

Notice To Members

National Association of Securities Dealers, Inc.

November 1990

Number 90 - 73

Suggested Routing:*

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|---|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Senior Management | <input checked="" type="checkbox"/> Internal Audit | <input type="checkbox"/> Operations | <input type="checkbox"/> Syndicate |
| <input type="checkbox"/> Corporate Finance | <input checked="" type="checkbox"/> Legal & Compliance | <input type="checkbox"/> Options | <input type="checkbox"/> Systems |
| <input type="checkbox"/> Government Securities | <input type="checkbox"/> Municipal | <input checked="" type="checkbox"/> Registration | <input type="checkbox"/> Trading |
| <input type="checkbox"/> Institutional | <input type="checkbox"/> Mutual Fund | <input type="checkbox"/> Research | <input type="checkbox"/> Training |

*These are suggested departments only. Others may be appropriate for your firm.

MAIL VOTE

Subject: Proposed Amendment to Article III, Section 28 of the Rules of Fair Practice Re: Associated Person Notifying Employer Prior to Opening Securities Account With Another Member; Last Voting Date: December 5, 1990

EXECUTIVE SUMMARY

NASD members are invited to vote on a proposed amendment to Article III, Section 28 of the NASD Rules of Fair Practice that would require an associated person to notify the executing member in writing of the employment relationship that exists with the employer member, and to notify the employer member in writing prior to opening an account or placing an initial order with the executing member.

firm.¹ The rule, as it stands, places the burden on the executing member to notify the employer member and to provide duplicate confirmations or such other information as the employer member may require. At present, many, but not all firms have internal compliance procedures requiring that notice be given to the employer. If such notification were required, the Board of Governors believes that it might allow member firms to more directly detect the existence of possible rule violations, including potential insider trading by associated persons.

PROPOSED AMENDMENT

The Board, therefore, proposes to amend Section 28 to require an associated person to provide notice *in writing* (1) to his or her employer prior to opening or placing an initial order in a securities account with another member, and (2) to the executing member of his or her association with the employer member.

BACKGROUND

Article III, Section 28(c) currently requires a registered representative, prior to opening an account or executing trades at a firm other than his or her employer, to inform the executing member firm of his or her status as an associated person. This provision does not, however, require the notice to be in writing. In addition, there is no specific provision in the Association's Rules of Fair Practice that requires the registered representative to inform his or her employer member that he or she is executing trades through another

¹The transactions subject to Section 28 are not considered to be private securities transactions that need to be approved by the employing member pursuant to Article III, Section 40 of the Rules of Fair Practice.

COMMENTS RECEIVED

This amendment was published for comment in *Notice to Members 90-50* (August 1990), and differed slightly from the version published for vote here. The NASD received 17 comment letters on the amendment as originally proposed. Nine were generally in favor, six were generally opposed, and two were opposed due to misunderstandings.

The initial version included a provision that would have required the employer member to approve the initial trade or opening of the account. Based on comments received, the Board of Governors decided to amend the proposal to eliminate the approval requirement.

A number of comments submitted by members with limited securities businesses recommended that the proposed amendment be limited to member firms with general securities licenses and firms conducting a traditional retail brokerage business, and that exemptions be created for specialty firms such as life insurance companies and broker-dealers engaged exclusively in the sale of variable products or limited partnership interests. They argued that the amendment's impact was unduly harsh on the limited broker-dealers without the justification of a reasonable benefit to the industry.

After consideration of these comments, the NASD Board of Governors felt that the elimination of the approval requirement would reduce the responsibility of limited broker-dealers, thereby alleviating what may have been interpreted as an onerous burden. The Board decided that notification of each firm of the opening of an account should still be required, while allowing the firms to decide independently in what manner to respond. The requirement that an employer member receive notification is far less burdensome, in the Board's opinion, than the requirement that the employer member approve the opening of the account or initial trade.

Furthermore, the amendment would provide additional assurances that the registered representative, the employer member firm, and the executing member firm have satisfied their respective obligations under the federal securities laws and the Rules of Fair Practice. The Board believes that the amendment would also, among other things, prevent instances in which trades may be made on inside information because the employer member was not aware of the existence of the account with

another member. For these reasons, the Board believes that the rule amendment, as currently proposed for member vote, is necessary and appropriate.

Several comment letters raised the concern that all trades by an associated person through a nonemployer member would be subject to Section 28. That is not the intention of the Board of Governors. This amendment will require notice only prior to the opening of an account or, in the event an associated person makes a trade without opening an account, prior to the execution of the initial order. Written notification will not be required for any subsequent trades.

REQUEST FOR VOTE

The NASD Board of Governors therefore believes that this change to the Rules of Fair Practice is necessary and appropriate and recommends that members vote their approval. Please mark the enclosed ballot according to your convictions and return it in the enclosed, stamped envelope to The Corporation Trust Company. Ballots must be postmarked **no later than December 5, 1990**.

Questions concerning this notice may be directed to T. Grant Callery, Vice President and Deputy General Counsel, or Maureen Eisenberg, Attorney, Office of General Counsel, at (202) 728-8285 or (202) 728-8245, respectively.

PROPOSED SECTION 28 TO ARTICLE III OF THE NASD RULES OF FAIR PRACTICE

(Note: New text is underlined; deleted text is in brackets.)

Transactions for or by Associated Persons Sec. 28

* * * * *

Obligations of Associated Persons Concerning an Account with a Member.

(c) A person associated with a member, prior to opening [who opens] an account or placing [places] an initial order for the purchase or sale of securities with another member, shall notify both the employer member and the executing member, in writing, of his or her association with the [employer] other member; provided, however, that if the account was established prior to the association of the person with the employer member, the associated person shall notify both [the executing] members in writing promptly after becoming so associated.

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REQUEST FOR COMMENTS

**Subject: Proposed Amendment to Article IV, Section 1 of the NASD Rules of Fair Practice
 Re: the Suspension of the Membership of Any Member or of the Registration of a Person Associated With a Member for a Definite Period Assessed As a Penalty For a Rule Violation; Last Date for Comments: December 5, 1990**

EXECUTIVE SUMMARY

The NASD requests comments on a proposed amendment to Article IV, Section 1 of the NASD Rules of Fair Practice. The amendment to Section 1 would exclude from the rule the requirement that suspensions of membership or suspensions of the registration of associated persons be for a specific length of time. The amendment would allow the NASD to impose, as a penalty for a rule violation involving losses to customers, a suspension, either of membership or of the registration of an associated person. The suspension would remain effective until such person or member proves he or she has made restitution to the customer. The text of the proposed amendment follows this notice.

association, its rules must provide that its members and persons associated with its members will be appropriately disciplined by expulsion, suspension, limitation of activities, or other fitting sanctions. Article V, Section 1 of the NASD Rules of Fair Practice sets forth the penalties that may be imposed by the NASD Board of Governors ("Board") or any District Business Conduct Committee (DBCC) or Market Surveillance Committee (MSC) for rule violations. It states in part that the Committees or the Board may "suspend the membership of any member or suspend the registration of a person associated with a member, if any, *for a definite period . . .*" (emphasis added). The proposed amendment would delete the words "for a definite period," thereby allowing the Board and any DBCC or MSC to impose a suspension without specifying a definite period for the duration of the suspension.

Currently, Article V, Section 1 limits the imposition of suspensions in that it requires that all suspensions imposed by any DBCC, MSC, or the Board specify the term of the suspension. The requirement effectively precludes the imposition of a suspension that is of indefinite duration, such as a suspension ordered to remain effective until the

BACKGROUND

Section 15A(b)(7) of the Securities Exchange Act of 1934 provides in part that, in order for an association to be registered as a national securities

respondent proves restitution or a suspension for a definite period that will continue if restitution is not made within that period. In appeals of NASD disciplinary actions, the SEC has rejected suspensions imposed under similar circumstances, stating that the suspensions violated Article V, Section 1 in that their lengths were indefinite.

A significant number of disciplinary actions brought by the DBCCs or MSCs involve losses to customers. Often, the customer whose funds have been misused is readily identifiable and sometimes involved as a witness in the disciplinary action. In imposing penalties, the Committees have sought to ensure that the wronged individual is made whole frequently through the imposition of bars and the requirement of restitution. The Board is interested in providing the NASD with an opportunity to require the respondents in disciplinary actions to refund the client's money in cases where a bar is not considered an appropriate sanction. A suspension contingent upon proof of restitution is a sanction alternative that would allow the Committees and the Board to require customer remuneration under such circumstances. In order to provide the flexibility needed to include restitution as part of the penalty imposed on respondents, this rule revision is necessary.

The proposed amendment seeks to eliminate the self-imposed prohibition and provide the Board and the DBCCs and MSCs with greater leeway in crafting sanctions, in appropriate cases, that assist customers in the recovery of their losses.

SUMMARY OF PROPOSED AMENDMENTS

ARTICLE III, SECTION 1 OF THE NASD RULES OF FAIR PRACTICE

The NASD is proposing to amend Article III, Section 1 of the Rules of Fair Practice to provide the NASD with the ability to impose suspensions of membership and of the registration of associated persons until the member or associated person proves restitution. The change would be accomplished by deleting from the rule the requirement that all sanctions imposed by the Board of Governors or any District Business Conduct Committee or Market Surveillance Committee be for a definite period of time. The NASD believes it is essential that the Committees and the Board have the ability to require, as part of a disciplinary penalty, that the respondent refund his or her customer's

money or otherwise make the customer financially whole.

The NASD encourages all members and other interested persons to comment on the proposed amendment to Article V, Section 1 of the Rules of Fair Practice. Comments should be directed to:

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

Comments must be received **no later than December 5, 1990**. All comments will be made available for public inspection. Comments received by this date will be considered by the NASD Board of Governors. If approved by the Board, the amendment must be submitted for member vote and filed with and approved by the Securities and Exchange Commission before becoming effective.

Questions concerning this Notice to Members may be directed to Carla J. Carloni, Attorney, Office of General Counsel, at (202) 728-8019.

PROPOSED AMENDMENT TO NASD RULES OF FAIR PRACTICE

(Note: Deleted text is in brackets.)

ARTICLE V

Penalties

Penalties for Violations of the Rules

Section 1. Any District Business Conduct Committee, Market Surveillance Committee or the Board of Governors, in the administration and enforcement of these Rules, and after compliance with the Code of Procedure, may (1) censure any member or person associated with a member and/or (2) impose a fine upon any member or person associated with a member and/or (3) suspend the membership of any member or suspend the registration of a person associated with a member, if any, [for a definite period,] and/or (4) expel any member or revoke the registration of any person associated with a member, if any, and/or (5) suspend or bar a member or a person associated with a member from association with all members, or (6) impose any other fitting penalty deemed appropriate under the circumstances, for each or any

violation of any of these Rules by a member or person associated with a member or for any neglect or any refusal to comply with any orders, directions or decisions issued by any District Conduct Committee, Market Surveillance Committee or the Board of Governors in the enforcement of these Rules, including any interpretative ruling made by the Board of Governors, as any such Committee or Board, in its discretion, may deem to be just; provided, however, that no such sanction imposed by any District Business Conduct Committee or

Market Surveillance Committee shall take effect until the period for appeal therefrom or review has expired, as provided in Article III, Section 1 of the Code of Procedure; and provided, further, that all parties to any proceeding resulting in a sanction shall be deemed to have assented to or to have acquiesced in the imposition of such sanction unless any party aggrieved thereby shall have made application to the Board of Governors for review pursuant to the Code of Procedure, within fifteen (15) days after the date of such notice.

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Subject: New Requirement for Market Makers to Display Size in Quotations

EXECUTIVE SUMMARY

On September 18, 1990, the Securities and Exchange Commission (SEC) approved an NASD proposal to require market makers in NASDAQ to display quotation size greater than or equal to the appropriate SOES tier size in their quotes on NASDAQ. The rule takes effect December 1, 1990. At the same time, the SEC granted a six-month exception to the firm-quote rule so that market makers are not obliged to execute more than 100 shares against competing market makers in the same issues. This exception also begins December 1 and expires June 1, 1991.

BACKGROUND AND DISCUSSION

In response to a recommendation by the NASD's Quality of Markets Committee, the NASD Board of Governors in 1989 approved a proposal to amend Schedule D to require market makers in NASDAQ securities that are also market makers in the Small Order Execution System (SOES) to display size in NASDAQ at least equal to the maximum size of an order eligible for automatic execution in SOES, and to extend such size to all parties except firms that are also market makers in

the same security. The NASD believes that the new rule will enhance the quality, liquidity, and depth of NASDAQ and provide greater information to the investing public.

Under current practice, few market makers display quotations in excess of the normal unit of trading, 100 shares. Under the Rules of Practice and Procedure for SOES (SOES Rules), however, NASDAQ market makers that are also market makers in SOES are required to execute orders through SOES in sizes equal to or smaller than the "maximum order size" as published periodically by the NASD. These order-size limits are currently set at 1000 shares, 500 shares, and 200 shares, depending on the trading characteristics of the security. The NASD believes that mandatory size display would provide a realistic picture of the actual size of execution available and the depth of the market in each security. Display of size would enhance investor knowledge and would also be beneficial to issuers by publicizing the liquidity and depth of the market for their securities.

The new rule applies to all market makers that participate in SOES, and thus applies to National Market System (NASDAQ/NMS) securities as well as regular NASDAQ securities.

The new rule also has an impact on market makers using other NASD systems, such as the Order Confirmation Transaction (OCT) service and

the Computer Assisted Execution System (CAES). For the most part, the application of the rule to OCT and CAES, as well as to telephone orders, should not result in multiple order exposure commitments. Under the SEC's "firm quote rule," Rule 11Ac1-1, a broker-dealer is relieved from the obligation of honoring its published quotation size if, prior to the presentation of an order, the broker-dealer has communicated to the NASD a revised quotation or if, at the time the order is presented, the broker-dealer is effecting a transaction and is about to send in a quote update. In most cases, therefore, the maximum exposure for market makers should be the maximum tier size for SOES, provided the market maker complies with the requirements of the firm-quote rule in revising its quote size.

There may be cases, however, in which a market maker will face multiple order exposure commitments due to the automated nature of SOES and the fact that the market maker is obliged to execute orders in SOES in amounts of up to five times the applicable maximum tier size. For example, if a phone order is followed by a SOES order that occurs during the course of the phone call, the market maker will be obligated to execute both orders. Likewise, a market maker could receive simultaneous orders through SOES and OCT and would be obligated to execute both up to the size displayed. Conversely, if a SOES order is received first, followed by either a phone order or an OCT order, if the market maker is revising its quotation, the market maker would not be obligated to fill the incoming phone or OCT order.

Finally, the new rule also contains an exception from filling sized orders from competing market makers in the same security. Although the SEC's firm-quote rule obligates a market maker to execute any order presented at its quoted price and size, the NASD has received an exception from the rule because extension of quote size to competing market makers would increase market-making risk to the extent a competitor may fail to honor its side of a transaction. Higher net capital standards are currently under consideration by the SEC, and the NASD believes that those higher standards may

significantly reduce the risk that would be assumed by market makers if required to honor quote size to competitors. Accordingly, the exception to the firm-quote rule for competing market makers will last for six months, from December 1, 1990, to June 1, 1991. Afterwards, if higher net capital requirements have been adopted, this provision will be reexamined. Therefore, from December 1, 1990, until June 1, 1991, NASDAQ market makers will be required to execute only 100 shares of stock for competing market makers.

Questions concerning this notice may be addressed to Jeff Englander, Market Surveillance at (301) 590-6450.

(Note: New language is underlined.)

Schedule D

Part VI

Sec. 2 Character of Quotations

(a) Two-sided Quotations. For each security in which a member is registered as a market maker, the member shall be willing to buy and sell such security for its own account on a continuous basis and shall enter and maintain two-sided quotations in the NASDAQ system, subject to the provisions for excused withdrawal set forth in Section 7 below. Each member registered as a NASDAQ market maker in SOES shall display the size for each quotation which size shall be no less than the maximum order size for such security eligible for execution through SOES, as shall be published from time to time by the Association pursuant to paragraph (a)(7) of the SOES Rules.

(b) Firm Quotations. A market maker that receives an offer to buy or sell from another member of the Association shall execute a transaction for at least a normal unit of trading at its displayed quotations as disseminated through the NASDAQ System at the time of receipt of any such offer. If a market maker displays a quotation for a size greater than a normal unit of trading, it shall upon receipt of an offer to buy or sell from another member of the Association, other than a member who is a market maker registered in the security, execute a transaction at least at the size displayed.

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Subject: Broker-Dealer and Agent Renewals for 1991

EXECUTIVE SUMMARY

The 1990-91 NASD broker-dealer and agent registration renewal cycle will begin in early November. This program allows for simplification of the renewal process through the payment of one invoice amount that includes fees for NASD personnel assessments, NASD branch-office fees, New York Stock Exchange (NYSE) and American Stock Exchange (ASE) maintenance fees, state agent renewal fees, and state broker-dealer renewal fees. Assessments for NASD fees will differ slightly from those in past years as the Association converts from a fiscal year to a calendar year for financial and billing purposes. Members should read this *Notice* and the instruction materials included in the forthcoming invoice package to ensure continued eligibility to do business in the states on January 1, 1991.

INITIAL RENEWAL INVOICES

On or about November 9, 1990, the NASD will mail initial renewal invoices to all member firms. The invoices will include fees for NASD personnel assessments, NASD branch-office fees, New York Stock Exchange (NYSE) and American

Stock Exchange (ASE) maintenance fees, state agent renewal fees, and state broker-dealer renewal fees. The NASD must receive full payment of the November invoice **no later than December 18, 1990.**

This year, NASD assessments for personnel and branch-office fees will cover a 15-month period from October 1990 through December 1991, as the Association converts from a fiscal year to a calendar year. The NASD personnel assessment is set at \$12.50 per person. All registered personnel with an approved NASD license as of December 31, 1990, will be assessed this fee. A fee *will not* be assessed for any agent whose NASD registration terminates on or before December 31.

The NASD will base its branch-office assessments on the effective opening date of the branch. Any branch that is active as of October 1, 1990, will be assessed a partial fee of \$12.50 for the fourth quarter of 1990. If this branch remains active into 1991, an additional \$50 fee will be assessed for this calendar year. If this branch closes on or before December 31, 1990, only the fourth quarter fee will be assessed. Any new branch that opens during the fourth quarter of 1990 will be assessed *only* the partial fee of \$12.50, because the NASD will consider the initial \$50 branch registration fee as the assessment for calendar year 1991.

NYSE AND ASE MAINTENANCE FEES AS WELL AS STATE RENEWAL FEES WILL CON-

TINUE TO BE BASED ON A CALENDAR YEAR. NO ADDITIONAL PARTIAL FEES FOR FOURTH-QUARTER 1990 WILL BE ASSESSED FOR THESE JURISDICTIONS.

Agent renewal fees for NYSE, ASE, and state affiliations will be listed in a table enclosed with each invoice. The table includes a list of state broker-dealer renewal fees for states that are participating in this year's broker-dealer renewal program. NYSE and ASE maintenance fees — collected by the NASD for firms that are registered with NYSE/ASE as well as the NASD — are based on the number of NYSE- and ASE-registered personnel employed by the member.

If a state is not participating in this year's broker-dealer renewal program, members registered in that state must contact the state directly to assure compliance with renewal requirements. In addition, some participating states may require steps beyond the payment of renewal fees to complete the broker-dealer renewal process. Members should contact states directly for further information on state renewal requirements.

Payment of the initial invoice should be in the form of a check made payable to the National Association of Securities Dealers, Inc. The check should be drawn on the member firm's account, with the firm Central Registration Depository (CRD) number included on the check. Submit the check along with the top portion of the invoice and mail them in the return envelope provided with the invoice. To ensure prompt processing, the renewal invoice payment should not be included with other forms or fee submissions. Members should be aware that failure to return payment to the NASD by the December 18, 1990, deadline will mean a loss of eligibility to do business in the states effective January 1, 1991.

FILING FORM U-5

Members may wish to avoid unwanted renewals by filing Form U-5 for agent terminations in one or more affiliations. Because of the increased convenience and flexibility reported by members that used predated Form U-5 for renewals in the previous three years, the NASD will again process predated agent terminations this year. From November 1 to December 18, the NASD will accept and process Forms U-5 (both partial and full terminations) with *predated dates of termination*. Under this procedure, if the U-5 in-

dicates a termination date of December 31, 1990, an agent may continue doing business in a jurisdiction until the end of the calendar year without being assessed renewal fees for that jurisdiction. Please ensure that Forms U-5 are filed by the renewal deadline date of December 18, 1990. Also, *predated U-5s cannot be processed if the date of termination indicated is January 1, 1991, or thereafter.*

Members should exercise care when submitting predated Forms U-5. The NASD will process these forms as they are received but cannot withdraw a predated termination once processed. To withdraw a predated termination, a member would have to file a new Form U-4 *after* the termination date.

The NASD encourages members having access to the Firm Access Query System (FAQS) to utilize electronic filings for nondisciplinary Forms U-5. FAQS offers several advantages to firms in this regard, including the ability to *immediately* process terminations, ensure in-house control over agent registrations, and reduce normal and express mailing costs as well as long-distance telephone call costs. It also allows members to quickly and efficiently handle the large filing volumes that typically occur at this time every year. Because of that, the NASD will provide an additional service to FAQS users by expanding the on-line user hours for November and December 1990. The system will be operational from 9 a.m. to 11 p.m., Eastern Time (ET) Monday through Friday and will also be available on Saturdays from 9 a.m. to 5 p.m., ET.

FILING FORMS BDW

The CRD Phase II program, now in its second year, allows firms requesting terminations (either full or state only) to file their Forms BDW with the CRD to avoid the assessment of renewal fees in those jurisdictions that are designated on the Form BDW, *provided that the jurisdiction is a CRD Phase II participant*. Currently, there are seven jurisdictions or entities that are *not* participating in Phase II. They are:

- Arizona
- Arkansas
- Michigan
- New Jersey
- Puerto Rico
- American Stock Exchange
- New York Stock Exchange

Firms requesting termination in any of the above-listed jurisdictions must submit a Form BDW directly to the jurisdiction.

The deadline for receipt of Forms BDW by the CRD for firms desiring to terminate an affiliation before year-end 1990 is December 18, 1990. This same date applies to the filing of Forms BDW with the jurisdictions that are not participating in Phase II. Predated Forms BDW filed with the CRD *will be* accepted and processed in the same manner as predated Forms U-5.

REMOVING OPEN REGISTRATIONS

For the fourth year, the NASD will include in the initial invoice package a roster of firm agents whose NASD registration is either terminated or purged because of the existence of a deficient condition for more than 180 days, but who have approved registrations with states. This roster should aid in the reconciliation of personnel registrations prior to year's end. Firms may terminate obsolete state registrations through the submission of a Form U-5 or reinstate NASD licenses through the filing of a Page 1 of Form U-4. No roster will be included if a firm does not have agents within this category.

BILLING CODE BREAKDOWN

This year's final invoice package will again include a breakdown of fees assessed by billing code for firms that use billing codes in the registration process. This breakdown will aid such firms in their internal research and allocation of fees.

FINAL ADJUSTED INVOICES

On or about January 11, 1991, the NASD will mail final adjusted invoices to members. These in-

voices will reflect the final status of firm and agent registrations as of December 31, 1990. Any adjustments in fees owed as a result of registration terminations or approvals subsequent to the initial invoice mailing will be made in this final reconciled invoice. If a member has more agents registered at year's end than it did on the November invoice date, additional fees will be assessed. If a member has fewer registered personnel at year's end than it did in November, a credit will be issued.

Included with this adjusted invoice will be the member renewal rosters, which will list all renewed personnel registered with the NASD, NYSE, ASE, and each state. Persons whose registration is approved in any of these jurisdictions during November and December will automatically be included in this roster, while registrations that are pending approval or are deficient at year's end *will not* be included in the renewal process. Firms also will receive an NASD branch-office roster that lists all branches for which they have been assessed. In addition, the roster indicates year-end branch status, which serves as the basis for the branch assessment fee amount.

Firms then will have a two-month period in which to reconcile any discrepancies on the rosters. All jurisdictions should be contacted directly in writing. Specific information and instructions concerning the final adjusted invoice package will appear in the January 1991 issue of *Notices to Members*, as well as on the inside cover of the renewal roster.

Questions concerning this notice may be directed to NASD Information Services at (301) 590-6500.

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Subject: Thanksgiving Day — Trade Date-Settlement Date Schedule

The schedule of trade dates-settlement dates below reflects the observance by the financial community of Thanksgiving Day, Thursday, November 22, 1990. All securities markets will be closed on Thursday, November 22, in observance of Thanksgiving Day.

Trade Date	Settlement Date	Reg. T Date*
November 12	19	21
13	20	23
14	21	26
15	23	27
16	26	28
19	27	29
20	28	30
21	29	December 3
22 Markets Closed		—
23	30	4

These settlement dates should be used by brokers, dealers, and municipal securities dealers for purposes of clearing and settling transactions pursuant to the NASD 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 Uniform Practice Department at (212) 858-4341.

*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 "Reg. T Date."

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*These are suggested departments only. Others may be appropriate for your firm.

Subject: NASDAQ National Market System (NASDAQ/NMS) Additions, Changes, and Deletions As of October 11, 1990

As of October 11, 1990, the following 10 issues joined NASDAQ/NMS, bringing the total number of issues to 2,613:

Symbol	Company	Entry Date	SOES Execution Level
HIPC	High Plains Corporation	9/18/90	1000
SSVB	Security Savings Bank, F.S.B.	9/18/90	200
URIX	Uranium Resources, Inc.	9/18/90	1000
URIXW	Uranium Resources, Inc. (Wts)	9/18/90	500
WONEW	Westwood One, Inc. (Wts)	9/18/90	500
GRNT	Grant-Norpac, Inc.	9/19/90	1000
MTRX	Matrix Service Company	9/26/90	500
LONDY	London International Group plc	10/2/90	200
DOSKQ	Doskocil Companies, Inc.	10/4/90	1000
ACOM	Astrocom Corporation	10/5/90	1000

NASDAQ/NMS Symbol and/or Name Changes

The following changes to the list of NASDAQ/NMS securities occurred since September 13, 1990:

New/Old Symbol	New/Old Security	Date of Change
CFED/CFED	Charter One Bancorp, Inc./Charter Federal Savings Bank	9/18/90
ITHB/CISA	Ithaca Bancorp, Inc./Citizens Savings Bank, F.S.B.	9/18/90
SDYN/SDYN	Stadyn, Inc./Stadynamics, Inc.	9/21/90
MNRTA/MNRTS	Monmouth Real Estate Investment Corp. (Cl A)/Monmouth Real Estate Investment Trust	10/1/90
NSEC/NSIC	National Security Group, Inc./National Security Insurance Company	10/1/90
HROK/HROK	Home Federal Savings Bank/Home Federal Savings & Loan Association of the Rockies	10/5/90

NASDAQ/NMS Deletions

Symbol	Security	Date
NMCO	National Media Corporation	9/14/90
CDNC	Cadence Design Systems, Inc.	9/17/90
FNNG	Finnigan Corporation	9/17/90
PHABY	Pharmacia AB	9/17/90
MABC	Mid-America Bancorp	9/18/90
FPUT	Florida Public Utilities Company	9/19/90
OLDR	Old Republic International Corporation	9/19/90
UTLC	UTL Corporation	9/19/90
DXTK	Diagnostek, Inc.	9/20/90
SSIAA	Stockholder Systems, Inc. (CI A)	9/20/90
WOTK	World-Wide Technology Inc.	9/21/90
AFTIW	American Film Technologies, Inc. (Wts)	9/24/90
BMDS	Bio-Medicus, Inc.	9/24/90
FFMA	Fidelity Federal Savings Bank	9/24/90
CWTS	Country-Wide Transport Services, Inc.	9/25/90
ICPYE	Institute of Clinical Pharmacology plc	9/25/90
JGRPC	Jesup Group Inc. (The)	9/25/90
MWAV	Microwave Laboratories, Inc.	9/25/90
SFEM	SFE Technologies	9/25/90
AIRSY	Airship Industries Limited	9/26/90
FCNCB	First Citizens Bancshares, Inc. (CI B)	9/26/90
FSEB	First Home Federal Savings and Loan Association	9/28/90
BFBS	Brookfield Bancshares Corporation	10/1/90
JMBRS	JMB Realty Trust	10/1/90
SHLB	Shelby Federal Savings Bank	10/1/90
MLLE	Martin Lawrence Limited Editions, Inc.	10/3/90
MACK	Mack Trucks, Inc.	10/5/90
WEBS	Webster Clothes, Inc.	10/5/90
FEXCW	First Executive Corporation (11/15/90 Wts)	10/8/90
TVOPZ	Vista Organization Partnership, L.P. (The)	10/8/90
CAPB	Capitol Bancorporation	10/10/90
FFSB	Fulton Federal Savings Bank	10/10/90
GBLD	General Building Products Corporation	10/10/90
OSIC	Osicom Technologies, Inc.	10/10/90
UMED	Unimed, Inc.	10/10/90

Questions regarding this notice should be directed to Kit Milholland, Senior Analyst, Market Listing Qualifications, at (202) 728-8281. Questions pertaining to trade reporting rules should be directed to Leon Bastien, Assistant Director, NASD Market Surveillance, at (301) 590-6429.