

NASD NOTICE TO MEMBERS 97-65

Administrative Termination Of Registrations Inactive For Two Years For Failing To Comply With Continuing Education Regulatory Element Requirements; CRD To Provide Firms With Advisory Messages

Suggested Routing

- ☒ Senior Management
- ☐ Advertising
- ☒ Continuing Education
- ☐ Corporate Finance
- ☐ Government Securities
- ☐ Institutional
- ☐ Internal Audit
- ☒ Legal & Compliance
- ☐ Municipal
- ☐ Mutual Fund
- ☐ Operations
- ☐ Options
- ☐ Registered Representatives
- ☒ Registration
- ☐ Research
- ☐ Syndicate
- ☐ Systems
- ☐ Trading
- ☐ Training
- ☐ Variable Contracts

Executive Summary

This *Notice* is to remind firms that registered persons whose registrations become inactive as defined in Rule 1120 of the National Association of Securities Dealers, Inc. (NASD[®]) Membership and Registration Rules (Continuing Education Requirements), and who remain inactive for two years, will be administratively terminated and can re-register only by reapplying for registration and requalifying by examination.

Beginning August 29, 1997, the Central Registration Depository (CRDSM) will provide firms with advisory messages approximately 60 days before the effective date of an administrative termination for being inactive for two years (*see* Exhibit 1), and when the administrative termination occurs (*see* Exhibit 2).

Questions about this *Notice* may be directed to John Linnehan, Director, Continuing Education, NASD RegulationSM, at (301) 208-2932 or to the following CRD Quality & Service Teams:

Team 1 (301) 921-9499
Team 2 (301) 921-9444
Team 3 (301) 921-9445
Team 4 (301) 921-6664
Team 5 (301) 921-6665

Background

NASD Membership and Registration Rule 1120 (Continuing Education Requirements) (Rule) requires persons registered 10 years or less to take the Regulatory Element computer-based training within 120 days after the occurrence of the second, fifth, and tenth anniversaries of their initial registration date. Persons who are the subject of a significant disciplinary action, as defined by the Rule, must take the Regulatory Element training within 120 days after the effective date of the significant

disciplinary action and then within 120 days after the occurrence of the second, fifth, and tenth anniversaries of the disciplinary action. Any registered person who has not completed the Regulatory Element within the prescribed time frames will have his or her registration deemed inactive until the requirements of the program have been satisfied. Any person whose registration has been deemed inactive must cease all activities as a registered person and is prohibited from performing, or being compensated for, any duties requiring a securities registration. The Rule also stipulates that a registration that is inactive for a period of two years will be administratively terminated. A person whose registration is administratively terminated must reapply for registration and requalify by examination.

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CENTRAL REGISTRATION DEPOSITORY

P.O.BOX 9401 * GAITHERSBURG, MARYLAND 20898-9401 * (301)590-6500

CONTINUING EDUCATION PROGRAM ADVISORY MESSAGE

REGISTERED REPRESENTATIVE NAME
CRD # SS#

REPORT DATE 8/29/97

CE TWO YEAR TERMINATION WARNING NOTICE

The individual listed above is subject to the Continuing Education Program. The individual has not completed the Continuing Education Session listed below and is currently INACTIVE. If the session is not completed by 10/29/97, the individual's securities registrations will be TERMINATED, and the individual will have to reapply for registration and requalify by examination.

BEGIN DATE: 7/1/95

END DATE: 10/29/95

*** Avoid surprises! Always determine a new-hire's CE status ***

BD#

BD NAME
BD STREET ADDRESS
CITY, STATE POSTAL CODE

ATTN : BD CONTACT

CENTRAL REGISTRATION DEPOSITORY

P.O.BOX 9401 * GAITHERSBURG, MARYLAND 20898-9401 * (301)590-6500

CONTINUING EDUCATION PROGRAM ADVISORY MESSAGE

REGISTERED REPRESENTATIVE NAME
CRD # SS#

REPORT DATE 10/30/97

CE TWO YEAR TERMINATION NOTICE

The individual listed above was subject to the Continuing Education Program. The individual did not complete the Continuing Education Session listed below and has been INACTIVE for two years. As of 10/30/97 the individual's securities registrations have been TERMINATED. The individual must now reapply for registration and requalify by examination.

BEGIN DATE: 7/1/95

END DATE: 10/29/95

*** Avoid surprises! Always determine a new-hire's CE status ***

BD#

BD NAME
BD STREET ADDRESS
CITY, STATE POSTAL CODE

ATTN : BD CONTACT