/NMS on November 13, 1984

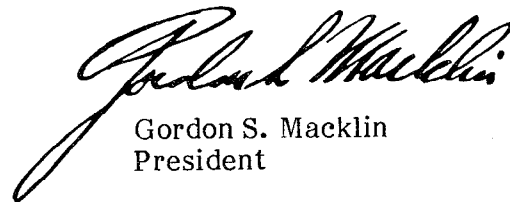
Three additional securities will join the NASDAQ National Market System on Tuesday, November 13, 1984. These three securities have met the NASDAQ/NMS mandatory designation requirements as of the end of the third quarter and, as required by SEC Rule 11Aa2-1, automatically are added to NASDAQ/NMS within 45 days of the quarter ending date.

The three securities joining NASDAQ/NMS on Tuesday, November 13, are:

Symbol	Company	Location
CADBY	Cadbury Schweppes, PLC (ADR)	London, England
MTVN	MTV Networks, Inc.	New York, NY
PHCI	Peak Health Care, Inc.	Colorado Springs, CO

Any questions regarding the phase-in of these securities should be directed to Donald Bosic, Assistant Director, NASDAQ Operations, at (202) 728-8043. Questions pertaining to trade reporting rules should be directed to Steve Hickman, Market Surveillance, at (202) 728-8202.

Sincerely,



Gordon S. Macklin
President



National Association of Securities Dealers, Inc.
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 84-57

October 23, 1984

TO: All NASD Members

RE: Federal Reserve Board Acts to Grant Immediate Margin Status To All
NASDAQ/NMS Issues

Effective November 13, 1984, all securities designated for inclusion in the NASDAQ National Market System will, as of the date of designation, become immediately marginable. This change is the result of recent amendments adopted by the Federal Reserve Board to its credit regulations governing the extension of credit by broker-dealers (Regulation T), banks (Regulation U), and other lenders (Regulation G). The Board's action was in response to recommendations of the NASD that the List of OTC Margin Stocks be expanded to include a greater increase of NASDAQ securities. As a direct result of the Board's action, 93 NASDAQ/NMS issues which are not currently margin eligible will become marginable on November 13.

Prior to this rule change, the Board extended margin only to those issues either registered on a national securities exchange or deemed by the Board to be OTC Margin Stocks.

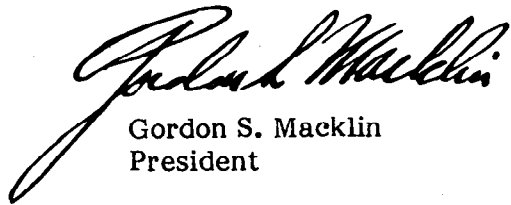
Along with this new NASDAQ/NMS margin standard, the Board is adopting a new publication schedule for its List of OTC Margin Stocks. Under the revised schedule, the List will be published quarterly instead of three times a year. This new schedule will help to shorten the lag between the time a non-NASDAQ/NMS designated security becomes eligible for margin and the time it is actually available for margin trading.

In a related matter, it is anticipated that the Securities and Exchange Commission will soon act on an NASD proposal to replace current NASDAQ/NMS criteria (which uses trading volume as the principal qualification filter) with the qualitative criteria currently prescribed for entry into the NASDAQ National Newspaper List. If approved by the SEC, the number of securities eligible for NASDAQ/NMS designation would increase from about 1,500 to 2,600 and, in so

doing, another 750 non-margin National Newspaper List issues would become eligible for automatic marginability through designation as NASDAQ/NMS securities.

For your convenience, we have included a reprint of the Board's adoption release as it appeared in the September 12, 1984, edition of the Federal Register. If you have any questions about this matter, please direct them to Gene Finn, Chief Economist, NASD, at (202) 728-8243.

Sincerely,



Gordon S. Macklin
President

Attachment

FEDERAL RESERVE SYSTEM**12 CFR Parts 207, 220, and 221****Regulations G, T and U; Securities Credit Transactions; Amendment to definitions of "margin security" and "margin stock" and related technical amendments****[Docket No. R-0512]****AGENCY:** Board of Governors of the Federal Reserve System.**ACTION:** Final rule.

SUMMARY: The Board is amending the definition of "margin security" in Regulation T and the definitions of "margin stock" in Regulations G and U to give automatic marginability to any over-the-counter security identified as a National Market System (NMS) security in accordance with a designation plan of the National Association of Securities Dealers (NASD) that has been approved by the Securities and Exchange Commission (SEC). The Board will publish the List of OTC Margin Stocks on a new quarterly schedule. The Board's List will include NMS and non-NMS securities that otherwise meet the criteria for marginability established by the Board. Regulations G and U are also being amended to provide protection for lenders who may not have notice of a stock's designation between the Board's quarterly publication dates.

EFFECTIVE DATE: November 13, 1984.

FOR FURTHER INFORMATION CONTACT: Robert S. Plotkin, Assistant Director, Laura Homer, Securities Credit Officer, or Jamie Lenoci, Financial Analyst, Division of Banking Supervision and Regulation, (202) 452-2781.

SUPPLEMENTARY INFORMATION:**I. History of Amendment**

In response to a petition of the NASD, the Board published a proposed amendment to the margin regulations for comment that would give automatic marginability to any over-the-counter security designated as a National Market System (NMS) security (49 FR 9741, March 15, 1984). The Board is adopting the amendment in substantially the same form as proposed. However, due to comments received, the amendment has been technically revised to address some of the concerns of the respondents. In particular, language has been added to Regulations G and U to provide protection against inadvertent violations by lenders covered by those regulations who may not have actual notice that a particular stock has been designated as an NMS security. A similar provision is not being added to Regulation T because a broker is prohibited by statute from extending credit on securities that are

not marginable; therefore such a provision is unnecessary.

Determination of Status of OTC Stock's Marginability

An OTC stock can become marginable (1) by meeting the criteria specified by the Board in its margin regulations (Regulations G, T and U) and actual inclusion on the Board's List of OTC Margin Stocks, or (2) by being designated as an NMS security in accordance with the designation plan of the NASD that has been approved by the SEC. Under SEC Rule 11Aa2-1 (17 CFR 240.11Aa2-1), the qualification date for determining a "Tier 1" NMS security (which is a mandatory designation) is the last business day of the calendar quarter. To become a "Tier 2" NMS security (which is a voluntary designation) the issuer must meet "Tier 2" qualifying criteria and must apply for the NMS designation. Under the NASD's present procedures, it is contemplated that, in general, "Tier 2" NMS stocks will be added not more than once every other week. Notice will be given to the industry and regulators by the NASD at least one week prior to the effective date of the designation which, in the case of an initial public offering of a security, may be on a "when, as, and if issued" basis.

In order to keep the public fully aware of which OTC stocks are marginable, the Board will publish quarterly a complete List of OTC Margin Stocks. This hard-copy publication will be on file at the **Federal Register** and can be obtained from the Board or any Federal Reserve Bank. In addition, the Board will publish a Supplement of additions to and deletions from the List of OTC Margin Stocks on a quarterly basis in the **Federal Register**. This Supplement will include current NMS securities as well as those securities deemed marginable under the Board's margin criteria. The publication of these Supplements will be timed to coincide with the NASD's quarterly inclusion of Tier 1 NMS securities. Since the next designation of the Tier 1 NMS securities is expected to be effective on November 13, 1984, the Board's Supplement to the List, ordinarily effective in October, will be delayed to coincide with this November date. Future Supplements of additions to and deletions from the List will be published quarterly in the **Federal Register** at the end of January, April, July and October with the usual two-week delayed effective date. There will be no SEC publication of NMS securities in the **Federal Register** as contemplated in the Board's original proposal.

Additional OTC securities may be designated by the NASD as NMS securities in the interim between Board publications. These securities will be automatically marginable at broker-dealers upon the effective date of their

designation. A list of these securities and the effective date of their designation will be available at the Public Reference Branch of the SEC and copies will be hand delivered to the Board and delivered by overnight express to each of the Reserve Banks. Banks, broker-dealers, Regulation G lenders and other persons can verify whether an OTC stock is an NMS security by calling the SEC at its Public Reference Branch, 450 5th Street, N.W., Washington, D.C. 20549 ((202) 272-7450). The margin status of any OTC stock can be obtained by calling the Securities Regulation Section in the Board's Division of Banking Supervision and Regulation ((202) 452-2781) or by calling any Federal Reserve Bank.

Final Regulatory Flexibility Analysis

The Board is amending its regulations to give automatic marginability to securities that are designated as qualified for trading in the National Market System. The initial regulatory flexibility analysis indicated that the amendment was not expected to have any adverse impact on a substantial number of small entities.

A comment on the proposed change raised the question of whether the Board discriminated against small business by not adopting the original NASD proposal, which asked for automatic marginability to securities on the entire National List. The decision to permit National Market System securities to be marginable was based on staff analysis indicating that the liquidity and other characteristics of NMS securities compare favorably with those of exchange-traded securities. A major difference between NMS and other National List securities is that the latter do not have "last sale" reporting, deemed necessary by stock exchanges to assure the availability of reliable price information. In the absence of such information and in light of other evidence suggesting differences in liquidity among National List securities, the Board decided to give automatic marginability at the present time only to National List securities traded in the NMS.

There is no evidence indicating that the regulatory change will have a significant impact on a substantial number of small businesses. If stocks of small entities are traded in the National Market System, they will be marginable at a brokerage firm after the regulatory change becomes effective. Small entities and other companies comprising the approximately 800 National List firms that are not on the NMS and that are not on the Board's List of OTC Margin Stocks will not be automatically marginable but, of course, may become marginable subject to satisfying Board OTC criteria. From the individual

corporation's perspective, the economic effect of marginability is mixed. When securities become eligible as collateral in a margin account at a brokerage firm, they also become subject to regulatory limitations on the amount of credit that may be extended against their value by banks and other lenders; such limitations do not apply to nonmarginable stocks at banks and other lenders.

List of Subjects

12 CFR Part 207

Banks, Banking, Credit, Margin, Margin requirements, Reporting and recordkeeping requirements, Securities.

12 CFR Part 220

Banks, Banking, Brokers, Credit, Margin, Margin requirements, Investments, Reporting and recordkeeping requirements, Securities.

12 CFR Part 221

Banks, Banking, Credit, Margin, Margin requirements, Reporting and recordkeeping requirements, Securities.

Accordingly, pursuant to sections 7 and 23 of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78g and 78w), the Board amends Regulations G, T and U (12 CFR Parts 207, 220 and 221, respectively) in the following manner:

Section 207.2—"Definitions", is amended by adding a new paragraph (i)(3), and renumbering (i)(3), (4) and (5) to (i)(4), (5) and (6).

Section 207.3—"General Requirements", is amended by adding a new paragraph (q).

Section 220.2—"Definitions", is amended by inserting a new item in paragraph (o), between the second and third item and numbering the items (o)(1), (2), (3), (4) and (5).

Section 221.2—"Definitions", is amended by adding a new paragraph (h)(3) and renumbering (h)(3), (4) and (5) to (h)(4), (5) and (6).

Section 221.3—"General Requirements", is amended by adding a new paragraph (1).

The amended paragraphs in Regulations G, T and U read as follows:

PART 207—SECURITIES CREDIT BY PERSONS OTHER THAN BANKS, BROKERS, OR DEALERS

1. Section 207.2—"Definitions", is amended by revising paragraph (i) to read as follows:

§ 207.2 Definitions

- (l) "Margin stock" means:
 - (1) Any equity security registered or having unlisted trading privileges on a national securities exchange;
 - (2) Any OTC margin stock;
 - (3) Any OTC security designated as

qualified for trading in the National Market System under a designation plan approved by the Securities and Exchange Commission (NMS Security);

(4) Any debt security convertible into a margin stock or carrying a warrant or right to subscribe to or purchase a margin stock;

(5) Any warrant or right to subscribe to or purchase a margin stock; or

(6) Any security issued by an investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8), other than:

(i) A company licensed under the Small Business Investment Company Act of 1958, as amended (15 U.S.C. 661); or

(ii) A company which has at least 95 percent of its assets continuously invested in exempted securities (as defined in 15 U.S.C. 78c(12)).

2. Section 207.3—"General Requirements", is amended by adding a new paragraph (g).

§ 207.3 General Requirements

(q) *Lack of notice of NMS security designation.* Failure to treat an NMS security as a margin stock in connection with an extension of credit shall not be deemed a violation of this part if the designation is made between quarterly publications of the Board's List of OTC Margin Stocks and the lender does not have actual notice of the designation.

PART 220—CREDIT BY BROKERS AND DEALERS

1. Section 220.2—"Definitions", is amended by revising paragraph (o) to read as follows:

§ 220.2 Definitions.

- (o) "Margin security" means:
 - (1) Any registered security;
 - (2) Any OTC margin stock;
 - (3) Any OTC margin bond;
 - (4) Any OTC security designated as qualified for trading in the National Market System under a designation plan approved by the Securities and Exchange Commission (NMS security); or
 - (5) Any security issued by either an open-end investment company or unit investment trust which is registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).

PART 221—CREDIT BY BANKS FOR THE PURPOSE OF PURCHASING OR CARRYING MARGIN STOCKS

1. Section 221.2—"Definitions", is amended by revising paragraph (h) to read as follows:

§ 221.2 Definitions.

- (h) "Margin stock" means:

(1) Any equity security registered or having unlisted trading privileges on a national securities exchange;

(2) Any OTC margin stock;

(3) Any OTC security designated as qualified for trading in the National Market System under a designation plan approved by the Securities and Exchange Commission (NMS security);

(4) Any debt security convertible into a margin stock or carrying a warrant or right to subscribe to or purchase a margin stock;

(5) Any warrant or right to subscribe to or purchase a margin stock; or

(6) Any security issued by an investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8), other than:

(i) A company licensed under the Small Business Investment Company Act of 1958, as amended (15 U.S.C. 661); or

(ii) A company which has at least 95 percent of its assets continuously invested in exempted securities (as defined in 15 U.S.C. 78c(12)).

2. Section 221.3—"General Requirements", is amended by adding a new paragraph (l).

§ 221.3 General requirements.

(l) *Lack of notice of NMS security designation.* Failure to treat an NMS security as a margin stock in connection with an extension of credit shall not be deemed a violation of this part if the designation is made between quarterly publications of the Board's List of OTC Margin Stocks and the bank does not have actual notice of the designation.

By order of the Board of Governors of the Federal Reserve System, September 5, 1984.
 William W. Wiles,
 Secretary of the Board.

[FR Doc. 84-24010 Filed 9-11-84; 8:45 am]
 BILLING CODE 6210-01-M



National Association of Securities Dealers, Inc.
 1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 84-58

October 23, 1984

TO: All NASD Members and Municipal Securities Dealers
 ATTN: All Operations Personnel
 RE: Thanksgiving Day: Trade Date - Settlement Date Schedule

Securities markets and the NASDAQ System will be closed on Thursday, November 22, 1984 in observance of Thanksgiving Day. "Regular Way" transactions made on the preceding business days will be subject to the settlement date schedule listed below.

Trade Date-Settlement Date Schedule
For "Regular-Way" Transactions

<u>Trade Date</u>		<u>Settlement Date</u>		<u>Regulation T Date*</u>	
November	14	November	21	November	26
	15		23		27
	16		26		28
	19		27		29
	20		28		30
	21		29	December	3
	22	Markets Closed			--
	23		30		4

* Pursuant to Section 4(c)(2) of Regulation T of the Federal Reserve Board, a broker-dealer must promptly cancel or otherwise liquidate a customer purchase transaction in a cash account if full payment is not received within seven (7) business days of the date of purchase or, pursuant to Section 4(c)(6), make application to extend the time period specified. The date by which members must take such action is shown in the column entitled "Regulation T Date."

The above settlement dates should be used by brokers, dealers, and municipal securities dealers for purposes of clearing and settling transactions pursuant to the Association's Uniform Practice Code and Municipal Securities Rulemaking Board Rule G-12 on Uniform Practice.

Questions regarding the application of these settlement dates to a particular situation may be directed to the Uniform Practice Department of the NASD at (212) 839-6255.