

# NASD NOTICE TO MEMBERS 97-32

## NASD Regulation Files Proposed Changes To Disciplinary, Election, And Membership Procedures With The SEC

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### Executive Summary

On April 18, 1997, NASD Regulation, Inc. (NASD Regulation<sup>SM</sup>) filed with the Securities and Exchange Commission (SEC) for its approval a comprehensive proposed rule change that will address three primary issues: (1) how an entity or person becomes a member of the NASD<sup>®</sup> (membership procedures); (2) how the NASD may discipline a member or a person associated with a member for misconduct (disciplinary procedures); and (3) how NASD and NASD Regulation nominations and elections for certain board and committee positions are conducted (election procedures). The proposal is contained in rule filing number SR-NASD-97-28.

The SEC will publish the proposed rules in the *Federal Register*, indicating a time period when members and other interested parties may comment. Comment letters should be submitted directly to the SEC once the rule proposal is published in the *Federal Register* to ensure that the SEC receives all comments. **The proposed rules will not become final until approved by the SEC.**

NASD Regulation is publishing this *Notice* to alert members to the fact that this proposed rule change has been filed with the SEC. Those interested in reviewing and/or commenting on the proposed changes to the disciplinary, election, and membership procedures should look for publication of the proposal in the *Federal Register* and should submit comments to the SEC by the date indicated in the *Federal Register* Release.

Questions concerning this *Notice* should be directed to Sharon Zackula or Mary Dunbar, Office of General Counsel, NASD Regulation, at (202) 728-8985 or (202) 728-8252, respectively.

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