

# NASD

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

## **notice to members 88-10**

February 1, 1988

TO: All NASD Members and Other Interested Persons

RE: Relocation of NASD New York Offices

The National Association of Securities Dealers, Inc., is relocating its New York staff from its current World Trade Center location to new offices. The new address is:

NASD Financial Center  
33 Whitehall Street  
New York, New York 10004  
Telephone Number: (212) 858-4000

The relocation will be accomplished in stages as follows:

February 8	NASD District 12
February 22	NASD Arbitration Department
March 5	Uniform Practice Department NASDAQ Company Services Systems Development Systems Planning Administrative Services
March 14	NASDAQ Operations NASDAQ: (212) 509-3640 CAES: (212) 509-3615 International/Options: (212) 509-3610 SOES/OCT: (212) 509-3370 Trade Reporting: (212) 509-3618

THE NEW TELEPHONE NUMBERS WILL NOT GO INTO EFFECT UNTIL THE SCHEDULED MOVE DATES. UNTIL THEN, PLEASE USE THE CURRENT TELEPHONE NUMBERS.



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

# **notice to members 88-11**

February 8, 1988

**TO:** All NASD Members and Other Interested Persons

**RE:** Proposed Amendments to Article III, Section 27 of the NASD Rules of Fair Practice Regarding Supervision and the Definitions of "Office of Supervisory Jurisdiction" and "Branch Office"

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**LAST DATE FOR COMMENT: MARCH 1, 1988.**

## **EXECUTIVE SUMMARY**

The NASD requests comments on proposed amendments to Article III, Section 27 of the NASD Rules of Fair Practice that would (1) prescribe specific supervisory practices and procedures for all member firms and (2) revise the definitions of "office of supervisory jurisdiction" (OSJ) and "branch office." These amendments would provide that all members establish a supervisory system meeting specified minimum standards. These standards focus upon the creation of a supervisory "chain of command," in which qualified supervisory personnel are appointed to carry out the firm's supervisory obligations, and regular inspections of the firm's business activities and offices, including annual OSJ inspections, periodic branch office inspections, and annual compliance meetings with registered representatives. Certain existing obligations under Section 27 will remain unchanged under the proposed amendments.

The definition of an OSJ would include not only offices with supervisory responsibilities, but also those offices at which other specified functions take place that the NASD believes should be supervised directly by a registered principal. A branch office would be defined as any location identified by means other than business cards, letterhead, or telephone directory line listings as a business location of the member.

The text of the proposed amendments is attached.

## **BACKGROUND**

In recent years, the NASD has become increasingly concerned that many persons associated with NASD members are engaging in the offer and sale of securities to the public without adequate ongoing supervision. In particular, the potential for significant regulatory problems exists when registered representatives conduct business at locations that are not subject to regular examination by the member and operate without direct oversight of qualified supervisory personnel.

In addition to these concerns, the NASD has considered whether certain aspects of a firm's business should be subject to on-site supervision by a registered principal so that the member can properly discharge its regulatory obligations. Further, the NASD has from time to time considered whether the definition of "branch office" in the By-Laws should be revised.

The NASD's concern about off-site employment was discussed in detail in Notice to Members 86-65 (September 12, 1986), which emphasized existing NASD rules that most directly apply to off-site employment. That notice stated that the NASD was continuing to study the need to revise requirements for designating OSJs and branch offices and for on-site supervision by registered principals.

On June 29, 1987, the NASD issued Notice to Members 87-41, which requested comments on (1) proposed amendments to the definitions of "OSJ" and "branch office" and (2) proposed requirements for on-site registered principals at a business location based upon the number of persons and the extent to which such location was advertised or otherwise designated as an office of the member.

As a result of the comments received in response to Notice to Members 87-41, the NASD developed proposed amendments to Article III, Section 27 of the Rules of Fair Practice that set forth specific minimum requirements for supervisory practices and procedures for NASD members. These proposals would impose additional requirements upon members; however, the NASD has observed that many members have implemented these or similar measures to meet their existing obligations to ensure compliance with applicable laws, regulations, and rules.

These proposals reflect the NASD Board's continuing commitment to facilitate more effective supervision by members while accommodating their diverse modes of operation.

## **DESCRIPTION AND ANALYSIS OF PROPOSED AMENDMENTS**

### **Proposed Amendments to Supervision Rules**

The proposed amendments substantially expand the specificity of Article III, Section 27 of the NASD Rules of Fair Practice with respect to a member's supervisory obligations. The NASD believes that the new provisions will assist members in ensuring compliance with applicable laws, regulations, and rules by requiring that firms review their businesses and construct and document a supervisory system designed to detect and prevent violations in the various areas of business.

The proposals also contain certain minimum required supervisory procedures and practices that the NASD believes to be necessary in any firm, regardless of size or type, in order to supervise adequately an investment banking and/or securities business.

The amendments require each firm to establish and maintain supervisory procedures and practices that provide for, at a minimum, the following:

- (1) Establishment and maintenance of written supervisory and review procedures as specified in the proposed amendments;
- (2) Designation of appropriately registered principals for each type of business in which the firm engages to carry out the firm's supervisory obligations;
- (3) Designation as an OSJ for each location that meets the OSJ definition and any other locations for which such designation is appropriate to enable the firm to supervise properly;
- (4) Designation of one or more appropriately registered principal(s) in each OSJ, including the main office, and one or more appropriately registered representative(s) or principal(s) in each branch office to carry out the supervisory responsibilities and activities assigned to that office by the member;
- (5) Assignment of each registered person to a supervisor;
- (6) Establishment of procedures intended to ensure that all supervisory personnel are properly qualified;
- (7) Attendance of each registered representative, individually or collectively and not less than annually, at an interview or meeting held by the firm to review compliance matters relevant to the activities of such representative(s);
- (8) Designation and identification to the NASD of one or more compliance principals who shall review the firm's supervisory practices and procedures and recommend to senior management appropriate action to ensure the member's compliance with applicable securities laws and regulations and with the rules of the NASD; and
- (9) Establishment of a schedule for examining the firm's branch offices that takes into account the nature of the activity, volume of business, and number of persons at each office.

The proposed amendments would require that each firm maintain written supervisory procedures that describe the supervisory system implemented according to the above requirements and that list the names, registration statuses, and locations of the required supervisory personnel and the specific responsibilities assigned to each. A copy of the member's supervisory procedures, or the relevant parts thereof, would be required to be kept and maintained at each OSJ and at each other location where supervisory activities are conducted on behalf of the member. The member would be required to amend its written supervisory procedures, as

appropriate, within a reasonable time after changes occur in applicable laws, regulations, and rules, and as changes occur in the firm's supervisory system. The member would be required to communicate these changes throughout its organization.

Members also would be required to conduct an inspection, at least annually, of the businesses in which it engages for purposes of detecting and preventing violations of, and to ensure compliance with, applicable laws, regulations, and rules. At a minimum, this would include the periodic examination of customer accounts to detect and prevent irregularities and abuses and an annual examination of each OSJ. Branch offices would be examined in accordance with the schedule set forth in the member's supervisory procedures and the member would be required to retain a written record of its inspection cycles and the date each inspection was conducted.

### **Proposed Amendments to Definitions of "Office of Supervisory Jurisdiction" and "Branch Office"**

An "office of supervisory jurisdiction" (OSJ) is currently defined in Article III, Section 27 of the NASD Rules of Fair Practice as ". . . any office designated as directly responsible for the review of the activities of registered representatives or associated persons in such office and/or any other offices of the member." Under the proposed amendments, an OSJ would be any business location of a member firm at which one or more of the following functions take place:

- (1) Order execution and/or market making;
- (2) Origination (structuring) of public offerings or private placements;
- (3) Maintaining custody of firm or customers' funds and/or securities;
- (4) Acceptance (approval) of new accounts on behalf of the member;
- (5) Approval of customer orders;
- (6) Approval of advertising or sales literature for use by persons associated with the member, pursuant to Article III, Section 35(b)(1) of the Rules of Fair Practice;
- (7) Approval of correspondence of associated persons pertaining to the solicitation or execution of any securities transactions;  
or
- (8) Responsibility for supervising the activities of persons associated with the member at one or more other offices of the member.

The NASD is aware that some members have procedures whereby the functions described in (4) through (7) above are performed preliminarily at local or regional offices prior to obtaining final approval at another location. The proposed revisions are intended to require OSJ designation for any office at which the approval that constitutes formal action by the member takes place.

The term "branch office" is currently defined in Article I, Section (c) of the NASD By-Laws as ". . . an office which is owned or controlled by a member, and which is engaged in the investment banking or securities business." An Explanation of the Board of Governors in Schedule C to the NASD By-Laws reiterates this definition and also provides that a place of business of a person associated with a member is considered a branch office if the member: (1) directly or indirectly contributes a substantial portion of the operating expenses of such place of business; and/or (2) authorizes a listing in any publication or other media, including a professional dealers digest or telephone directory, that designates a place as an office or if the member designates any such place as an office to another organization.

The proposed amendment would define "branch office" as any business location of the member identified by any means other than business cards, letterhead, or telephone directory line listings as a location at which the investment banking or securities business is conducted on behalf of the member.

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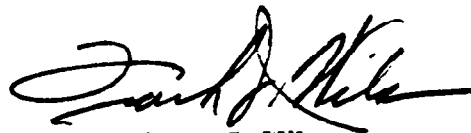
The NASD encourages all members and interested persons to comment on the proposed amendments. Comments should be directed to:

Mr. Lynn Nellius  
Secretary  
National Association of Securities Dealers, Inc.  
1735 K Street, N.W.  
Washington, D.C. 20006-1506.

Comments must be received no later than March 1, 1988. Comments received by this date will be considered by the NASD Qualifications Committee and the National Business Conduct Committee. Any changes to the NASD Rules of Fair Practice approved by the NASD Board must be submitted to the membership for a vote. Thereafter, the proposed amendments must be filed with and approved by the Securities and Exchange Commission before becoming effective.

Questions concerning this notice can be directed to either Dennis C. Hensley, NASD Vice President and Deputy General Counsel, at (202) 728-8245, or Jacqueline D. Whelan, Senior Attorney, NASD Office of the General Counsel, at (202) 728-8270.

Sincerely,



Frank J. Wilson  
Executive Vice President  
and General Counsel

## ARTICLE III, SECTION 27 OF THE NASD RULES OF FAIR PRACTICE

### CURRENT TEXT

#### Supervision

##### Sec 27.

##### Written procedures

(a) Each member shall establish, maintain and enforce written procedures, which will enable it to supervise properly the activities of each registered representative and associated person to assure compliance with applicable securities laws, rules, regulations and statements of policy promulgated thereunder and with the rules of this Association.

##### Responsibility of member

(b) Final responsibility for proper supervision shall rest with the member. The member shall designate a partner, officer or manager in each office of supervisory jurisdiction, including the main office, to carry out the written supervisory procedures. A copy of such procedures shall be kept in each such office.

##### Written approval

(c) Each member shall be responsible for keeping and preserving appropriate records for carrying out the member's supervisory procedures. Each member shall review and endorse in writing, on an internal record, all transactions and all correspondence of its registered representatives pertaining to the solicitation or execution of any securities transaction.

##### Review of activities and annual inspection

(d) Each member shall review the activities of each office, which shall include the periodic examination of customer accounts to detect and prevent irregularities or abuses and at least an annual inspection of each office of supervisory jurisdiction.

##### Qualifications investigated

(e) Each member shall have the responsibility and duty to ascertain by investigation the good character, business repute, qualifications and experience of any person prior to making such a certification in the application of such person for registration with this Association.

##### "Office of supervisory jurisdiction"

(f) "Office of supervisory jurisdiction" means any office designated as directly responsible for the review of the activities of registered representatives or associated persons in such office and/or in other offices of the member.

## PROPOSED NEW TEXT

### Sec. 27.

#### Supervisory system

(a) Each member shall establish and maintain a system which will enable it to supervise properly the activities of each registered representative and associated person to assure compliance with applicable securities laws and regulations, and with the rules of this Association. Final responsibility for proper supervision shall rest with the member. A member's supervisory system shall provide, at a minimum, for the following:

- (1) The establishment and maintenance of written procedures as required by paragraphs (b) and (c) of this Section.
- (2) The designation, where applicable, of an appropriately registered principal(s) with authority to carry out the supervisory responsibilities of the member for each type of business in which it engages as set forth in its membership application, as amended.
- (3) The designation as an office of supervisory jurisdiction ("OSJ") of each location that meets the definition contained in paragraph (d) of this Section. Each member shall also designate such other locations as OSJs as necessary for the member to supervise properly, taking into consideration the nature and complexity of its activities, the number and experience of its associated persons, the geographic dispersion of its personnel and locations, and the requirements of this Section.
- (4) The designation of one or more appropriately registered principals in each OSJ, including the main office, and one or more appropriately registered representatives or principals in each non-OSJ branch office, with authority to carry out the supervisory responsibilities assigned to that office by the member.

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**Note:** The proposed new text of Section 27 would replace the current text in its entirety. Subsections (c) and (e) of the current text have been retained as subsections (d) and (e) in the proposed new text. Portions of current subsections (b) and (d) have been incorporated into proposed new subsections (a) and (c), respectively. Current subsections (a) and (f) have been subsumed into the proposed new text.



- (5) The assignment of each registered person to an appropriately registered representative(s) and/or principal(s) who shall be responsible for supervising that person's activities.
- (6) Assurance that all supervisory personnel are properly qualified by virtue of experience or training to carry out their assigned responsibilities.
- (7) The attendance of each registered representative, either individually or collectively, no less than annually, at an interview or meeting held by the member to review compliance matters relevant to the activities of the representative.
- (8) Each member shall designate and specifically identify to the Association one or more Compliance Principals who shall review the supervisory system, procedures, and inspections required by this Section and recommend to senior management appropriate action to assure the member's compliance with applicable securities laws and regulations, and with the rules of this Association.

#### **Written procedures**

(b)(1) Each member shall establish, maintain and enforce written procedures which will enable it to supervise properly the types of business in which it engages and to supervise the activities of registered representatives and associated persons to assure compliance with applicable securities laws and regulations, and with the applicable rules of this Association.

(b)(2) The member's written supervisory procedures shall identify the supervisory system required pursuant to Section 27(a) above, setting forth the names, registration status and locations of the required supervisory personnel and the specific responsibilities of each supervisory person as these relate to the types of business engaged in, applicable securities laws and regulations, and the rules of this Association.

(b)(3) A copy of a member's written supervisory procedures, or the relevant portions thereof, shall be kept and maintained in each OSJ and at each location where supervisory activities are conducted on behalf of the member. Each member shall amend its written supervisory procedures as appropriate within a reasonable time after changes occur in applicable securities laws and regulations, including the rules of this Association, and as changes occur in its supervisory system, and each member shall be responsible for communicating amendments through its organization.

#### **Internal inspections**

(c) Each member shall conduct an inspection, at least annually, of the businesses in which it engages, as contained in its membership application, as amended, for the purpose of detecting and preventing violations of and to ensure compliance with applicable securities laws and regulations, and with the rules of this Association. Each member shall review the activities of each office, which shall include the periodic examination of customer accounts to detect and prevent

irregularities or abuses and at least an annual inspection of each office of supervisory jurisdiction. Each branch office of the member shall be inspected according to the cycle set forth in the firm's written supervisory and inspection procedures. In establishing such cycle, the firm shall give consideration to the nature and complexity of the securities activities for which the location is responsible, the volume of business done and the number of associated persons assigned to the location. Each member shall retain a written record of its inspection cycles, and the date on which each inspection is conducted.

#### **Written approval**

(d) Each member shall review and endorse in writing, on an internal record, all transactions and all correspondence of its registered representatives pertaining to the solicitation or execution of any securities transaction.

#### **Qualifications investigated**

(e) Each member shall have the responsibility and duty to ascertain by investigation the good character, business repute, qualifications and experience of any person prior to making such a certification in the application of such person for registration with this Association.

#### **Definitions**

(f)(1) "Office of Supervisory Jurisdiction" means any office of a member at which any one or more of the following functions take place:

- (i) order execution and/or market making;
- (ii) origination (structuring) of public offerings or private placements;
- (iii) maintaining custody of firm or customer's funds and/or securities;
- (iv) acceptance (approval) of new accounts on behalf of the member;
- (v) approval of customer orders;
- (vi) approval of advertising or sales literature for use by persons associated with the member, pursuant to Article III, Section 35(b)(1) of the Rules of Fair Practice;
- (vii) approval of correspondence of associated persons pertaining to the solicitation or execution of any securities transactions, pursuant to Article III, Section 27(c) of the Rules of Fair Practice; or
- (viii) responsibility for supervising the activities of persons associated with the member at one or more other branch offices of the member.

(f)(2) "Branch Office" means any location identified by any means other than business cards, letterhead, or telephone directory line listings as a location at which the investment banking or securities business is conducted on behalf of a member.



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

# notice to members 88-12

February 8, 1988

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

Securities markets and the NASDAQ System will be closed on Monday, February 15, 1988, in observance of Presidents' Day. "Regular way" transactions made on the preceding business days will be subject to the settlement date schedule listed below. The NASDAQ System and the banks in New York State will be open on February 12, 1988, Lincoln's Birthday.

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

<u>Trade Date</u>		<u>Settlement Date</u>		<u>Regulation T Date*</u>	
February	5	February	12	February	17
	8		16		18
	9		17		19
	10		18		22
	11		19		23
	12		22		24
	15	MARKETS CLOSED			--
	16		23		25

The preceding settlement dates should be used by brokers, dealers, and municipal securities dealers for purposes of clearing and settling transactions pursuant to the NASD'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 NASD's Uniform Practice Department at (212) 839-6256.

\* Pursuant to Sections 220.8(b)(1) and (4) 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 220.8(d)(1), 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."

# NASD

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

## **notice to members 88-13**

February 10, 1988

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

RE: NASDAQ National Market System Totals 3,030 Securities With Nine Additions on February 16, 1988

On Tuesday, February 16, 1988, the following nine issues are scheduled to join the NASDAQ National Market System, bringing the total number of issues in NASDAQ/NMS to 3,030:

<b>Symbol*</b>	<b>Company</b>	<b>Location</b>
CXRLD	CXR Telecom Corporation	Mountain View, CA
CMCAP	Comerica Incorporated (Ser B Pfd)	Detroit, MI
XCOL	Exploration Company of Louisiana, Inc. (The)	Lafayette, LA
BIMD	ICN Biomedicals, Inc.	Costa Mesa, CA
SPLKA	Jones Spacelink, Ltd. (C1 A)	Englewood, CO
MTRX	Matrix Science Corporation	Torrance, CA
MFSB	MidFed Savings Bank	Middletown, OH
MNES	Mine Safety Appliances Company	Pittsburgh, PA
WTOY	Wisconsin Toy Company, Inc.	Milwaukee, WI

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\* NASDAQ symbols are proprietary to the National Association of Securities Dealers, Inc.

### **NASDAQ/NMS Pending Additions**

The following issues have filed for inclusion in NASDAQ/NMS upon effectiveness of their registration statements with the SEC or other appropriate regulatory authority. Their inclusion may commence prior to the next regularly scheduled phase-in date.

<b>Symbol*</b>	<b>Company</b>	<b>Location</b>
POBS	Portsmouth Bankshares, Inc.	Portsmouth, NH
USWN	US WEST NewVector Group, Inc.	Bellevue, WA

### **NASDAQ/NMS Interim Additions**

The registration statements of the following issues have been declared effective by the SEC or other appropriate regulatory authority. These issues commenced trading in NASDAQ/NMS since January 22, 1988.

<b>Symbol*</b>	<b>Security</b>	<b>Date of Entry</b>
COFI	Charter One Financial, Inc.	1/22/88
NYBC	New York Bancorp, Inc.	1/28/88
APGI	A. P. Green Industries, Inc.	2/04/88

### **NASDAQ/NMS Symbol\* and/or Name Changes**

The following changes to the list of NASDAQ/NMS securities occurred since January 22, 1988.

<b>New/Old Symbol*</b>	<b>New/Old Security</b>	<b>Date of Change</b>
SSAL/SSAL	Shelton Savings Bank/Shelton Savings & Loan Association	1/26/88
EMPR/EMPR	Empire Savings Bank, SLA/Empire Savings & Loan Association	1/27/88
NTSC/NTSC	National Technical Systems, Inc./National Technical System	1/27/88
ADVN/TSOF	ADVANTA Corporation/TSO Financial Corp.	1/28/88
BISH/BISH	Bishop, Incorporated/Bishop Graphics, Inc.	2/01/88
ABBK/ABBK	Abington Bancorp, Inc./Abington Savings Bank	2/01/88


<b>New/Old Symbol</b>	<b>New/Old Security</b>	<b>Date of Change</b>
CPST/CPST	CPC Rexcel, Inc./Consumer Plastics Corporation	2/03/88
USMX/USMX	USMX Inc./U.S. Minerals Exploration	2/05/88

**NASDAQ/NMS Deletions**

<b>Symbol*</b>	<b>Security</b>	<b>Date</b>
BUSL	Businessland, Inc.	1/25/88
DCOM	Dicomed Corporation	1/25/88
KNCD	Kincaid Furniture Company, Inc.	1/25/88
BULBE	Melridge, Inc.	1/25/88
WCRP	Westcorp	1/25/88
FRSL	Frost & Sullivan, Inc.	1/26/88
APPL	Apple Bank for Savings	1/27/88
OBOD	Owens & Minor, Inc.	1/28/88
SMBL	Symbol Technologies, Inc.	1/28/88
TLPZZ	Tenera Limited Partnership	1/28/88
ALBN	Allied Bancshares, Inc.	2/01/88
FIVC	First Valley Corporation	2/01/88
NWES	Norwesco, Inc.	2/01/88
FJNC	First Jersey National Corporation	2/02/88
NOVXW	Nova Pharmaceutical Corporation (CI A Wts)	2/02/88
CARX	CCC Information Services, Inc.	2/03/88
BBCM	Baltimore Bancorp	2/04/88
CYCR	CyCare Systems, Inc.	2/05/88

Questions regarding this notice should be directed to Kit Milholland, Senior Analyst, NASDAQ Operations, at (202) 728-8281. Questions pertaining to trade reporting rules should be directed to Leon Bastien, Assistant Director, NASD Market Surveillance, at (202) 728-8192.

Sincerely,

  
Joseph R. Hardiman  
President

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

# ***notice to members 88-14***

February 10, 1988

TO: All NASD Members and Other Interested Persons  
RE: Additional Arbitration Filing Fee and Advertising Service Charge

## **EXECUTIVE SUMMARY**

The NASD has adopted an arbitration filing fee and advertising service charge that will be imposed on certain arbitration Submission Agreements, advertisements, sales literature, and other such material received by the NASD on and after February 22, 1988.

The NASD Board of Governors believes the arbitration filing fee and advertising service charge are necessary to reduce the NASD's reliance upon general assessments and to institute a user-based fee and service charge to assist the NASD in recouping a portion of costs incurred in operating its arbitration facilities and reviewing advertising, sales literature and other such material.

## **ARBITRATION FILING FEE**

An amendment to the NASD Code of Arbitration Procedure adds Section 44, which establishes a non-refundable filing fee of \$500.00 imposed on all members for each arbitration Submission Agreement filed with the NASD against a non-member on and after February 22, 1988. Payment may be made by a check or money order payable to NASD, Inc. Any material submitted without the fee will be returned to the member and any applicable filing requirement will not be considered fulfilled. The rule provides:



## Code of Arbitration Procedure

### Section 44 - Filing Fee for Members

A member firm shall, when filing a Submission Agreement against a non-member, pay a non-refundable filing fee of \$500.00. This fee shall be in addition to all other fees, deposits, or costs which may be required.

Questions concerning this rule can be directed to Ms. Deborah Masucci, Director, NASD Arbitration, at (212) 839-6246. (On February 22, 1988, the Arbitration Department will relocate and the new telephone number will be (212) 858-4000.)

### ADVERTISING SERVICE CHARGE

An amendment to Schedule A to the NASD By-Laws adds Section 13. This section establishes a service charge of \$15.00 for each and every item of advertisement, sales literature, and other such material filed with or submitted to the NASD on and after February 22, 1988, except for items that are filed or submitted in response to a written request from the NASD Advertising Department issued pursuant to Article III, Section 35(c)(6) of the NASD's Rules of Fair Practice. Payment may be made by a check or money order payable to NASD, Inc. Any material submitted without the fee will be returned to the member and any applicable filing requirement will not be considered fulfilled. If multiple copies of identical material are submitted as one package, one filing has been made and one \$15.00 fee should be paid. If several distinct items are submitted in one package, a separate \$15.00 fee should be included for each individual piece. The rule provides:

#### NASD By-Laws Schedule A

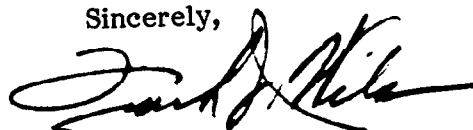
#### Section 13 - Service Charge for Advertisement, Sales Literature, and Other Such Material Filed or Submitted

There shall be a service charge of \$15.00 for each and every item of advertisement, sales literature, and other such material filed with or submitted to the Association, except for items that are filed or submitted in response to a written request from the Association's Advertising Department issued pursuant to Article III, Section 35(c)(6) of the Association's Rules of Fair Practice.

\* \* \* \* \*

Questions concerning this notice can be directed to Ms. R. Clark Hooper, Director, NASD Advertising, at (202) 728-8330.

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 88-15**

February 24, 1988

TO: All NASD Members and Other Interested Persons

RE: Amendment to Schedule A to the NASD By-Laws Concerning an Increased Application Fee for Member Firms With Statutorily Disqualified Individuals

The NASD has amended Section 12 of Schedule A to the NASD By-Laws to increase to \$1,000 the application fee imposed on a member firm that files an application seeking approval to employ or to continue to employ as an associated person an individual who is subject to a disqualification as set forth in Article II, Section 4 of the NASD By-Laws.

This non-refundable, user-based fee reduces the NASD's reliance upon general assessments by imposing a fee to recoup a portion of the costs incurred by the NASD to process and review such member firm applications.

The increased application fee will be imposed on all applications received by the NASD on and after February 29, 1988.

The text of the amendment is attached.

Questions concerning this notice can be directed to Craig L. Landauer, NASD Office of General Counsel, at (202) 728-8291.

Sincerely,



Frank J. Wilson  
Executive Vice President  
and General Counsel

Attachment

**AMENDMENT TO SCHEDULE A TO THE NASD BY-LAWS**

**Section 12—Application Fee for Member Firms With  
Statutorily Disqualified Individuals**

Any member firm seeking to employ or continuing to employ as an associated person any individual who is subject to a disqualification from association with a member as set forth in Article II, Section 4 of the Association's By-Laws shall, upon the filing of an application pursuant to Article II, Section 3, paragraph (d) of the Association's By-Laws, pay to the Association a fee of \$1,000.00.

# NASD

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

## **notice to members 88-16**

February 24, 1988

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

**RE:** NASDAQ National Market System Totals 3,004 Securities With Six Additions on March 1, 1988

On Tuesday, March 1, 1988, the following six issues are scheduled to join the NASDAQ National Market System, bringing the total number of issues in NASDAQ/NMS to 3,004:

<b>Symbol*</b>	<b>Company</b>	<b>Location</b>
BYTE	CompuCom Systems, Inc.	Cherry Hill, NJ
FICI	Fair, Isaac and Company, Incorporated	San Rafael, CA
MNRTS	Monmouth Real Estate Investment Trust	Eatontown, NJ
PCAI	PCA International, Inc.	Matthews, NC
TMBS	Timberline Software Corporation	Beaverton, OR
ZSEV	Z-Seven Fund, Inc. (The)	New York, NY

### **NASDAQ/NMS Pending Additions**

The following issues have filed for inclusion in NASDAQ/NMS upon effectiveness of their registration statements with the SEC or other appropriate regulatory authority. Their inclusion may commence prior to the next regularly scheduled phase-in date.

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\* NASDAQ symbols are proprietary to the National Association of Securities Dealers, Inc.

<b>Symbol*</b>	<b>Company</b>	<b>Location</b>
GMGW	Geraghty & Miller, Inc.	Plainview, NY
INSI	Information Science Incorporated	Montvale, NJ
MALC	Mallard Coach Company, Inc.	Nappanee, IN
MXIM	Maxim Integrated Products, Inc.	Sunnyvale, CT
SHNA	Shamut National Corporation	Hartford, CT

**NASDAQ/NMS Interim Addition**

The registration statement of the following issue was declared effective by the SEC or other appropriate regulatory authority. This issue commenced trading in NASDAQ/NMS since February 5, 1988.

<b>Symbol*</b>	<b>Security</b>	<b>Date of Entry</b>
POBS	Portsmouth Bank Shares, Inc.	2/09/88

**NASDAQ/NMS Symbol\* and/or Name Changes**

The following changes to the list of NASDAQ/NMS securities have occurred since February 5, 1988.

<b>New/Old Symbol*</b>	<b>New/Old Security</b>	<b>Date of Change</b>
CIZCF/CCIMF	City Resources Canada Ltd./ City Resources Canada Ltd.	2/16/88
PTMIW/PTMIW	Precision Target Marketing, Inc. (8/23/88 Wts)/Precision Target Marketing, Inc. (2/23/88 Wts)	2/17/88

**NASDAQ/NMS Deletions**

<b>Symbol*</b>	<b>Security</b>	<b>Date</b>
RSCH	Rowley-Scher Reprographics, Inc.	2/05/88
BRHF	BR Communications	2/08/88
CNTRS	CPL Real Estate Investment Trust	2/08/88
CRLD	Crossland Savings, F.S.B.	2/08/88
CRLDP	Crossland Savings, F.S.B. (Ser A Pfd)	2/08/88
CRLDO	Crossland Savings, F.S.B. (Ser B Pfd)	2/08/88
MPAI	Mid Pacific Air Corporation	2/08/88

<b>Symbol*</b>	<b>Security</b>	<b>Date</b>
POFOQ	PoFolks, Inc.	2/08/88
SHOE	Shoe City Corporation	2/08/88
INNO	Innovative Software, Inc.	2/09/88
SLVN	Sylvan Learning Corporation	2/09/88
BSTL	Birmingham Steel Corporation	2/10/88
BUFF	Buffton Corporation	2/12/88
HRES	Horizons Research, Inc.	2/12/88
CELCC	CEL Communications, Inc.	2/17/88
GIBS	C. R. Gibson Company	2/17/88

Questions regarding this notice should be directed to Kit Milholland, Senior Analyst, NASDAQ Operations, at (202) 728-8281. Questions pertaining to trade reporting rules should be directed to Leon Bastien, Assistant Director, NASD Market Surveillance, at (202) 728-8192.

Sincerely,

  
Joseph R. Hardiman  
President