

0120. Definitions

When used in these Rules, unless the context otherwise requires:

(a) "Act"

The term "Act" means the Securities Exchange Act of 1934, as amended.

(b) "Association"

The term "Association" means, collectively, the NASD, NASD Regulation, and Nasdaq.

(c) "By-Laws"

The term "By-Laws" means the By-Laws of the Corporation.

(d) "Code of Procedure"

The term "Code of Procedure" means the procedural rules contained in the Rule 9000 Series.

(e) "Commission"

The term "Commission" means the Securities and Exchange Commission (SEC), established pursuant to the Act.

(f) "Completion of the Transaction"

The term "the completion of the transaction" means:

(1) In the case of a customer who purchases a security through or from a member, except as provided in subparagraph (2), the time when such customer pays the member any part of the purchase price, or, if payment is effected by a bookkeeping entry, the time when such bookkeeping entry is made by the member for any part of the purchase price;

(2) In the case of a customer who purchases a security through or from a member and who makes payment therefor prior to the time when payment is requested or notification is given that payment is due, the time when such member delivers the security to or into the account of such customer;

(3) In the case of a customer who sells a security through or to a member, except as provided in subparagraph (4), if any security is not in the custody of the member at the time of sale, the time when the security is delivered to the member, and if the security is in the custody of the member at the time of sale, when the member transfers the security from the account of such

customer;

(4) In the case of a customer who sells a security through or to a member and who delivers such security to such member prior to the time when delivery is requested or notification is given that delivery is due, the time when such member makes payment to or into the account of such customer.

(g) "Customer"

The term "customer" shall not include a broker or dealer.

(h) "Fixed Price Offering"

The term "fixed price offering" means the offering of securities at a stated public offering price or prices, all or part of which securities are publicly offered in the United States or any territory thereof, whether or not registered under the Securities Act of 1933, except that the term does not include offerings of "exempted securities" or "municipal securities" as those terms are defined in Sections 3(a)(12) and 3(a)(29), respectively, of the Act or offerings of redeemable securities of investment companies registered pursuant to the Investment Company Act of 1940 which are offered at prices determined by the net asset value of the securities.

(i) "Member"

The term "member" means any individual, partnership, corporation or other legal entity admitted to membership in the Association under the provisions of Articles II and III of the By-Laws.

(j) "NASD"

The term "NASD" means NASD, Inc.

(k) "Nasdaq"

The term "Nasdaq" means The Nasdaq Stock Market, Inc.

(l) "NASD Regulation"

The term "NASD Regulation" means NASD Regulation, Inc.

(m) "National Business Conduct Committee"

The term "National Business Conduct Committee" means the committee of the Board of Directors of NASD Regulation which may be authorized and directed to act for the Board of Directors of NASD Regulation in a manner consistent with the By-Laws of NASD Regulation, the Rules of the Association, and the Delegation Plan with respect to (1) an appeal or review of a disciplinary proceeding; (2) a statutory disqualification decision; (3) a review of a membership proceeding; (4) a review of an offer of settlement, a letter of acceptance, waiver, and consent, and a minor rule violation plan letter; (5) the exercise of exemptive authority; and (6) such other proceedings or actions authorized by the Rules of the Association.

(n) "Person"

The term "person" shall include any natural person, partnership, corporation, association, or other legal entity.

(o) "Rules" or "Rules of the Association"

The term "Rules" or "Rules of the Association" means the numbered rules set forth in the NASD Manual beginning with the Rule 0100 Series, as adopted by the Board of Governors of the NASD pursuant to the By-Laws of the NASD, as hereafter amended or supplemented.

(p) "Selling Group"

The term "selling group" means any group formed in connection with a public offering, to distribute all or part of an issue of securities by sales made directly to the public by or through members of such selling group, under an agreement which imposes no financial commitment on the members of such group to purchase any such securities except as they may elect to do so.

(q) "Selling Syndicate"

The term "selling syndicate" means any syndicate formed in connection with a public offering, to distribute all or part of an issue of securities by sales made directly to the public by or through participants in such syndicate under an agreement which imposes a financial commitment upon participants in such syndicate to purchase any such securities.

0121. Definitions in NASD By-Laws

Unless the context otherwise requires, or unless otherwise defined in these Rules, terms used in the Rules and interpretive material, if defined in the NASD By-Laws, shall have the meaning as defined in the NASD By-Laws.

IM-2210-4. Limitations on Use of Association's Name

(a) Use of Association Name

Members may indicate membership in the Association in conformity with Article XVI, Section 2 of the NASD By-Laws in one or more of the following ways:

(1) A member may indicate membership in the Association in recognized trade directories or other similar types of business listings.

(2) A member may indicate membership in the Association in the member's advertisements and sales literature if such use is:

(A) separate from the regular text of the advertisement or sales literature;

(B) in a smaller type size and with less emphasis than that used for the member's name; and

(C) carries no direct or implied indication of Association approval of any security or service discussed in the advertisement or sales literature.

(3) A confirmation form for an over-the-counter transaction may include the following statement: "This transaction has been executed in conformity with the Uniform Practice Code of the National Association of Securities Dealers, Inc.".

(4) A member may indicate membership in the Association on the door or entrance way of a member's principal office or a registered branch office in the following manner: "Member, National Association of Securities Dealers, Inc." or "Member of the National Association of Securities Dealers, Inc.".

(b) Certification of Membership

Upon request to the Association, a member shall be entitled to receive an appropriate certification of membership, which may be displayed in the principal office or a registered branch office of the member. The certification shall remain the property of the Association and shall be returned by the member upon request of the NASD Board or the Chief Executive Officer of the Association.

(c) Fraudulent or Misleading Use Prohibited

A member or person associated with a member shall not use the name of the Association in a fraudulent or misleading manner in connection with the promotion or sale of any security or in connection with any other aspect of the member's business or imply orally, visually, or in writing that the Association endorses, indemnifies, or guarantees a member's business practices, selling methods, or class or type of securities offered.

(d) Violation of Rule 2110

An improper, fraudulent, or misleading use of the Association's name by a member or person associated with a member shall be deemed conduct inconsistent with high standards of commercial honor and just and equitable principles of trade in violation of Rule 2110.