Notices to Members

January 1999

Notices

99-01	Office Of Disciplinary Affairs To Authorize All Enforcement Actions	**3**
99-02	NASD Regulation Withdraws Risk Disclosure Proposal	**5**
99-03	SEC Approves Rule Amendments Requiring Review Of Incoming, Written Correspondence; Effective March 15, 1999	**7**
99-04	Revised *OATS Reporting Technical Specifications* Released	**13**
99-05	SEC Issues Guidance On Handling Customer Orders During Market-Wide Trading Halts	**15**
99-06	1998-1999 Renewal Rosters And Final Adjusted Invoices	**17**
99-07	Fixed Income Pricing System Additions, Changes, And Deletions As Of November 23, 1998	**19**
99-08	Martin Luther King, Jr. Day and Presidents Day: Trade Date–Settlement Date Schedule	**27**

Disciplinary Actions

Disciplinary Actions Reported For January **29**

For Your Information

Wire Transfer Of Corporate Financing Fees **43**

NASD®

Parent of The Nasdaq-Amex Market Group

© 1999, National Association of Securities Dealers, Inc. (NASD). All rights reserved.

NASD is a registered service mark of the National Association of Securities Dealers, Inc. MediaSource is a service mark of the NASD. Central Registration Depository (CRD) is a service mark of the NASD and the North American Securities Administrators Association, Inc. (NASAA). NASD Regulation is a service mark of NASD Regulation, Inc. Nasdaq, Nasdaq National Market, OTC Bulletin Board, and The Nasdaq Stock Market are registered service marks of The Nasdaq Stock Market, Inc. Automated Confirmation Transaction (ACT) Service, Fixed Income Pricing System (FIPS), The Nasdaq SmallCap Market, and Small Order Execution System (SOES) are service marks of The Nasdaq Stock Market, Inc.

NASD Notices to Members is published monthly by NASD Corporate Communications, Kim Dineen, Editor, NASD Editorial Services Department, 1735 K Street, NW, Washington, DC 20006-1500, (202) 728-8370. No portion of this publication may be copied, photocopied, or duplicated in any form or by any means, except as described below, without prior written consent of the NASD. Members of the NASD are authorized to photocopy or otherwise duplicate any part of this publication without charge only for internal use by the member and its associated persons. Nonmembers of the NASD may obtain permission to photocopy for internal use through the Copyright Clearance Center (CCC) for a $3-per-page fee to be paid directly to CCC, 222 Rosewood Drive, Danvers, MA 01923.

NOTE: Change in *Notices to Members* distribution: Starting this month, members will no longer receive complimentary copies of *Notices to Members*. Each Executive Representative is entitled to one annual subscription at cost ($15 per year). Additional annual subscriptions are available for $225; single issues cost $25. Send a check or money order (payable to the National Association of Securities Dealers, Inc.) to NASD MediaSource, P.O. Box 9403, Gaithersburg, MD 20898-9403, or to phone in an order using American Express, MasterCard, or Visa charge, call (301) 590-6142, Monday to Friday, 9 a.m. to 5 p.m., Eastern Time. Back issues may be ordered by calling MediaSource at (301) 590-6142.

Notices to Members (December 1996 to current) are also available on the Internet at *www.nasdr.com*.

NASD Notice to Members 99-01

Office Of Disciplinary Affairs To Authorize All Enforcement Actions

Suggested Routing

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

Executive Summary

On December 30, 1998, the Securities and Exchange Commission (SEC) approved rule changes proposed by the National Association of Securities Dealers, Inc. (NASD®) that provide for the Office of Disciplinary Affairs (ODA) of NASD Regulation, Inc. (NASD Regulation℠) to authorize all disciplinary actions brought by the NASD.[1] These amendments will be effective on January 1, 1999.

Questions regarding this *Notice* should be directed to Eric Moss, Assistant General Counsel, NASD Regulation, at (202) 728-8982.

Office Of Disciplinary Affairs As Case Authorizer

As of January 1, 1999, the ODA will authorize all disciplinary actions brought by the NASD. For the past year, the Case Authorization Unit (CAU), a division of the NASD Regulation Department of Enforcement, authorized all disciplinary actions brought by the NASD. The Office of Disciplinary Policy (ODP), which reported to the Office of the President of NASD Regulation, was the primary reviewer of cases developed in the Washington, D.C. office and those involving "quality-of-market" issues. The ODP also reviewed and commented on all cases involving policy issues.

To increase overall operating efficiency and to maintain the consistency and independence of the case authorization function, the NASD is placing the functions performed by the ODP and CAU in one office. Under the new rules, all cases will be authorized by the ODA, which will review the legal, policy, and consistency issues presented by each case.

The text of these rules that go into effect on January 1, 1999, is set forth in the remainder of this *Notice*.

Text Of Amendments

(Note: New text is underlined; deletions are bracketed.)

9120. Definitions

(a) - (d) No change

(e) "Department of Enforcement"

The term "Department of Enforcement" means the Department of Enforcement or its delegatee, the Department of Market Regulation[, except that the term excludes the Department of Market Regulation with respect to the actions of:

(1) authorizing a complaint under Rule 9211;

(2) determining the terms of a letter of acceptance, waiver, and consent or the terms of a minor rule violation plan letter under Rule 9216;

(3) determining whether to contest an offer of settlement under Rule 9270; and

(4) authorizing the filing of an appeal under Rule 9311].

(f) - (u) No change

(v) "Office of Disciplinary Affairs"

The term "Office of Disciplinary Affairs" means the Office of Disciplinary Affairs for NASD Regulation.

(w) [v] "Panelist"

The term "Panelist," as used in the Rule 9200 Series, means a member of a Hearing Panel or Extended Hearing Panel who is not a Hearing Officer. As used in the Rule 9300 Series, the term means a current member of the National Adjudicatory Council, a former Director or a former Governor who is appointed to serve on a Subcommittee or an Extended Proceeding Committee.

(x) [w] "Party"

With respect to a particular proceeding, the term "Party" means:

(1) in the Rule 9200 Series and the Rule 9300 Series, the Department of Enforcement or a Respondent;

(2) in the Rule 9410 Series and the Rule 9520 Series, the Department of Member Regulation or

(A) a member that is the subject of a notice under Rule 9412;

(B) a member that is the subject of a notice or files an application under Rule 9522;

(3) in the Rule 9510 Series, the department or office designated under Rule 9514(b) or a member or person that is the subject of a notice under Rule 9512 or Rule 9513; or

(4) in the Rule 9600 Series, the department or office designated under Rule 9620 to issue the decision granting or denying an exemption or a member that seeks the exemption under Rule 9610.

(y) [x] "Primary District Committee"

The term "Primary District Committee" means, in a disciplinary proceeding under the Rule 9200 Series, the District Committee designated by the Chief Hearing Officer pursuant to Rule 9232 to provide one or more of the Panelists to a Hearing Panel or, if applicable, to an Extended Hearing Panel, for such disciplinary proceeding.

(z) [y] "Respondent"

The term "Respondent" means, in a disciplinary proceeding governed by the Rule 9200 Series and in an appeal or review governed by the Rule 9300 Series, an NASD member or associated person against whom a complaint is issued.

(aa) [z] "Review Subcommittee"

The term "Review Subcommittee" means a body appointed by the National Adjudicatory Council pursuant to Article V of the NASD Regulation By-Laws.

(bb) [aa] "Statutory Disqualification Committee"

The term "Statutory Disqualification Committee" means a Subcommittee of the National Adjudicatory Council that makes a recommended decision to grant or deny an application for relief from the eligibility requirements of the Association to the National Adjudicatory Council pursuant to the Rule 9520 Series.

(cc) [bb] "Subcommittee"

The term "Subcommittee" means an Adjudicator that is:

(1) constituted under Rule 9331(a) to participate in the National Adjudicatory Council's consideration of an appeal or a review of a disciplinary proceeding pursuant to the Rule 9300 Series;

(2) constituted under the Rule 9410 Series or Rule 9630 to conduct a review proceeding.

9200. DISCIPLINARY PROCEEDINGS

9210. Complaint and Answer

9211. Authorization of Complaint

(a) Complaint

(1) If the Department of Enforcement believes that any NASD member or associated person is violating or has violated any rule, regulation, or statutory provision, including the federal securities laws and the regulations thereunder, which the Association has jurisdiction to enforce, the Department of Enforcement may request authorization from the Office of Disciplinary Affairs to issue [authorize] a complaint.

(2) The NASD Regulation Board and the NASD Board each shall have the authority to direct the Office of Disciplinary Affairs [Department of Enforcement] to authorize and the Department of Enforcement to issue a complaint when, on the basis of information and belief, either of such boards is of the opinion that any NASD member or associated person is violating or has violated any rule, regulation, or statutory provision, including the federal securities laws and the regulations thereunder, which the Association has jurisdiction to enforce.

(b) No change

Endnote

[1]Securities Exchange Act Rel. No. 34-40864 (December 30, 1998) (File No. SR-NASD-98-90).

© 1999, National Association of Securities Dealers, Inc. (NASD). All rights reserved.

NASD Notice to Members 99-02

NASD Regulation Withdraws Risk Disclosure Proposal

Suggested Routing

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

Executive Summary

NASD Regulation, Inc. (NASD Regulation℠) is withdrawing the risk disclosure proposal discussed in *Notice to Members 97-29*. Questions concerning this *Notice* should be directed to Mary Revell, Associate General Counsel, Office of General Counsel, NASD Regulation, at (202) 728-8203.

Discussion

Notice to Members 97-29, issued in May 1997, reminded members of their disclosure obligations when marketing mutual funds and other securities. For example, members must disclose the material differences between the risks of uninsured securities products and insured depository products to a customer who is seeking to invest the proceeds of a guaranteed or insured product in an uninsured securities product, such as a mutual fund. Members also are required to disclose all material information to customers when recommending transactions in mutual funds.

The *Notice* also requested public comment on whether NASD Regulation should adopt a rule requiring members to disclose investment risks and the absence of guarantees or insurance related to investing in securities products (Risk Disclosure Rule). In order to ensure that customers are notified of the risks of purchasing uninsured securities products, the Risk Disclosure Rule would require all members that sell both Federal Deposit Insurance Corporation-insured bank products and uninsured securities products to provide disclosures similar to those required by NASD Rule 2350, the Bank Broker/Dealer Rule, which imposes obligations on member firms selling securities on the premises of depository institutions.

NASD Regulation is formally withdrawing the proposed Risk Disclosure Rule from consideration. Unlike the confusion that arises when a customer purchases a securities product from a broker/dealer operating on bank premises, which may lead the investor to conclude incorrectly that the securities product is insured, we believe there is little likelihood of customer confusion about the insured status of a securities product purchased from a broker/dealer that is not operating on bank premises. Thus, contrary to the situation that gave rise to the Bank Broker/Dealer Rule, there is little need for a Risk Disclosure Rule applicable to firms that are not located on the premises of financial institutions. We also believe that existing disclosure requirements, discussed in *Notice to Members 97-29*, adequately address any concerns raised by customer purchases of uninsured products.

© 1999, National Association of Securities Dealers, Inc. (NASD). All rights reserved.

Audio Tape Order Form
NASD Regulation, Inc. • Advertising Regulation Seminar
October 15-16, 1998 • Washington, DC

Please Check Session Numbers

Advertising Regulation Seminar

- ❍ **109801** **General Session**
- ❍ **109802** **General Brokerage**
- ❍ **109803** **Filing Requirements & Review Procedures**
- ❍ **109804** **Fundamentals of Mutual Funds & Variable Insurance Products**
- ❍ **109805** **Internet & Electronic Communications**
- ❍ **109806** **Overview of General & Specific Standards**
- ❍ **109807** **Advanced Variable Insurance Products**
- ❍ **109808** **Case Studies**
- ❍ **109809** **Advanced Mutual Funds**
- ❍ **109810** **Hands-On Exercise**
- ❍ **109811** **Open Forum**

Complete To Order

Post-Conference Prices:

Number of Individual Sessions _____ x **$12.00** = $ _____

Complete Set of Conference Recordings _____ x **$118.80** = $ _____

Sessions Sub-total = $ _____

Sales Taxes: Maryland shipping addresses only $ _____ x **5%** = $ _____

Amount of Sales Taxes = $ _____

Shipping Charges:

$2.25 for the first session $ **2.25**

$1.25 for each additional session ($6.00 maximum shipping charge) # _____ x **$1.25** = $ _____

$13.50 extra shipping charge for orders outside of the US Postal System = $ _____

Shipping Sub-total = $ _____

Grand Total = $ _____

Your Name _____

Company _____

Street Address _____ **MS/Fl/Suite/Apt. #** _____

City _____ **State** _____ **Zip Code** _____

Day Phone _____ **Fax** _____ **E-mail** _____

For Mail or Fax Charge Card Orders:

❏ **Visa** ❏ **MasterCard** ❏ **Discover** ❏ **AMEX** ❏ **Check** (*payable to A.V.E.R. Associates*)

Cardholder Name _____ **Card Number** _____

Card Expiration Date _____ **Cardholder Signature** _____

Mail or Fax completed form and payment to:
A.V.E.R. Associates, 6974 Ducketts Lane, Elkridge, MD 21075, Phone 410-796-8940, Fax 410-796-8962

Received **Auth # & Date** **Shipped** **Updated**

NASD Notice to Members 99-03

SEC Approves Rule Amendments Requiring Review Of Incoming, Written Correspondence; Effective March 15, 1999

Suggested Routing

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

Executive Summary

On November 30, 1998, the Securities and Exchange Commission (SEC) approved amendments to National Association of Securities Dealers, Inc. (NASD®) Rule 3010, requiring firms to review incoming, written correspondence to identify customer complaints and funds and to ensure they are properly handled. The rule amendments will be effective on March 15, 1999. This amendment revises rule changes that became effective on April 7, 1998. The text of the amended Rule and the *Federal Register* version of the SEC release are attached. This *Notice to Members* is being issued to provide guidance on how to implement this rule.

Questions concerning this *Notice* should be directed to Lawrence Kosciulek, Assistant Director, Advertising/Investment Companies Regulation, NASD Regulation, Inc. (NASD Regulation℠), at (202) 728-8329; or Mary N. Revell, Associate General Counsel, Office of General Counsel, NASD Regulation at (202) 728-8203.

Background

In December 1997, the SEC approved rule amendments that were designed to allow firms to develop flexible supervisory procedures for the review of correspondence with the public. The amendments were intended to recognize the growing use of correspondence sent and received in electronic format (*i.e.*, e-mail and facsimile) while still providing for effective supervision. *Notice to Members 98-11*, issued in January 1998, provided guidance to firms on how to implement these rules. Subsequent to SEC approval of the amendments, but before the amended rules went into effect, the SEC received 14 comment letters objecting to certain provisions in the new rules, primarily from members in the insurance industry. The commenters primarily objected to a provision in *Notice to Members 98-11*, which states that firms will be required to review all incoming correspondence received in non-electronic format directed to registered representatives and related to a member's investment banking or securities business. NASD Regulation added this provision to *Notice to Members 98-11* to address two regulatory concerns raised by the SEC: (1) ensuring that firms capture all customer complaints; and (2) safeguarding customer funds.

The commenters stated that it will be very difficult or impossible for a registered principal to conduct a pre-distribution review of all incoming, non-electronic correspondence, particularly correspondence received by registered representatives in small, one- or two-person offices. In response to these concerns, the effective date of the requirement to review all incoming, non-electronic correspondence was delayed to allow NASD Regulation time to develop an alternative, workable procedure for the review of incoming, non-electronic correspondence that addresses the regulatory concerns about preventing misappropriation of customer funds and diversion of customer complaints. The rule amendments and all other provisions in the *Notice* became effective on April 7, 1998.

Amended Rule

NASD Regulation has received SEC approval of amendments to Rule 3010 (*see* Securities Exchange Act Release No. 40723 (November 30, 1998), 63 FR 67496 (December 7, 1998), attached). Rule 3010(d)(2) requires each member to develop written policies and procedures for review of correspondence with the public relating to its investment banking or securities business tailored to its structure and the nature and size of its business and customers. The

rule has been amended to state that these procedures must also include the review of incoming, written correspondence directed to registered representatives and related to the member's investment banking or securities business to properly identify and handle customer complaints and to ensure that customer funds and securities are handled in accordance with firm procedures.

The method used for conducting reviews of incoming, written correspondence to identify customer complaints and funds may vary depending on the firm's office structure. Where the office structure permits review of all correspondence, members should designate a registered representative or an associated person to open and review correspondence prior to use or distribution to identify customer complaints and funds. The designated person must not be supervised or under the control of the registered person whose correspondence is opened and reviewed. Unregistered persons who have received sufficient training to enable them to identify complaints and checks would be permitted to review correspondence.

It is the understanding and view of NASD Regulation that member firms possess the legal capacity to insist that mail addressed to their offices be deemed to be related to their business, even if marked to the attention of a particular associated person, if they advise associated persons that personal correspondence should not be received at the firm. Members are reminded that SEC Rule 17a-4(b)(4) requires that "originals of all communications received . . . by such member, broker or dealer, relating to its business as such . . ." must be preserved for not less than three years.

Where the office structure does not permit the review of correspondence prior to use or distribution, the firm would have to employ alternative procedures reasonably designed to assure adequate handling of complaints and checks. Procedures that could be adopted include the following:

• forwarding opened incoming, written correspondence related to the firm's investment banking or securities business to an Office of Supervisory Jurisdiction or a branch manager for review on a weekly basis;

• maintenance of a separate log for all checks received and securities products sold, which is forwarded to the supervising branch on a weekly basis;

• communication to clients that they can contact the broker/dealer directly for any matter, including the filing of a complaint, and provides them with an address and telephone number of a central office of the broker/dealer for this purpose; and

• branch examination verification that the procedures are being followed.

Regardless of the method used for initial review of incoming, written correspondence, as with other types of correspondence, Rule 3010(d)(1) would still require review by a registered principal of some of each registered representative's correspondence with the public relating to the member's investment banking or securities business.

Notice to Members 98-11

As stated above, *Notice to Members 98-11* stated that firms would be required to review all incoming correspondence received in non-electronic format directed to registered representatives and related to a member's investment banking or securities business. That requirement is no longer applicable and has been superseded by the amendment to Rule 3010(d)(2) and the guidance provided in this *Notice*.

Text Of Amendments

(Note: New text is underlined; deletions are bracketed.)

Rule 3010. Supervision

(a) - (c) No change

(d) Review of Transactions and Correspondence

(1) No change

(2) Review of correspondence. Each member shall develop written procedures that are appropriate to its business, size, structure, and customers for the review of incoming and outgoing written (i.e., non-electronic) and electronic correspondence with the public relating to its investment banking or securities business, including procedures to review incoming, written correspondence directed to registered representatives and related to the member's investment banking or securities business to properly identify and handle customer complaints and to ensure that customer funds and securities are handled in accordance with firm procedures. Where such procedures for the review of correspondence do not require [pre-use] review of all correspondence prior to use or distribution, they must include provision for the education and training of associated persons as to the firm's procedures governing correspondence; documentation of such education and training; and surveillance and follow-up to ensure that such procedures are implemented and adhered to.

(3) No change

(e) - (g) No change

© 1999, National Association of Securities Dealers, Inc. (NASD). All rights reserved.

NASD Notice to Members 99-04

Revised *OATS Reporting Technical Specifications* Released

Suggested Routing

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

Executive Summary

A revised edition of the *OATS Reporting Technical Specifications* (*Technical Specifications*) was released November 30, 1998. Members that are required to submit data to the Order Audit Trail System℠ (OATS℠), in accordance with National Association of Securities Dealers, Inc. (NASD®) Rules 6950 through 6957, must use these specifications for all files and records submitted after January 18, 1999.

For more information, contact NASD Business and Technology Support Services at (800) 321-NASD.

Discussion

The *Technical Specifications* was originally published March 9, 1998, for member firms and third parties developing systems to report to OATS. An updated edition was published June 30, 1998, to provide clarification regarding the requirements.

A revised edition of the *Technical Specifications*, dated November 30, 1998, contains significant changes from the previous editions. Member firms must ensure that these changes are incorporated into any files submitted to OATS. The changes include:

• The Reporting OSO field was added to the FORE header. This field allows a member firm to give a third party, such as a clearing firm, access to its data submitted to OATS. The addition of this field means that the party transmitting a file, the member firm that is subject to reporting, and a designated third party can view the status files, statistics, and record rejections associated with a file.

• The User ID and Password fields are no longer required in the FORE header for files submitted via file transfer protocol (FTP). (The User ID and Password are still mandatory when submitting files as an attachment to e-mail.)

• The OSO ID field was removed from the FORE header. It will be derived from the User ID and Password used for FTP logon or contained in the header of a file submitted via e-mail.

• The Reporting Firm MP ID field was removed from the New Order, Cancel/Replace, and Combined Order Execution Reports.

• Any order event reported to OATS that does not link to a New Order Report that exists in OATS will be rejected. Thus, cancellations, modifications, executions, or routes of orders received before the date when OATS reporting begins should not be transmitted to OATS.

• Certification is no longer a prerequisite for reporting production data to OATS; however, all firms that will be transmitting data to OATS should test their systems thoroughly before submitting data to the production system.

• The definition of OATS Business Day has changed. For purposes of OATS reporting, a business day begins after the close of The Nasdaq Stock Market® on one market day (4:00:01 p.m. Eastern Time [ET]) and ends with the close of The Nasdaq Stock Market on the next market day (4:00:00 p.m. ET). Orders received during an OATS Business Day are required to be submitted to OATS by 4:00:00 a.m. ET the following calendar day or they will be considered late.

This new edition of the *Technical Specifications* also includes a revised set of error messages in Appendix B and updated information about registration, testing, and implementation. NOTE: Only parties that are registered for OATS will be able to trans-

mit data to the NASD. In addition, only parties that are registered for OATS can obtain access to their file status, statistics, and record rejections via the OATS Web interface.

Also, the document highlights the fact that all types of Nasdaq® securities, including Nasdaq National Market® and SmallCap℠ equity securities and convertible bonds, must be reported to OATS. Any order information for non-Nasdaq securities will be rejected by OATS.

All changes and clarifications made since the June 30, 1998 edition are marked in the document with revised lines, except the revisions to the error messages in Appendix B. A list of the major changes and clarifications appears in the cover letter for the document. There are additional minor formatting and grammar changes. (NOTE: The page numbering throughout the November 30 edition changed from the June 30 edition.)

The changes described in this edition take effect in the test environment as of January 19, 1999, and in the production environment on March 1, 1999. Information submitted to OATS before January 19 must comply with the June 30, 1998 edition of the *Technical Specifications*. Beginning January 19, 1999, all information submitted to OATS must comply with these revised specifications.

A new edition of the companion document to the updated *Technical Specifications*, the *OATS Subscriber Manual*, will be released in January 1999, on the OATS Web pages. It will also be available from NASD Business and Technology Support Services. This new edition describes the procedures for sending and testing the capability to send order data to OATS beginning January 19, 1999, using the OATS Web interface to submit and repair record rejections, obtain feedback from OATS, and perform self-administration of user accounts and contact information.

The November 30 edition of the *Technical Specifications* is available on the OATS Web pages at *www.nasdr.com/3340.htm*. All updates to this and other documentation regarding OATS will be posted to the OATS Web pages available via the NASD Regulation℠ Web Site at *www.nasdr.com*. These publications will not be distributed via mail, except upon specific request.

The *Technical Specifications* refers to the requirements for reporting data, as described in NASD Rules 6950 through 6957 (the OATS Rules), which were approved by the Securities and Exchange Commission in March 1998 and amended in July 1998. The effective dates and requirements for the OATS Rules vary according to the following schedule:

• Phase 1: By March 1, 1999, electronic orders received at the trading desk by Market Makers and Electronic Communication Networks must be reported.

• Phase 2: By August 1, 1999, all electronic orders must be reported.

• Phase 3: By July 31, 2000, all non-electronic, or manual, orders must be reported. (See *Notice to Members 98-33* for a complete description of the OATS Rules.)

Contact NASD Business and Technology Support Services via phone at (800) 321-NASD or via e-mail at *supportservices@nasd.com* to obtain a paper copy of this document or to obtain additional information about OATS. Information about OATS is available on the NASD Regulation Web Site (*www.nasdr.com*).

© 1999, National Association of Securities Dealers, Inc. (NASD). All rights reserved.

NASD Notice to Members 99-05

SEC Issues Guidance On Handling Customer Orders During Market-Wide Trading Halts

Suggested Routing

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

Executive Summary

On September 9, 1998, the Securities and Exchange Commission's (SEC) Division of Market Regulation (the Division) issued Staff Legal Bulletin No. 8 setting forth the Division's views on the appropriate handling of customer orders when market-wide circuit breakers halt trading. In addition, the SEC again stressed that broker/dealers must have sufficient internal system capacity to operate properly during periods of market stress.[1]

Questions regarding this *Notice* should be directed to Thomas P. Moran, Senior Attorney, Office of General Counsel, The Nasdaq Stock Market, Inc., at (202) 728-8401.

Background And Summary

As part of its review of October 27-28, 1997 trading activity, the SEC determined a need to clarify broker/dealers' execution responsibilities for retail market orders pending or received during market-wide trading halts.[2] In response, the Division issued Staff Legal Bulletin No. 8 outlining a broker/dealer's obligations during periods of extreme volatility resulting in the imposition of market-wide trading halts. In summary, the SEC provided the following guidance concerning order handling:

1. During market-wide trading halts resulting from the triggering of circuit breakers, customer orders should be handled in the same manner as they would have been handled during other regulatory trading halts concerning only individual stocks.

2. During market-wide trading halts of durations that will allow trading to resume on that same trading day, pending and new customer orders should be forwarded to the appropriate market for execution upon the resumption of trading. This should be done unless the member receives contrary instructions from the customer during the halt.

3. During market-wide trading halts with durations that will close the market for the remainder of the trading day, pending and new customer orders should be treated as follows:

- Absent customer instructions to the contrary, orders that are pending at the time of the halt, and new orders received after the halt has commenced, should be treated as "Good Til Cancelled" orders and be held by the member for execution at the reopening of the next trading session.

- "At-the-Close" orders (including "Market-at-Close" orders) pending at the time trading is halted **should be treated as cancelled orders**. Members should not accept, or forward to a market, any new orders related to closing prices received during a trading halt.[3]

Members may obtain a complete copy of Staff Legal Bulletin No. 8 (MR) from the SEC's Web site (*www.sec.gov*).

Endnotes

[1] *See* SEC Staff Legal Bulletin No. 8 (MR) (Division of Market Regulation-September 9, 1998).

[2] *See* NASD IM-4120-3 Market Closing Policy (effective April 15, 1998).

[3] This guidance supersedes the instructions concerning the handling of Market-on-Close orders contained in Nasdaq's General News Bulletin "Information Regarding Circuit Breakers and Related Interpretative Issues" dated October 29, 1997.

© 1999, National Association of Securities Dealers, Inc. (NASD). All rights reserved.

Join us for the 1999 Spring and Fall Securities Conferences.

At these events, you will learn about and discuss the latest developments in the securities industry. Also you will hear from industry experts and NASD Regulation leadership, explore regulatory issues, and much more.

Watch your mail for a conference brochure and registration materials. Questions? Call the NASD at (202) 728-8383 or visit the NASD Regulation Web Site.

www.nasdr.com

1999 NASD Regulation Spring Securities Conference

May 19 - May 21
New Orleans, LA

1999 NASD Regulation Fall Securities Conference

October 20 - October 22
Seattle, WA

NASD®
REGULATION
An NASD Company

NASD Notice to Members 99-06

1998-1999 Renewal Rosters And Final Adjusted Invoices

Suggested Routing

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

Executive Summary

The 1998-1999 renewal cycle for the National Association of Securities Dealers, Inc. (NASD®) broker/dealer and agent registration begins its second phase this month. The NASD is issuing this *Notice* to help members review, reconcile, and respond to the final adjusted invoice packages that will be mailed to all member firms in mid-January. Questions regarding this *Notice* may be directed to the CRD/PD Gateway Call Center at (301) 869-6699.

Final Adjusted Invoice Packages

On or about January 18, 1999, the NASD will begin to mail final adjusted invoices and renewal rosters to all NASD member firms. The final adjusted invoices will reflect the year-end 1998 total fees for NASD personnel assessments; NASD branch office assessments; NASD renewal processing fees; New York Stock Exchange (NYSE), American Stock Exchange® (Amex®), Chicago Board Options Exchange (CBOE), Pacific Exchange (PSE), and Philadelphia Stock Exchange (PHLX) maintenance fees; state agent renewal fees; and state broker/dealer renewal fees. The invoice will also reflect payment submitted by an NASD member in response to the initial renewal invoice mailed in November 1998.

The final adjusted invoice will include a renewal roster that lists each firm's NASD and, if applicable, NYSE-, Amex-, CBOE-, PSE-, and PHLX-registered personnel, as of year-end 1998. The roster will list all of the firm's personnel alphabetically whose registrations were renewed in states. Firms with registered branch offices that were active as of December 31, 1998, will also receive a branch office roster.

A member's final invoice will reflect an "amount due," a "credit due," or a "zero balance." If a firm's year-end 1998 total of NASD, NYSE, Amex, CBOE, PSE, PHLX and state renewal fees exceeded the firm's payment submitted in response to the initial renewal invoice, the NASD paid the jurisdictions the additional renewal fees due at year-end on behalf of the firm and will mail an "amount due" invoice to collect that sum from the member firm.

If the firm's invoice reflects an amount due, the NASD requests payment by wire transfer or company check. Wire transfer instructions will be included in the final invoice packet and may also be obtained by calling the NASD's Finance Department at (301) 590-6088. Firms should make the check payable to NASD Regulation, Inc., with the firm's Central Registration Depository (CRD℠) number and the word "Renewal" written on the check, and mail it with the top portion of the invoice. Payments must be received by the NASD no later than **March 5, 1999**.

If the firm's payment submitted in response to the initial renewal invoice exceeds its year-end 1998 total of NASD, NYSE, Amex, CBOE, PSE, PHLX, and state renewal fees, a "credit due" invoice will be issued. If the firm's invoice reflects a credit due and the firm would like a refund check, it should sign the top portion of the invoice and send it to:

CRD Accounting - Renewal Refunds
NASD Regulation, Inc.
1390 Piccard Drive, 2nd Floor
Rockville, MD 20850

This invoice stub must be signed by an officer or principal of the firm and should include the name and address of the firm's contact person to whom the check should be sent. Refund requests will be processed as soon as possible. The average turn-around time for receiving a refund check last year was approximately two weeks. Member firms

may also request to transfer the credit due to their CRD account. To initiate a transfer of funds, please contact the CRD/PD Gateway Call Center at (301) 869-6699. If the NASD does not receive a request for a refund check or request to transfer funds by March 5, 1999, CRD Accounting will begin to manually transfer the remaining credit balances to member firms' CRD accounts. This process is usually completed by April 1, 1999.

Final adjusted invoices that reflect zero balances require no further action by the member firm.

Reviewing The Renewal Rosters

Member renewal rosters include all agent registrations renewed for 1999. Registrations that were pending approval or were deficient at year-end 1998 were not assessed renewal fees; therefore, they will not be reported on the renewal roster. Members should examine their roster carefully to ensure that all registration approvals and terminations are properly listed.

NASD discrepancies should be reported by calling the CRD/PD Gateway Call Center at (301) 869-6699. Copies of supporting documentation, such as Notices of Approval/Termination, Forms U-4 or U-5, or Schedule E amendments should be readily available. All other discrepancies should be reported directly to the jurisdictions involved—NYSE, Amex, CBOE, PSE, PHLX, or the applicable state(s). All renewal roster discrepancies must be reported by **March 12, 1999**. The inside cover of the renewal roster contains detailed instructions to help members complete the renewal process.

© 1999, National Association of Securities Dealers, Inc. (NASD). All rights reserved.

NASD Notice to Members 99-07

Fixed Income Pricing System Additions, Changes, And Deletions As Of November 23, 1998

Suggested Routing

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

As of November 23, 1998, the following bonds were added to the Fixed Income Pricing System℠ (FIPS®).

Symbol	Name	Coupon	Maturity
AAC.GA	Arcadia Financial Ltd.	11.500	03/15/07
ABCR.GB	ABC Rail Products Corp.	9.125	01/15/04
ACHG.GA	Acme Intermediate Holdings Inc.	12.000	09/30/05
ADEI.GA	Adience Inc.	11.000	06/15/02
ADOC.GA	American Sign & Indicator Corp.	15.000	01/15/01
AEN.GD	AMC Entertainment Inc.	11.875	08/01/00
AES.GE	AES Corp.	10.25	07/15/06
AEWS.GA	Andrews Group Inc.	10.000	12/30/99
AILT.GA	Atlas Air Inc.	12.250	12/01/02
ALBK.GA	Albank Cap Trust I	9.270	06/06/27
ALCU.GA	Allnet Communication Svcs. Inc.	9.000	05/15/03
ALGX.GB	Allegiance Telecom Inc.	12.875	05/15/08
ALLY.GB	Alliance Gaming Corp.	12.875	06/30/03
AMMB.GD	Amresco Inc.	8.750	07/01/99
AMTR.GB	Amtran Inc.	9.625	12/15/05
ANCP.GC	Anacomp Inc.	10.875	04/01/04
ANCP.GD	Anacomp Inc.	10.875	04/01/04
APVU.GA	Apparel Ventures Inc.	12.250	12/31/00
ASCM.GA	Advanstar-Commuks Inc.	9.250	05/01/08
ASSR.GA	Associated Materials Inc.	9.250	03/01/08
ATEN.GA	At Entertainment Inc.	14.500	07/15/08
AUML.GA	Autospa Automalls Inc.	15.000	12/01/99
AVGH.GA	Avatar Holdings Inc.	8.000	10/01/00
AWRL.GA	America West Airlines	8.160	07/02/02
AWRL.GB	America West Airlines	10.500	01/02/04
AWRL.GC	America West Airlines	8.120	07/02/01
AXHM.GA	Axiohm Transaction Solutions Inc.	9.750	10/01/07
AZCH.GA	Arizona Charlie's Inc.	12.000	11/15/00
BALO.GA	Baltimore Bancorp	10.875	12/15/99
BARY.GA	Barry's Jewelers Inc.	11.000	12/22/00
BDI.GA	Bayard Drilling Tech	11.000	06/30/05
BDUS.GA	Burlington Industries Cap Inc.	16.875	07/01/04
BESP.GA	Bear Island LLC Co.	10.000	12/01/07
BEV.GC	Beverly Enterprises Inc.	8.750	07/01/08
BEV.GD	Beverly Enterprises Inc.	8.625	10/01/08
BFDG.GA	Big 5 Holdings Inc.	13.625	09/15/02
BFSU.GA	Big V Supermarkets Inc.	11.000	02/15/04
BFUG.GA	Blue Bell Funding Inc.	11.850	05/01/99
BGLI.GA	BGLS Inc.	15.750	01/31/01
BHW.GA	Bell & Howell Co.	11.500	03/15/05
BIYA.GA	Biscayne Holdings Inc.	13.000	12/15/99
BLFN.GA	Beal Financial Corp.	12.750	08/15/00
BLYD.GA	Bally's Grand Inc.	10.375	12/15/03
BLYP.GA	Bally's Park Place Funding Inc.	9.250	03/15/04
BNKF.GA	Bankatlantic Financial Corp.	10.000	07/01/09
BRPR.GA	Brooke Partners L.P.	15.501	06/01/08
BVLF.GB	Beaver Valley Funding Corp.	8.250	06/01/03
BVLF.GC	Beaver Valley Funding Corp.	9.000	06/01/17
BVPS.GA	BVPS II Funding Corp.	7.380	12/01/99
BVPS.GB	BVPS II Funding Corp.	8.330	12/01/07

Symbol	Name	Coupon	Maturity
BVPS.GC	BVPS II Funding Corp.	8.890	06/01/17
BVPS.GD	BVPS II Funding Corp.	7.670	12/01/00
BVPS.GE	BVPS II Funding Corp.	8.680	06/01/17
CBNT.GA	CenCom Cable Entertainment Inc.	15.000	02/25/00
CBSA.GA	Coastal Bancorp Inc.	10.000	06/30/02
CCIR.GA	CCI Corp.	12.750	12/15/98
CCIR.GB	CCI Corp.	13.875	07/15/00
CCSB.GB	Chevy Chase Savings Bank	9.250	12/01/05
CDRA.GA	CD Radio Inc.	15.000	12/01/07
CFTO.GA	Cafeteria Operators L.P.	12.000	12/31/01
CHK.GH	Chesapeake Energy Corp.	12.000	03/01/01
CIR.GC	Circus Circus Enterprise Inc.	9.250	12/01/05
CLDU.GA	Colt Industries Inc.	11.250	12/01/15
CLFR.GA	Cullen/Frost Cap Trust Inc.	8.420	02/01/27
CLUL.GA	Cellular Inc.	11.750	09/01/03
CMEY.GA	Continental Medical Systems Inc.	10.875	08/15/02
CMLS.GA	Cumulus Media Inc.	10.375	07/01/08
CNAN.GA	Continental Airlines Inc.	11.500	04/02/08
CNAN.GB	Continental Airlines Inc.	7.522	06/30/01
COBV.GA	Commemorative Brands Inc.	11.000	01/15/07
COGB.GA	Continental Global Group Inc.	11.000	04/01/07
COP.GB	Capital One Financial Corp.	7.250	12/01/03
COPT.GA	Colonial Capital II	8.920	01/15/27
COT.GD	Coltec Industries Inc.	10.250	04/01/02
COT.GE	Coltec Indus Inc.	7.500	04/15/08
CPRK.GA	Cap Rock Communications Corp.	12.000	07/15/08
CRHI.GA	Carter Holdings Inc.	12.000	10/01/08
CSGY.GA	CMS Energy X-tras	7.000	01/15/05
CUCN.GA	Coldwell Banker Inc.	10.250	06/30/03
CUFM.GA	Cumberland Farms Inc.	10.500	10/01/03
CUMH.GA	Columbia Healthcare Corp.	10.875	03/01/02
CUMH.GB	Columbia Healthcare Corp.	11.500	06/01/02
CYSS.GB	County Seat Stores Inc.	12.000	10/01/01
DEHA.GA	Degeorge Home Alliance Inc.	12.000	04/01/01
DELL.GA	Dell Computer Corp.	11.000	08/15/00
DLCA.GB	Dial Call Communication Inc.	12.250	04/15/04
DOC.GA	Decisionone Holdings Corp.	11.500	08/01/08
DOMT.GB	Dominion Textile Inc.	8.875	11/01/03
DRST.GA	Dr. Structured Finance Corp.	6.660	08/15/10
DRST.GB	Dr. Structured Finance Corp.	7.430	08/15/18
DRST.GC	Dr. Structured Finance Corp.	7.600	08/15/07
DRST.GD	Dr. Structured Finance Corp.	8.375	08/15/15
DRST.GE	Dr. Structured Finance Corp.	8.550	08/15/19
DRST.GF	Dr. Structured Finance Corp.	8.350	02/15/04
DRST.GG	Dr. Structured Finance Corp.	9.350	08/15/19
DWCR.GB	Dow Corning Corp.	8.150	10/15/29
EDYN.GD	Envirodyne Industries Inc.	0.000	06/15/00
EFCW.GA	Eagle Finance Corp.	10.750	06/01/05
EGDU.GA	Eagle Industries Inc.	10.500	07/15/03
EIPR.GA	EIP Ref Corp.	10.250	10/01/12
ELAY.GA	Electro-Audio Dynamics Inc.	12.875	02/01/99
ELND.GA	El Comandante	11.750	12/15/03
EMEN.GA	Empress Entmt Inc.	8.125	07/01/06

Symbol	Name	Coupon	Maturity
EMGP.GA	Emcor Group Inc.	11.000	12/15/01
ERLY.GA	Erly Industries Inc.	12.500	12/01/02
EVGI.GA	Evergreen International Aviation Inc.	13.500	08/15/02
EYTH.GA	Elyria Telephone Co.	8.100	12/15/03
FBOR.GA	FNB Corp.	9.500	05/15/02
FBWL.GA	Fair Lanes Inc.	9.500	07/15/01
FCSG.GA	Forecast Group LP	11.375	12/15/00
FDBC.GA	Fidelity Federal Bancorp	10.000	06/01/05
FFCL.GA	First Federal Financial Corp.	11.750	10/01/04
FIUM.GA	Fresenius Med Cap Trust II	7.875	02/01/08
FIUM.GB	Fresenius Med Cap Trust II	9.000	12/01/06
FLBM.GA	Filene's Basement Inc.	12.750	07/15/00
FLC.GA	R&B Falcon Corp.	6.500	04/15/03
FLC.GB	R&B Falcon Corp.	6.750	04/15/05
FLC.GC	R&B Falcon Corp.	6.950	04/15/08
FLC.GD	R&B Falcon Corp.	7.375	04/15/18
FLER.GB	Big Flower Press Inc.	10.750	08/01/03
FLTW.GA	Florist Transworld Delivery Inc.	14.000	12/15/01
FMAC.GB	First Merchants Accept Corp.	11.000	03/15/05
FMO.GE	Federal-Mogul Co.	8.800	04/15/07
FOHO.GB	Fort Howard Corp.	10.000	03/15/03
FOOD.GA	Fresh Foods Inc.	10.750	06/01/06
FRAG.GB	French Fragrance Inc.	10.375	05/15/07
FRC.GD	First Republic Bancorp Inc.	11.000	09/30/03
FRC.GE	First Republic Bancorp Inc.	8.000	01/15/09
FRCE.GA	Forest City Enterprises Inc.	8.500	03/15/08
FRDQ.GA	FRD Acquisition Co.	12.500	07/15/04
GBCH.GA	Global Crossing Hldg Ltd.	9.625	05/15/08
GCIL.GA	GCI Inc.	9.750	08/01/07
GCRP.GA	Graphic Controls Corp.	12.000	09/15/05
GDPT.GA	Golden State Petro Trans Corp.	8.040	02/01/19
GHLA.GA	Grove Hldgs LLC/Grove Hldgs Capin	11.625	05/01/09
GIHG.GA	G-I Holdings Inc.	10.000	02/15/06
GITC.GA	Glenoit Corp.	11.000	04/15/07
GKBC.GA	Great Lakes Bancorp	18.000	03/01/06
GOBC.GA	California Fed Bank	10.000	01/03/03
GPAD.GA	GPA Delaware Inc.	8.750	12/15/98
GRLC.GB	Great Lakes Carbon Corp.	10.250	05/15/08
GRLC.GC	Great Lakes Carbon Corp.	13.125	05/15/09
GSLN.GA	Guardian Saving & Loan Association	12.625	01/15/02
GTHC.GA	Gothic Production Corp.	11.125	05/01/05
GUMB.GA	Gulf Mobile & Ohio RR Co.	5.000	12/01/56
GVRH.GA	Goldriver Hotel & Casino Corp.	13.375	08/31/99
HAY.GE	Hayes Wheel Intl Inc.	9.250	11/15/02
HAYN.GB	Haynes International Inc.	13.500	08/15/99
HCCI.GB	HCC Industries Inc.	7.250	04/15/01
HEFR.GA	Heafner (JH) Inc.	10.000	05/15/08
HLSU.GA	Healthsouth Corp.	10.000	06/15/00
HMCQ.GA	HMC Acquisition Properties Inc.	9.000	12/15/07
HMHP.GE	HMH Properties Inc.	8.45	12/01/08
HRIS.GA	Homeland Stores Inc.	10.000	08/01/03
HSYA.GA	Hosiery Corp. of Amer Inc.	13.750	08/01/02
HURS.GA	Hudson RCI Inc.	9.125	04/15/08

Symbol	Name	Coupon	Maturity
HWG.GC	Hallwood Group Inc.	7.000	07/31/00
IAD.GA	Inland Steel Inc.	12.750	12/15/02
IBUI.GA	International Business Interiors Corp.	14.250	12/15/98
ICAB.GC	International Cabletel Inc.	12.750	04/15/05
ICII.GC	Imperial Credit Inds Inc.	9.750	01/15/04
INRK.GA	International Bank (WA)	15.750	08/01/00
IPSC.GA	Impsat Corp.	12.125	07/15/03
IVPR.GA	Intervest Corp.	0.000	04/01/00
JBLT.GA	Johnston Cola GP	11.375	09/15/01
JCOM.GC	Jacor Communications Co.	8.000	02/15/10
JDTL.GB	Jordan Telecom Products Inc.	9.875	08/01/07
JOSI.GA	Josephson Intl Inc.	12.500	05/15/03
JRYM.GA	J Ray McDermott SA	9.375	07/15/06
KCFP.GA	Key Communications Inc.	10.500	06/01/08
KDEI.GA	Kidde Inc.	9.750	12/01/03
KHKY.GA	Kash N Karry Food Stores Inc.	0.000	02/01/03
KM.GG	K Mart Corp.	6.000	01/01/08
KM.GH	K Mart Corp.	13.500	01/01/09
KMCP.GD	K Mart Corp.	8.540	01/02/15
KPLA.GB	Key Plastics Inc.	14.000	11/15/99
LCLZ.GA	Localizer Rent a Car	10.250	10/01/05
LEN.GA	Concord Camera Corp.	11.000	07/15/05
LEXP.GA	Lexington Precision Corp.	12.750	02/01/00
LIRP.GA	Leggett Group Inc.	11.500	02/01/99
LNOU.GA	Lanesborough Corp.	10.000	04/15/00
LRGY.GA	LaSalle Energy Corp.	11.750	07/01/99
LUBS.GA	Lundgren Bros. Construction Inc.	11.000	10/01/04
LWN.GD	Loewen Group Intl Inc.	8.250	04/15/03
LYLU.GA	Lyman Lumber Co.	10.000	06/30/03
MALR.GA	Malrite Commun Group Inc.	15.250	02/15/99
MAUM.GA	Mayfair Super Markets Inc.	11.750	03/30/03
MBCA.GB	Metropolitan Broadcasting Corp.	13.250	09/30/06
MCNC.GB	MCMS Inc.	0.000	03/01/08
MDQC.GA	Mediq Inc.	13.000	06/01/09
MED.GB	Mediq/Prn Life Support Svcs Inc.	11.000	06/01/08
MGL.GB	Magellan Health Svs Inc.	9.000	02/15/08
MHSH.GA	MHS Holdings Co.	16.875	09/22/04
MIL.GA	Millipore Corp.	7.200	04/01/02
MIL.GB	Millipore Corp.	7.500	04/01/07
MJDC.GA	MJD Communications Inc.	9.500	05/01/08
MJDC.GB	MJD Communications Inc.	0.000	05/01/08
MLWL.GA	Mail-Well Corp.	10.500	02/15/04
MNC.GA	MTS Inc.	9.375	05/01/05
MPBP.GA	MPB Corp.	14.500	10/15/99
MPKF.GA	Mountain Parks Financial Corp.	9.000	08/15/05
MRBH.GA	Merit Behavioral Corp.	11.500	11/15/05
MRNY.GA	Mariner Energy Inc.	10.500	08/01/06
MSKX.GA	Miss Kan Tex RR Co.	5.500	01/01/33
MUOP.GA	Muse Air Corp.	16.875	06/15/99
NEV.GA	Nuevo Energy Co.	9.500	04/15/06
NFKC.GA	North Fork Cap Trust I	8.700	12/15/26
NMK.GI	Niagara Mohawk Paver Corp.	8.770	01/01/18
NNS.GA	Newport News Shipbuilding Inc.	8.625	12/01/06

Symbol	Name	Coupon	Maturity
NNS.GB	Newport News Shipbuilding Inc.	9.250	12/01/06
NRCW.GA	Norcal Waste System Inc.	13.500	11/15/05
NRWA.GA	Northwest Airlines	10.150	01/02/05
NSGP.GA	NS Group Inc.	13.500	07/15/03
NU.GB	Northeast Utilities	8.380	03/01/05
NWRU.GA	NWA Trust	13.875	12/21/06
NXLK.GC	Nextlink Communications Inc.	9.450	04/15/08
NXTL.GG	Nextel Communications Inc.	11.500	09/01/03
OPLI.GA	Optel Inc.	13.000	02/15/05
OPLI.GB	Optel Inc.	11.500	07/01/08
OROC.GA	Orion Pictures	10.000	10/31/01
OSI.GC	Outdoor Systems Inc.	10.750	08/15/03
PAUH.GA	Paul Harris Stores Inc.	11.375	01/31/00
PDSF.GA	PDS Financial Corp.	10.000	07/01/04
PDVA.GA	PDV America Inc.	7.750	08/01/00
PDVA.GB	PDV America Inc.	7.875	08/01/03
PFID.GA	P&F Industries Inc.	13.750	01/01/17
PHGC.GA	People's Heritage Corp. Trust	9.060	02/01/27
PHP.GD	Petroleum Heat & Power Inc.	12.25	02/01/05
PIDM.GA	Piedmont Aviation Inc. Series A	9.700	01/15/99
PIDM.GB	Piedmont Aviation Inc. Series B	9.700	01/15/99
PIDM.GC	Piedmont Aviation Inc. Series C	9.700	01/15/99
PIDM.GD	Piedmont Aviation Inc. Series A	9.800	01/15/00
PIDM.GE	Piedmont Aviation Inc. Series B	9.800	01/15/00
PIDM.GF	Piedmont Aviation Inc. Series C	9.800	01/15/00
PIDM.GG	Piedmont Aviation Inc. Series A	9.900	01/15/01
PIDM.GH	Piedmont Aviation Inc. Series B	9.900	01/15/01
PIDM.GI	Piedmont Aviation Inc. Series C	9.900	01/15/01
PIDM.GJ	Piedmont Aviation Inc. Series A	10.000	01/15/02
PIDM.GK	Piedmont Aviation Inc. Series B	10.000	01/15/02
PIDM.GL	Piedmont Aviation Inc. Series C	10.000	01/15/02
PIDM.GM	Piedmont Aviation Inc. Series A	10.050	01/15/03
PIDM.GN	Piedmont Aviation Inc. Series B	10.050	01/15/03
PIDM.GO	Piedmont Aviation Inc. Series C	10.050	01/15/03
PIDM.GP	Piedmont Aviation Inc. Series A	10.150	01/15/04
PIDM.GQ	Piedmont Aviation Inc. Series B	10.150	01/15/04
PIDM.GR	Piedmont Aviation Inc. Series C	10.150	01/15/04
PIDM.GS	Piedmont Aviation Inc. Series A	10.200	01/15/05
PIDM.GT	Piedmont Aviation Inc. Series B	10.200	01/15/05
PIDM.GU	Piedmont Aviation Inc. Series C	10.200	01/15/05
PIDM.GV	Piedmont Aviation Inc. Series A	10.250	01/15/07
PIDM.GW	Piedmont Aviation Inc. Series B	10.250	01/15/07
PIDM.GX	Piedmont Aviation Inc. Series C	10.250	01/15/07
PIDM.GY	Piedmont Aviation Inc. Series A	10.300	01/15/08
PIDM.GZ	Piedmont Aviation Inc. Series B	10.300	01/15/08
PIDM.HA	Piedmont Aviation Inc. Series C	10.300	01/15/08
PIDM.HB	Piedmont Aviation Inc. Series A	10.300	07/15/08
PIDM.HC	Piedmont Aviation Inc. Series B	10.300	07/15/08
PIDM.HD	Piedmont Aviation Inc. Series C	10.300	07/15/08
PIDM.HE	Piedmont Aviation Inc. Series A	10.300	07/15/09
PIDM.HF	Piedmont Aviation Inc. Series B	10.300	07/15/09
PIDM.HG	Piedmont Aviation Inc. Series C	10.300	07/15/09
PIDM.HH	Piedmont Aviation Inc. Series A	10.300	07/15/10

Symbol	Name	Coupon	Maturity
PIDM.HI	Piedmont Aviation Inc. Series B	10.300	07/15/10
PIDM.HJ	Piedmont Aviation Inc. Series C	10.300	07/15/10
PIDM.HK	Piedmont Aviation Inc. Series D	10.000	03/28/99
PIDM.HL	Piedmont Aviation Inc. Series E	10.000	03/28/99
PIDM.HM	Piedmont Aviation Inc. Series F	10.000	03/28/99
PIDM.HN	Piedmont Aviation Inc. Series G	10.000	03/28/99
PIDM.HO	Piedmont Aviation Inc. Series D	10.100	03/28/00
PIDM.HP	Piedmont Aviation Inc. Series E	10.100	03/28/00
PIDM.HQ	Piedmont Aviation Inc. Series F	10.100	03/28/00
PIDM.HR	Piedmont Aviation Inc. Series G	10.100	03/28/00
PIDM.HS	Piedmont Aviation Inc. Series D	10.150	03/28/01
PIDM.HT	Piedmont Aviation Inc. Series E	10.150	03/28/01
PIDM.HU	Piedmont Aviation Inc. Series F	10.150	03/28/01
PIDM.HV	Piedmont Aviation Inc. Series G	10.150	03/28/01
PIDM.HW	Piedmont Aviation Inc. Series D	10.150	03/28/02
PIDM.HX	Piedmont Aviation Inc. Series E	10.150	03/28/02
PIDM.HY	Piedmont Aviation Inc. Series F	10.150	03/28/02
PIDM.HZ	Piedmont Aviation Inc. Series G	10.150	03/28/02
PIDM.IA	Piedmont Aviation Inc. Series D	10.150	03/28/03
PIDM.IB	Piedmont Aviation Inc. Series E	10.150	03/28/03
PIDM.IC	Piedmont Aviation Inc. Series F	10.150	03/28/03
PIDM.ID	Piedmont Aviation Inc. Series G	10.150	03/28/03
PIDM.IE	Piedmont Aviation Inc. Series D	10.250	03/28/04
PIDM.IF	Piedmont Aviation Inc. Series E	10.250	03/28/04
PIDM.IG	Piedmont Aviation Inc. Series F	10.250	03/28/04
PIDM.IH	Piedmont Aviation Inc. Series G	10.250	03/28/04
PIDM.II	Piedmont Aviation Inc. Series E	10.250	03/28/05
PIDM.IJ	Piedmont Aviation Inc. Series F	10.250	03/28/05
PIDM.IK	Piedmont Aviation Inc. Series G	10.250	03/28/05
PIDM.IL	Piedmont Aviation Inc. Series D	10.300	03/28/06
PIDM.IM	Piedmont Aviation Inc. Series E	10.300	03/28/06
PIDM.IN	Piedmont Aviation Inc. Series F	10.300	03/28/06
PIDM.IO	Piedmont Aviation Inc. Series G	10.300	03/28/06
PIDM.IP	Piedmont Aviation Inc. Series D	10.300	03/28/07
PIDM.IQ	Piedmont Aviation Inc. Series E	10.300	03/28/07
PIDM.IR	Piedmont Aviation Inc. Series F	10.300	03/28/07
PIDM.IS	Piedmont Aviation Inc. Series G	10.300	03/28/07
PIDM.IT	Piedmont Aviation Inc. Series D	10.350	03/28/09
PIDM.IU	Piedmont Aviation Inc. Series E	10.350	03/28/09
PIDM.IV	Piedmont Aviation Inc. Series F	10.350	03/28/09
PIDM.IW	Piedmont Aviation Inc. Series G	10.350	03/28/09
PIDM.IX	Piedmont Aviation Inc. Series D	10.350	03/28/10
PIDM.IY	Piedmont Aviation Inc. Series E	10.350	03/28/10
PIDM.IZ	Piedmont Aviation Inc. Series F	10.350	03/28/10
PIDM.JA	Piedmont Aviation Inc. Series G	10.350	03/28/10
PIDM.JB	Piedmont Aviation Inc. Series D	10.350	03/28/11
PIDM.JC	Piedmont Aviation Inc. Series E	10.350	03/28/11
PIDM.JD	Piedmont Aviation Inc. Series F	10.350	03/28/11
PIDM.JE	Piedmont Aviation Inc. Series G	10.350	03/28/11
PIDM.JF	Piedmont Aviation Inc. Series D	10.350	03/28/12
PIDM.JG	Piedmont Aviation Inc. Series E	10.350	03/28/12
PIDM.JH	Piedmont Aviation Inc. Series F	10.350	03/28/12
PIDM.JI	Piedmont Aviation Inc. Series G	10.350	03/28/12

Symbol	Name	Coupon	Maturity
PIDM.JJ	Piedmont Aviation Inc. Series H	9.650	05/08/99
PIDM.JK	Piedmont Aviation Inc. Series I	9.650	05/08/99
PIDM.JL	Piedmont Aviation Inc. Series H	9.700	05/08/00
PIDM.JM	Piedmont Aviation Inc. Series I	9.700	05/08/00
PIDM.JN	Piedmont Aviation Inc. Series H	9.750	05/08/01
PIDM.JO	Piedmont Aviation Inc. Series I	9.750	05/08/01
PIDM.JP	Piedmont Aviation Inc. Series H	9.750	05/08/02
PIDM.JQ	Piedmont Aviation Inc. Series I	9.750	05/08/02
PIDM.JR	Piedmont Aviation Inc. Series H	9.750	05/08/03
PIDM.JS	Piedmont Aviation Inc. Series I	9.750	05/08/03
PIDM.JT	Piedmont Aviation Inc. Series H	9.800	05/08/04
PIDM.JU	Piedmont Aviation Inc. Series I	9.800	05/08/04
PIDM.JV	Piedmont Aviation Inc. Series H	9.850	05/08/05
PIDM.JW	Piedmont Aviation Inc. Series I	9.850	05/08/05
PIDM.JX	Piedmont Aviation Inc. Series H	9.900	11/08/06
PIDM.JY	Piedmont Aviation Inc. Series I	9.900	11/08/06
PIDM.JZ	Piedmont Aviation Inc. Series H	9.950	11/08/08
PIDM.KA	Piedmont Aviation Inc. Series I	9.950	11/08/08
PIDM.KB	Piedmont Aviation Inc. Series H	9.950	11/08/09
PIHG.GA	Pi Holdings Inc.	18.500	03/01/04
PLCG.GA	P&L Coal Holdings Corp.	8.875	05/15/08
PLCG.GB	P&L Coal Holdings Corp.	9.625	05/15/08
PMOR.GA	Phar-Mor Inc.	11.720	09/11/02
PPFG.GA	PNPP II Funding Corp.	8.070	05/30/00
PPFG.GB	PNPP II Funding Corp.	8.510	11/30/06
PPFG.GC	PNPP II Funding Corp.	9.120	05/30/16
PPFG.GD	PNPP II Funding Corp.	8.830	05/30/16
PTHN.GA	Pathnet Inc.	12.250	04/15/08
REGL.GB	Regal Cinemas Inc.	9.500	06/01/08
RMY.GA	Delco Remy Intl Inc.	8.625	12/15/07
SCAN.GA	Alliance Imaging Inc.	9.625	12/15/05
SCAN.GB	Alliance Imaging Inc.	0.000	12/15/05
SHDL.GA	Steel Heddle Group Inc.	13.750	06/01/09
STEH.GA	Steel Heddle Mfg. Co.	10.625	06/01/08
STGC.GA	Startec Global Comm Corp.	12.000	05/15/08
SVSN.GA	Spectra Vision Inc.	11.650	12/01/02
TETC.GA	Telecomom Tech Co.	9.750	05/15/08
TPCS.GA	Triton PCS Inc.	11.000	05/01/08
UCBR.GA	UCBH Trust Co.	9.375	05/01/28
URI.GB	United Rentals Inc.	9.500	06/01/08
WPSN.GD	WestPoint Stevens Inc.	7.875	06/15/05
WSCD.GA	Wesco Distr Inc.	9.125	06/01/08

As of November 23, 1998, the following bonds were deleted from FIPS.

Symbol	Name	Coupon	Maturity
AK.GA	Ackerly Group Inc.	10.750	10/01/03
ALBK.GA	Albank Cap Trust I	9.270	06/06/27
BUBD.GA	Busse Broadcasting Corp.	11.625	10/15/00

Symbol	Name	Coupon	Maturity
CANC.GA	Calmar Inc.	11.500	08/15/05
CE.GA	California Energy Inc.	10.250	01/15/04
CGFG.GA	Cobblestone Golf Group Inc.	11.500	06/01/03
EYCA.GA	Eye Care Centers Amer Inc.	12.000	10/01/03
FIUM.GA	Fresenius Med Cap Trust II	7.875	02/01/08
FIUM.GB	Fresenius Med Cap Trust II	9.000	12/01/06
FLHG.GA	Falcon Holdings Group LP	11.000	09/15/03
FRP.GA	Freeport-McMoran Resources LP	8.750	02/15/04
GCR.GA	Gaylord Container Corp.	11.500	05/15/01
HCNA.GA	Harris Chem North Amer Inc.	10.250	07/15/01
HCNA.GB	Harris Chem North Amer Inc.	10.750	10/15/03
HEIA.GA	Heileman Acq Corp.	9.625	01/31/04
HORS.GB	Horsehead Inds Inc.	14.000	06/01/99
IAO.GB	Inland Steel Inds Inc.	12.000	12/01/98
ICAB.GA	International Cabletel Inc.	10.875	10/15/03
ICML.GA	Indspec Chemical Corp.	12.507	12/01/03
KATZ.GA	Katz Corp.	12.750	11/15/02
MPKF.GA	Mountain Park Financial Corp.	9.000	08/15/05
MRV.GA	Marvel Parent Holdings Inc.	0.000	04/15/98
NACO.GA	Nacolah Hldg Corp.	9.500	12/01/03
NL.GB	NL Industries Inc.	13.000	10/15/05
PION.GA	Pioneer Financial Corp.	13.500	12/01/98
SCIN.GA	SC Intl Services Inc.	13.000	10/01/05
SLNC.GA	Sabreliner Corp.	12.500	04/15/03
SMMC.GA	Simmons Co.	10.750	04/15/06
SPKL.GA	Speckels Inds Inc.	11.500	09/01/00
STO.GC	Stone Container Corp.	11.875	12/01/98
SVSN.GA	Spectravision Inc.	11.650	12/01/02
TAL.GA	Talley Inds Inc.	12.250	10/15/05
TOK.GA	Tokheim Corp.	11.500	08/01/06
TTRR.GD	Tracor Inc.	8.500	03/01/07
UMM.GA	United Merchants & Mfrs Inc.	3.500	07/01/09
USLT.GA	United States Leather Inc.	10.250	07/31/03
VICN.GD	Viacom Intl Inc.	7.000	07/01/03
VICN.GE	Viacom Intl Inc.	7.000	07/01/03
WRTE.GA	WRT Energy Corp.	13.875	03/01/02

As of November 23, 1998, changes were made to the symbols of the following FIPS bonds:

New Symbol	Old Symbol	Name	Coupon	Maturity
CCAI.GA	CAWS.GA	CAI Wireless Systems Inc.	12.250	09/15/02

All bonds listed above are subject to trade-reporting requirements. Questions pertaining to FIPS trade-reporting rules should be directed to Stephen Simmes, Market Regulation, NASD Regulation℠, at (301) 590-6451.

Any questions regarding the FIPS master file should be directed to Cheryl Glowacki, Nasdaq® Market Operations, at (203) 385-6310.

© 1999, National Association of Securities Dealers, Inc. (NASD). All rights reserved.

NASD Notice to Members 99-08

Martin Luther King, Jr. Day and Presidents Day: Trade Date–Settlement Date Schedule

Suggested Routing

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

Martin Luther King, Jr., Day: Trade Date-Settlement Date Schedule

The Nasdaq Stock Market® and the securities exchanges will be closed on Monday, January 18, 1999, in observance of Martin Luther King, Jr., Day. "Regular way" transactions made on the business days noted below will be subject to the following schedule:

Trade Date	Settlement Date	Reg. T Date*
Jan. 12	Jan. 15	Jan. 20
13	19	21
14	20	22
15	21	25
18	Markets Closed	—
19	22	26

Presidents Day: Trade Date-Settlement Date Schedule

The Nasdaq Stock Market and the securities exchanges will be closed on Monday, February 15, 1999, in observance of Presidents Day. "Regular way" transactions made on the business days noted below will be subject to the following schedule:

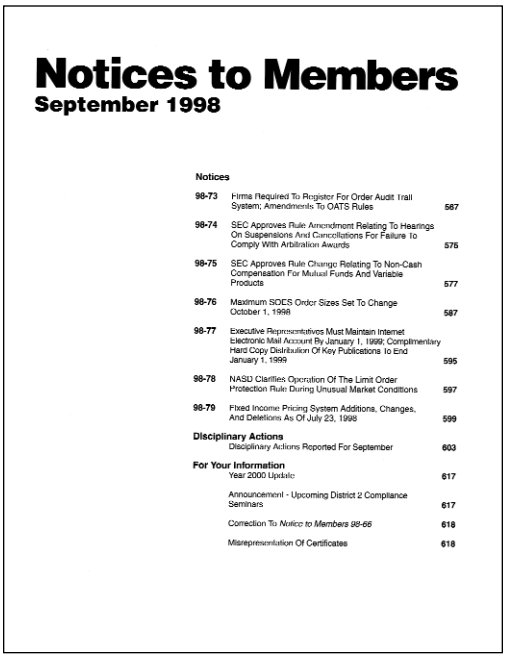
Trade Date	Settlement Date	Reg. T Date*
Feb. 9	Feb. 12	Feb. 17
10	16	18
11	17	19
12	18	22
15	Markets Closed	—
16	19	23

*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 five 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 titled "Reg. T Date."

© 1999, National Association of Securities Dealers, Inc. (NASD). All rights reserved.

NASD Key Publications Available On The Internet

Starting in January 1999, the NASD Will Distribute *Notices to Members* and the *Regulatory & Compliance Alert* Primarily Via the Internet



Notices to Members
September 1998

Notices

98-73 Firms Required To Register For Order Audit Trail System; Amendments To OATS Rules 567

98-74 SEC Approves Rule Amendment Relating To Hearings On Suspensions And Cancellations For Failure To Comply With Arbitration Awards 575

98-75 SEC Approves Rule Change Relating To Non-Cash Compensation For Mutual Funds And Variable Products 577

98-76 Maximum SOES Order Sizes Set To Change October 1, 1998 587

98-77 Executive Representatives Must Maintain Internet Electronic Mail Account By January 1, 1999; Complimentary Hard Copy Distribution Of Key Publications to End January 1, 1999 595

98-78 NASD Clarifies Operation Of The Limit Order Protection Rule During Unusual Market Conditions 597

98-79 Fixed Income Pricing System Additions, Changes, And Deletions As Of July 23, 1998 599

Disciplinary Actions
Disciplinary Actions Reported For September 603

For Your Information
Year 2000 Update 617

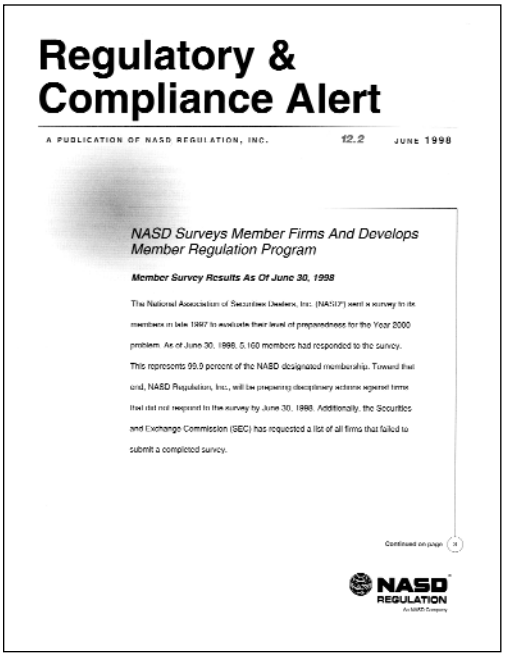
Announcement - Upcoming District 2 Compliance Seminars 617

Correction To *Notice to Members 98-66* 618

Misrepresentation Of Certificates 618

As announced in *Notice to Members 98-77*, complimentary distribution of hard-copy NASD *Notices to Members* and *Regulatory & Compliance Alert* has been discontinued effective January 1, 1999. However, NASD members can still access these publications on the NASD Regulation Web Site (*www.nasdr.com*). Members that elect not to use the Web Site as the source for these publications have the option of subscribing to hard-copy versions.

For more information on subscribing or to place an order, call NASD MediaSource℠ at (301) 590-6142.



Regulatory & Compliance Alert

A PUBLICATION OF NASD REGULATION, INC. 12.2 JUNE 1998

NASD Surveys Member Firms And Develops Member Regulation Program

Member Survey Results As Of June 30, 1998

The National Association of Securities Dealers, Inc. (NASD®) sent a survey to its members in late 1997 to evaluate their level of preparedness for the Year 2000 problem. As of June 30, 1998, 5,160 members had responded to the survey. This represents 99.0 percent of the NASD designated membership. Toward that end, NASD Regulation, Inc., will be preparing disciplinary actions against firms that did not respond to the survey by June 30, 1998. Additionally, the Securities and Exchange Commission (SEC) has requested a list of all firms that failed to submit a completed survey.

Continued on page 14

NASD REGULATION An NASD Company

To access the NASD *Notices to Members* and *Regulatory & Compliance Alert* Web Pages, go to the NASD Regulation Web Site (*www.nasdr.com*).

NASD Regulation will alert Executive Representatives via e-mail whenever new *Notices to Members* or *Regulatory & Compliance Alert* issues are posted to the Web Site starting this year.

www.nasdr.com

NASD® REGULATION
An NASD Company

Disciplinary Actions

Disciplinary Actions Reported For January

NASD Regulation, Inc. (NASD Regulation℠) has taken disciplinary actions against the following firms and individuals for violations of National Association of Securities Dealers, Inc. (NASD®) rules; federal securities laws, rules, and regulations; and the rules of the Municipal Securities Rulemaking Board (MSRB). Unless otherwise indicated, suspensions will begin with the opening of business on Monday, January 18, 1999. The information relating to matters contained in this *Notice* is current as of the end of December 21, 1998.

Firms Fined, Individuals Sanctioned

C.A. Atlantic Securities, Inc. (Boston, Massachusetts) and **James Arthur Dixon (Registered Principal, Portsmouth, New Hampshire)** submitted a Letter of Acceptance, Waiver, and Consent pursuant to which they were censured and fined $50,000, jointly and severally. In addition, Dixon was suspended from association with any NASD member in any principal or managerial capacity for 30 days and required to requalify as a general securities principal by taking and successfully passing the general securities principal exam (Series 24). Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that the firm failed to report trades within 90 seconds of execution and without the ".SLD" modifier. The findings also stated that the firm entered trades into the Small Order Execution System℠ (SOES℠) for the benefit of the firm's trading account, entered trades into SOES for the benefit of registered representatives or accounts they controlled, and entered trades into SOES as split orders. In addition, C.A. Atlantic, acting through Dixon, failed to prepare, maintain, and/or enforce adequate written supervisory procedures and failed to carry out a supervisory system relative to market making, order room functions, and trade reporting.

Graicap, Inc. (Detroit, Michigan), Fred L. Prime, III (Registered Principal, Southfield, Michigan), and **Kern David Smith (Registered Principal, Detroit, Michigan)** submitted a Letter of Acceptance, Waiver, and Consent pursuant to which the firm was censured and fined $15,000. Prime was censured, fined $7,500, and suspended from association with any NASD member in a supervisory and managerial capacity for 10 business days, and Smith was censured, fined $10,000, and suspended from association with any NASD member in the capacity of a limited principal – financial and operations – for 30 days. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that the firm, acting through Prime and Smith, conducted a securities business while failing to maintain adequate net capital. The findings also stated that the firm, acting through Smith, failed to compute its net capital accurately, failed to maintain accurate books and records, submitted inaccurate FOCUS Part II reports, and failed to file its audited annual financial statements in a timely manner. In addition, the NASD found that the firm failed to submit an accurate quarterly Form G-37/38, and the firm, acting through Prime, failed to maintain a record of the date that the Forms G-37/38 were sent to the MSRB.

Hattier, Sanford & Reynoir (New Orleans, Louisiana), Gus A. Reynoir (Registered Principal, New Orleans, Louisiana), and **Vance G. Reynoir (Registered Principal, New Orleans, Louisiana)** were censured and fined $60,000, jointly and severally. In addition, the

firm was required to engage an independent auditor within 90 days to review its books and records and supervisory procedures and to implement the auditor's recommendations in a manner satisfactory to the NASD. Gus Reynoir and Vance Reynoir were suspended from association with any NASD member in any capacity for 30 days, suspensions not to run concurrently. Gus Reynoir and Vance Reynoir were required to requalify as a general securities principal and as a municipal securities principal, respectively, within 180 days or be suspended until they requalify. The U.S. Court of Appeals for the Fifth Circuit affirmed the sanctions following appeal of a January 1998 Securities and Exchange Commission (SEC) decision. The sanctions were based on findings that the firm, acting through Gus Reynoir and Vance Reynoir, issued 453 confirmations that misrepresented the capacity in which trades were executed.

Gus Reynoir's suspension will commence on the opening of business January 18, 1999, and will conclude at the close of business February 16, 1999. Vance Reynoir's suspension will commence with the opening of business February 17, 1999, and will conclude at the close of business March 18, 1999.

LCP Capital Corp. (New York, New York) and **Charles Steven Stoffers (Registered Principal, Staten Island, New York)** submitted a Letter of Acceptance, Waiver, and Consent pursuant to which they were censured and fined $37,500, jointly and severally, and Stoffers was required to requalify by taking the Series 24 exam prior to acting again as a general securities principal. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that the firm, acting through Stoffers, failed to report timely and accurately to the NASD statistical summary information regarding customer complaints. The findings also stated that the firm, acting through Stoffers, failed to report timely disciplinary information to the NASD and failed to implement the Firm Element of its Continuing Education program.

Firm And Individual Fined

Capital West Investment Group, Inc. (Phoenix, Arizona) and **Lawrence Lester Kohler (Registered Principal, Scottsdale, Arizona)** submitted a Letter of Acceptance, Waiver, and Consent pursuant to which the firm was censured and fined $3,500, jointly and severally, with Kohler; fined $6,500 jointly and severally with Kohler and another individual; and fined $5,000, jointly and severally, with a third individual. Without admitting or denying the allegations, the firm consented to the described sanctions and to the entry of findings that the firm, acting through an individual, conducted a securities business while failing to maintain its minimum required net capital, failed to prepare and maintain the required books, records, and reports called for as a result of "self-clearing" customer transactions, and failed to establish a "Special Reserve Account for the Exclusive Benefit of Customers" and perform the required customer reserve computation. The findings also stated that the firm, acting through Kohler, failed to designate a principal responsible for the Regulatory Element and Firm Element of the NASD's Continuing Education requirements, failed to address the Regulatory Element in its procedures, and failed to prepare a needs analysis and develop a written training program. Furthermore, the NASD determined that the firm, acting through Kohler and another individual, guaranteed a customer against loss in the customer's account.

Firms Fined

American Third Market Corporation (New York, New York) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which the firm was censured and fined $17,500. Without admitting or denying the allegations, the firm consented to the described sanctions and to the entry of findings that it reported transactions to the Automated Confirmation Transaction Service℠ (ACT℠) in violation of applicable securities laws and regulations regarding trade reporting. The findings also stated that the firm failed to establish, maintain, and enforce adequate written supervisory procedures with respect to SOES execution, best execution, limit orders, order handling, anti-competitive practices, and trading and market making functions.

Huntington Capital Corp. (Columbus, Ohio) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which the firm was censured and fined $20,000. Without admitting or denying the allegations, the firm consented to the described sanctions and to the entry of findings that it failed to establish and maintain an adequate enforcement system to ensure that individuals were properly registered to perform activities in which they were engaged. According to the findings, the firm permitted an individual to engage in activities requiring registration as a registered options principal without being registered in that capacity.

Morgan Stanley & Co., Inc. (New York, New York) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which the firm was censured and fined $60,000. Without admitting or denying the allegations, the firm consented to the described sanctions and to the entry of findings that the firm failed to execute Select-Net℠ orders and thereby, failed to honor its published quotation. The findings also stated that the firm

failed to establish, maintain, and enforce written supervisory procedures reasonably designed to achieve compliance with applicable securities laws and regulations concerning SEC and NASD firm quote rules.

Securities America, Inc. (Omaha, Nebraska) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which the firm was censured and fined $10,000. In addition, the firm must retain an independent consultant to complete a review and needs assessment of the firm's current supervisory system. Without admitting or denying the allegations, the firm consented to the described sanctions and to the entry of findings that it failed to supervise the activities of an individual and to establish, maintain, and enforce written supervisory procedures to ensure that the individual refrained from engaging in unsuitable recommendations of discretionary purchases and sales in the securities account of a public customer, including excessive trading, excessive use of margin, and short position exposure. The findings also stated that the firm's supervisory procedures failed to include procedures for all the types of business in which the firm engaged, failed to designate the principal responsible for the supervision of registered representatives and principals in the firm's Offices of Supervisory Jurisdiction, and failed to identify the individual responsible for the updating of the written procedures. Moreover, the procedures failed to outline the methodology for supervision of account activity, concentration, and use of margin in connection with accounts located in single person Offices of Supervisory Jurisdiction and branch offices.

Individuals Barred Or Suspended

Salvatore Joseph Anzelone (Registered Representative, Amherst, New York) was censured, fined $25,000, and barred from association with any NASD member in any capacity. The sanctions were based on findings that Anzelone failed to respond to NASD requests for information.

Shaun Patrick Attwood (Registered Principal, Phoenix, Arizona) and **Scott Dominic Davis (Registered Representative, Phoenix, Arizona)**. Attwood was censured, fined $68,016.90, and barred from association with any NASD member in any capacity. Davis was censured, fined $11,164.80, suspended from association with any NASD member in any capacity for one year, and ordered to requalify by exam before re-associating with any member firm. The sanctions were based on findings that Attwood and Davis engaged in excessive trading in a customer account. Attwood also failed to respond to NASD requests for information.

Troy D. Bachis (Registered Representative, Albuquerque, New Mexico) was censured, fined $45,000, and barred from association with any NASD member in any capacity. The sanctions were based on findings that Bachis forged a public customer's signature on an application to purchase a variable annuity contract, without the customer's authorization and consent, and presented such documents as genuine. Bachis also failed to respond to NASD requests for information.

Joseph Randolph Belew (Registered Principal, Jackson, Mississippi) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $4,957,000, barred from association with any NASD member in any capacity, and required to pay $601,625.80 in restitution to the appropriate parties. Without admitting or denying the allegations, Belew consented to the described sanctions and to the entry of findings that he received funds totaling approximately $971,425.80 from public customers for the purpose of investment, failed to make any investments on the customers' behalf, and either misused or converted the funds to his own use and benefit without the customers' knowledge or consent.

Gregory James Best (Registered Representative, Mogadore, Ohio) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $25,000, and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Best consented to the described sanctions and to the entry of findings that he failed to respond to NASD requests for information in connection with customer complaints.

Deidra J. Blake (Registered Representative, Plainfield, Illinois) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which she was censured, fined $20,000, and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Blake consented to the described sanctions and to the entry of findings that she participated in private securities transactions and failed to provide written notice to, or to receive written authorization from, her member firm to participate in such transactions.

William Hinton Clark (Registered Principal, Staten Island, New York) submitted an Offer of Settlement pursuant to which he was censured, fined $25,000, suspended from association with any NASD member in any capacity for six months, and required to requalify by exam in all capacities prior to functioning again in any capacity that requires requalification. Without admitting or denying the allegations, Clark consented to the described allegations and to the entry of findings that he engaged in a securities business as a registered repre-

sentative and executed transactions on behalf of public customers during a one month bar imposed by the New York Stock Exchange.

John D'Aversa (Registered Representative, Waterbury, Connecticut) submitted an Offer of Settlement pursuant to which he was censured, fined $25,000, and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, D'Aversa consented to the described sanctions and to the entry of findings that he failed to respond to NASD requests for information.

Herbert Lewis Davis, Jr. (Registered Representative, Milwaukee, Wisconsin) was censured, fined $20,000, and barred from association with any NASD member in any capacity. The National Adjudicatory Council (NAC) affirmed the sanctions following appeal of a Chicago District Business Conduct Committee (DBCC) decision. The sanctions were based on findings that Davis signed a customer's name to a $945.58 check without the customer's authorization, knowledge, or consent and used the proceeds for some purpose other than for the customer's benefit. Davis also failed to respond to NASD requests for information.

David Dembinsky (Registered Representative, Brooklyn, New York) submitted an Offer of Settlement pursuant to which he was censured, fined $8,000, and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Dembinsky consented to the described sanctions and to the entry of findings that he changed the addresses of record of policyholders without the knowledge or authorization of the policyholders to post office boxes held in the name of a client and acquaintance of Dembinsky. Loans requested against each of the policies, without the knowledge or consent of the policyholders, resulted in the issuance of checks totalling $14,000 to the post office boxes. Dembinsky facilitated the transfer of the checks to a third party who negotiated the checks and agreed to remit to Dembinsky four percent of the proceeds of the negotiated checks for his assistance. The remaining proceeds were alleged to have been returned to another firm representative. Dembinsky also provided a false written statement to the NASD.

Steven Laver Edelson (Registered Principal, Brooklyn, New York) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $7,500, and suspended from association with any NASD member in any capacity for 10 days. Without admitting or denying the allegations, Edelson consented to the described sanctions and to the entry of findings that he failed to file in a timely manner quarterly statistical and summary information reports with the NASD regarding customer complaints received by his member firm.

Edward Michael Freund (Registered Representative, Eastpointe, Michigan) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $2,500, and suspended from association with any NASD member in any capacity for five business days. Without admitting or denying the allegations, Freund consented to the described sanctions and to the entry of findings that he signed and filed a Form U-4 that failed to disclose he had plead guilty to a misdemeanor in the state of Michigan involving larceny under $100.

Semos Gardner (Registered Representative, West Hollywood, California) was censured, fined $25,000, and barred from association with any NASD member in any capacity. The sanctions were based on findings that Gardner failed to respond to NASD requests for information.

Donald Ray Gates (Registered Representative, Cabot, Arkansas) was censured, fined $53,261.05, suspended from association with any NASD member in any capacity for six months, and required to requalify by exam before acting in any capacity requiring registration. The NAC imposed the sanctions following appeal of a New Orleans DBCC decision. The sanctions were based on findings that Gates engaged in securities transactions while not registered with the NASD or with the state where the customer was domiciled.

Gates has appealed this action to the SEC and the sanctions are not in effect pending consideration of the appeal.

Robert Anthony Gatto (Associated Person, Brooklyn, New York) was censured, fined $45,469.20, and barred from association with any NASD member in any capacity. The sanctions were based on findings that Gatto forged the signatures of his member firm's officers on a $1,093.84 compensation check and converted the proceeds of the check. Gatto also failed to respond to NASD requests for information.

Jeff Vaughn Gordy (Registered Representative, Chicago, Illinois) submitted an Offer of Settlement pursuant to which he was censured, fined $25,000, and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Gordy consented to the described sanctions and to the entry of findings that he failed to respond to NASD requests for documents and information.

David Lee Griffin (Registered Representative, Chalkhill, Pennsylvania) was censured, fined $25,000, and barred from association with any NASD member in any capacity. The sanctions were based on findings that Griffin failed to respond to NASD requests for information.

Philip David Growick (Registered Representative, West Hartford, Connecticut) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $10,000, suspended from association with any NASD member in any capacity for one year, and required to disgorge $58,071.03 in commissions. Without admitting or denying the allegations, Growick consented to the described sanctions and to the entry of findings that he engaged in private securities transactions without providing prior written notice to, and receiving approval from, his member firm.

George W. Guttman (Registered Principal, Brooklyn, New York) submitted an Offer of Settlement pursuant to which he was censured, fined $25,000, and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Guttman consented to the described sanctions and to the entry of findings that he purchased shares of stock for the account of a public customer without having obtained prior written authorization from the customer and without prior written acceptance of the account as discretionary by his member firm. Guttman also agreed to reimburse the customer for the unauthorized transaction without the prior knowledge, authorization, or consent of his firm. The findings also stated that Guttman promised the customer that if he was unable to reimburse him, his member firm would assume full financial responsibility, without the prior knowledge or consent of the firm. Guttman also purchased for, or sold from, public customers' accounts securities without the customers' knowledge, consent, or authorization. The findings also stated that Guttman guaranteed a customer against loss.

Jerry Michael Hall (Registered Representative, Mesa, Arizona) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, suspended from association with any NASD member in any capacity for 30 days which shall have been deemed served concurrent with the suspension imposed by the State of Arizona in its proceeding, and required to pay restitution to public customers in the amount of $10,000. Without admitting or denying the allegations, Hall consented to the described sanctions and to the entry of findings that he participated in a private securities transaction without providing his member firm prior written notice of such participation.

Hall's suspension began January 14, 1998, and concluded February 14, 1998.

Pamela Ann Hartsock (Registered Representative, Montoursville, Pennsylvania) was censured, suspended from association with any NASD member in any capacity for two years, and required to requalify by exam in any capacity in which she seeks to participate in the securities industry. The NAC imposed the sanctions following review of a Philadelphia DBCC decision. The sanctions were based on findings that Hartsock failed to remit customer funds and failed to inform her member firm of her omission.

Blake Vincent High (Registered Representative, Plano, Texas) was censured, fined $25,000, and barred from association with any NASD member in any capacity. The sanctions were based on findings that High failed to respond to an NASD request for information and to provide testimony.

Fred Cordery Knight, Jr. (Registered Representative, Edmond, Oklahoma) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $175,000, barred from association with any NASD member in any capacity, and required to pay $75,432.45 in restitution to the appropriate parties. Without admitting or denying the allegations, Knight consented to the described sanctions and to the entry of findings that he engaged in acts, practices, and a course of business which operated as a fraud or deceit upon various persons, in connection with the purchase and sale of shares of common stock, by directly entering into transactions with stockholders that were executed at excessive and fraudulent prices. The findings also stated that Knight engaged in private securities transactions without prior written notice to and approval from his member firm.

Timothy James Kopacka (Registered Representative, Grosse Point Shores, Michigan) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $340,289, and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Kopacka consented to the described sanctions and to the entry of findings that he participated in private securities transactions and failed to give written notice of his intention to engage in such activities to his member firms, and failed to receive written approval from the firms prior to engaging in such activities.

Gerald Patrick Leffel (Registered Representative, Brook Park, Ohio) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $51,500, and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Leffel consented to the described sanctions and to the entry of findings that he accepted cash payments for traditional life insurance policy premiums totaling $299 from a public customer and failed to forward the proceeds to the insurance company in payment of the premiums. Instead, the NASD found that Leffel used the proceeds for his own benefit

without the prior authorization or consent of the customer.

Alfred Gertha Leonard (Associated Person, Queens, New York) submitted an Offer of Settlement pursuant to which he was censured, fined $30,000, and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Leonard consented to the described sanctions and to the entry of findings that he failed to complete his Form U-4 accurately. Leonard also failed to respond to NASD requests for information.

John Li (Registered Representative, Chicago, Illinois) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $5,500, and suspended from association with any NASD member in any capacity for 10 business days. Without admitting or denying the allegations, Li consented to the described sanctions and to the entry of findings that he purchased or sold securities for the account of a public customer without the knowledge or consent of the customer and in the absence of written or oral authorization to exercise discretion in the customer's account.

Thomas Dominic Loffredo (Registered Principal, New City, New York) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $5,000, suspended from association with any NASD member in any capacity for 10 business days, and ordered to requalify as a general securities representative. If Loffredo fails to requalify within a 90-day mandated period, he will be suspended from association with any NASD member in any capacity until such examination is successfully completed. Without admitting or denying the allegations, Loffredo consented to the described sanctions and to the entry of findings that he engaged in private securities transactions without providing written notice to, and receiving written approval from, his member firm.

Kevin William Loomis (Registered Principal, East Northport, New York) submitted an Offer of Settlement pursuant to which he was censured, fined $20,000, suspended from association with any NASD member in any capacity for one year, and required to requalify by Series 7 exam prior to acting in that capacity. Without admitting or denying the allegations, Loomis consented to the described sanctions and to the entry of findings that he made baseless and improper price predictions for speculative securities to public customers and made unauthorized trades in the accounts of public customers by purchasing more than he was authorized to purchase. The findings also stated that Loomis required that customers purchase aftermarket shares as a condition of purchasing initial public offering units.

James R. Mancuso (Registered Principal, Patchogue, New York) submitted an Offer of Settlement pursuant to which he was censured, fined $25,000, suspended from association with any NASD member in any capacity for 30 days, required to requalify as a general securities representative, and required to demonstrate that prior to associating with a member firm, he has made restitution totalling $55,613 to public customers. Without admitting or denying the allegations, Mancuso consented to the described sanctions and to the entry of findings that he made material misrepresentations and omitted material information in the offer and sale of securities. Mancuso also made fraudulent price predictions in the offer and sale of securities.

David Eugene Manning (Registered Principal, Webster, Texas) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $1,000, suspended from association with any NASD member in the capacity of registered options principal for two years, and required to requalify as a registered options principal. Without admitting or denying the allegations, Manning consented to the described sanctions and to the entry of findings that a member firm, acting by and through Manning, failed to properly establish and maintain an adequate supervisory system that was reasonably designed to achieve compliance with applicable securities laws and regulations, and with the rules of the NASD. Specifically, the firm failed to supervise the activities of each registered representative with respect to options trading since it failed to establish and maintain adequate written procedures to supervise trading in options.

Tony Dale Moore (Registered Representative, Brandon, Mississippi) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $165,000, and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Moore consented to the described sanctions and to the entry of findings that he received a check for $2,989.25 from a public customer for the purpose of paying the premium on a fixed annuity policy; failed and neglected to remit the funds to his member firm; and, instead, endorsed the check and deposited it into his personal bank account thereby converting the $2,989.25 to his own use and benefit, without the customer's knowledge or consent. In response to an NASD request for information, Moore provided false and misleading statements and documents, including falsified correspondence, bank statements, and cashiers' checks in an apparent attempt to mislead the staff during its investigation.

Kirk Robert Nehdar (Registered Representative, West Hills, California) was fined $5,000 and suspended from association with any NASD member in any capacity for 10 business days. The sanctions were based on findings that Nehdar engaged in purchase and sale transactions in various securities for the joint account of public customers without having reasonable grounds for believing that the transactions were suitable for the customers in view of the size, frequency, and nature of the recommended transactions and the facts disclosed by the customers as to their financial situation, objectives, circumstances, and needs.

Ronald Alvin Okum (Registered Representative, San Marino, California) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $10,000, and suspended from association with any NASD member in any capacity for one year. Without admitting or denying the allegations, Okum consented to the described sanctions and to the entry of findings that he participated in private securities transactions without providing prior written notice to his member firm describing the proposed transactions and his proposed role therein.

William Francis Palla (Registered Principal, Haverford, Pennsylvania) was censured, fined $20,000, and barred from association with any NASD member in any capacity. The sanctions were based on findings that Palla failed to respond to NASD requests for information.

Charles Vaughn Pankey (Registered Principal, Denver, Colorado) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $20,000, suspended from association with any NASD member in any capacity for 10 days, suspended from association with any NASD member as a general securities principal for six months, and required to requalify by taking the Series 24 exam prior to resuming general securities principal duties. Without admitting or denying the allegations, Pankey consented to the described sanctions and to the entry of findings that he engaged in private securities transactions without giving his member firm prior written notice of his activities. The findings also stated that Pankey, as president of a member firm, failed to comply with all of the conditions outlined in the membership agreement for the firm.

Peter Anthony Perez (Registered Representative, Parkland, Florida) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $25,000, and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Perez consented to the described sanctions and to the entry of findings that he recommended and engaged in a course of trading in the account of a public customer that was unsuitable for the customer based upon her other securities holdings, and financial situation and needs. The findings also stated that Perez participated in private securities transactions without providing prior written notice to his member firm.

John Louis Quaadman (Registered Representative, Chicago, Illinois) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $5,000, and suspended from association with any NASD member in any capacity for six months. Without admitting or denying the allegations, Quaadman consented to the described sanctions and to the entry of findings that he affixed the signatures of public customers on Individual Retirement Account transfer and/or risk acknowledgment forms without the customers' knowledge or consent.

Ralph Rufus Rush (Registered Representative, El Paso, Texas) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $25,000, and suspended from association with any NASD member in any capacity for one month. Without admitting or denying the allegations, Rush consented to the described sanctions and to the entry of findings that he received payments of commissions in connection with the sale of variable annuity products, in the form of checks written by a registered representative associated with another member firm, without prior oral or written authorization from his member firm. Furthermore, the NASD determined that, at the time of these transactions and resultant payments, his member firm was not authorized to sell variable annuity products in the state where the sales took place.

Elie M. Sakaran (Registered Representative, San Dimas, California) submitted an Offer of Settlement pursuant to which he was censured, fined $14,400, and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Sakaran consented to the described sanctions and to the entry of findings that he recommended, offered, and sold corporate securities to public customers when he was not registered to do so by the NASD. Sakaran used the account executive number of a registered representative who received the commission checks for the trades and signed the commission checks over to Sakaran.

Robert Scalzi (Registered Representative, Scottsdale, Arizona) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $50,000, and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Scalzi consented to the described sanctions and to the entry

of findings that he engaged in private securities transactions without giving his member firm prior written notice of his activities. The findings also stated that Scalzi allowed an advertisement for an investment program to be placed in a newspaper identifying himself as the sales representative without having the advertisement approved by a principal of his member firm.

Joshua S. Shainberg (Registered Principal, New York, New York) submitted an Offer of Settlement pursuant to which he was censured, fined $35,000, and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Shainberg consented to the described sanctions and to the entry of findings that he arranged to have another individual complete the Series 27, Financial and Operations Principal Qualification Examination on his behalf. Shainberg also failed to respond to NASD requests to provide information and documentation.

Louis Elvin Sharp (Registered Representative, Lafayette, Colorado) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $25,000, barred from association with any NASD member in any capacity, and ordered to pay $1,405 in restitution to public customers. Without admitting or denying the allegations, Sharp consented to the described sanctions and to the entry of findings that he participated in private securities transactions without providing written notification to, and obtaining approval from, his member firm before participating in such transactions. The findings also stated that Sharp purchased units in a limited partnership and then sold such units to members of the public at prices that substantially exceeded the prices Sharp paid contemporaneously for the transactions, and at prices that were not reasonably related to the market price for these securities at the time of the sales. Moreover, the NASD determined that Sharp failed to disclose to members of the public to whom he sold the securities that he had made the purchases at such prices. In addition, Sharp received purchase payments from public customers, deposited the funds into a bank account he controlled, and failed to request a transfer of the securities from his name to the customers' name until a later date.

Mark E. Swett (Registered Representative, Omaha, Nebraska) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $5,000, and suspended from association with any NASD member firm in any capacity for three months. Without admitting or denying the allegations, Swett consented to the described sanctions and to the entry of findings that he purchased securities in his personal margin account at his member firm and utilized the proceeds from the sale of the same securities to pay for the purchases without otherwise paying for the trades or maintaining sufficient margin excess in the account.

Gerald M. Trevor (Registered Representative, Metairie, Louisiana) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $15,000, and suspended from association with any NASD member in any capacity for two years. Without admitting or denying the allegations, Trevor consented to the described sanctions and to the entry of findings that he received a check for $5,000 from a public customer for the purpose of investment. Instead, Trevor erroneously deposited the funds into a bank account he controlled and failed to return the funds to the customer until a later date. The findings also stated that Trevor sent correspondence to the customer that incorrectly stated the customer had an account balance of $6,585 invested at his firm. In addition, Trevor failed to respond timely to NASD requests for information.

Dennis Nick VanAuken (Registered Representative, Buffalo, Minnesota) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $75,000, and barred from association with any member firm in any capacity. Without admitting or denying the allegations, VanAuken consented to the described sanctions and to the entry of findings that in connection with the solicitation and sale of shares of stock to public customers, he, intentionally or recklessly, made untrue statements of material facts and/or omitted to state material facts necessary in order to make the statements, in light of the circumstances under which they were made, not misleading. The findings also stated that VanAuken intentionally or recklessly made projections of future prices without a reasonable basis for predicting such price increases.

Wayne Beckley Vaughan (Registered Representative, Cumming, Georgia) was censured, suspended from association with any NASD member in any capacity for 30 business days, and required to requalify by exam in any capacity in which he seeks to do business. The NAC imposed the sanctions upon appeal and review of an Atlanta DBCC decision. The sanctions were based on findings that Vaughan engaged in unsuitable trading for a public customer's account.

Chris John Votsis (Registered Representative, Brooklyn, New York) was censured, fined $25,000, barred from association with any NASD member in any capacity, and ordered to disgorge all net commissions received from 1995 through 1996 inclusive. The sanctions were based on findings that Votsis arranged to

have an impostor take the Series 7 qualification exam on his behalf.

Jon Jerard Ward (Registered Representative, Verona, Pennsylvania) was censured, fined $25,000, and barred from association with any NASD member in any capacity. The sanctions were based on findings that Ward failed to respond to NASD requests for information.

Michael David Wooden (Registered Representative, Perry, Kansas) submitted an Offer of Settlement pursuant to which he was censured, fined $25,000, and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Wooden consented to the described sanctions and to the entry of findings that he failed to respond to an NASD request to provide an on-the-record statement and documentation.

Steven David Wyman (Registered Principal, Boynton Beach, Florida) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured, fined $10,000, and suspended from association with any NASD member in any principal or supervisory capacity for 10 business days. Without admitting or denying the allegations, Wyman consented to the described sanctions and to the entry of findings that he failed to reasonably supervise registered representatives' handling of public customers' accounts in order to prevent and/or detect unsuitable trading in the accounts.

David Hirsch Zinn (Registered Representative, Oldbridge, New Jersey) was censured, fined $5,000, suspended from associating with any NASD member in any capacity until such time as he fully complies with an arbitration award, but no less than 30 business days. The sanctions were based on findings that Zinn failed to pay a Chicago Board Options Exchange arbitration award of $13,072.16 plus interest.

Individuals Fined

Joseph Edward Haick (Registered Principal, Spring Lake, New Jersey) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured and fined $10,000. Without admitting or denying the allegations, Haick consented to the described sanctions and to the entry of findings that he directed a trader to send mixed-lot SelectNet orders to a competing Market Maker in a security in retaliation for the manner in which the firm was quoting and trading the stock, in violation of the NASD's Anti-Intimidation/Coordination Interpretation.

Roger David McClammer (Registered Representative, Greenfield, Indiana) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured and fined $25,000. Without admitting or denying the allegations, McClammer consented to the described sanctions and to the entry of findings that he received a check in the amount of $8,030.16 from a public customer for the purpose of establishing a money market mutual fund. The NASD found that contrary to the customer's instructions, McClammer failed to open the fund until a later date at which time he signed the customer's name to the fund account application without the customer's knowledge or consent.

Beth Kohlnhofer Raskovich (Registered Representative, Bloomington, Minnesota) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which she was censured and fined $12,509. Without admitting or denying the allegations, Raskovich consented to the described sanctions and to the entry of findings that she opened a securities account at a member firm and did not provide written notice to the firm that she had become registered as an investment company and variable contracts representative. In addition, Raskovich failed to provide written notice to her employing member firm that she had a beneficial interest in this securities account at the time she opened the account. Raskovich also purchased shares or units of public offerings which traded at a premium when the secondary market commenced for each security.

Eric John Wiegandt (Registered Principal, Hilliard, Ohio) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was censured and fined $10,000. Without admitting or denying the allegations, Wiegandt consented to the described sanctions and to the entry of findings that he engaged in activities requiring registration as a registered options principal without being registered in that capacity.

Decisions Issued

The following decisions have been issued by the DBCC or the Office of Hearing Officers and have been appealed to or called for review by the NAC as of December 21, 1998. The findings and sanctions imposed in the decision may be increased, decreased, modified, or reversed by the NAC. Initial decisions whose time for appeal has not yet expired will be reported in the next *Notices to Members*.

Sandy Charles Giglio (Registered Representative, Palm Coast, Florida) was censured, fined $20,000, suspended from association with any NASD member in any capacity for five days, and required to requalify as a general securities representative by taking and passing the Series 7 exam. The sanctions were based on findings that Giglio forged the signatures of public customers on "change of

Broker Dealer/Representative" forms to move their accounts from other member firms to his current member firm.

Giglio has appealed this action to the NAC and the sanctions are not in effect pending consideration of the appeal.

Ansula Pet Hwa Liu (Registered Representative, Brooklyn Park, Minnesota) was censured, fined $100,000, barred from association with any NASD member in any capacity, and ordered to pay $50,000, plus interest, in restitution. The sanctions were based on findings that Liu engaged in private securities transactions without providing prior written notification to her member firm. Liu also failed to respond to NASD requests for information.

Liu has appealed this action to the NAC and the sanctions are not in effect pending consideration of the appeal.

Kellie Anne Will (Registered Representative, Derby, New York) was censured, fined $25,000, and barred from association with any NASD member in any capacity. The sanctions were based on findings that Will failed to respond to NASD requests for information.

Will has appealed this action to the NAC and the sanctions are not in effect pending consideration of the appeal.

Complaints Filed

The following complaints were issued by the NASD. Issuance of a disciplinary complaint represents the initiation of a formal proceeding by the NASD in which findings as to the allegations in the complaint have not been made, and does not represent a decision as to any of the allegations contained in the complaint. Because these complaints are unadjudicated, you may wish to contact the respondents before drawing any conclusions regarding the allegations in the complaint.

James Hugh Brennan, III (Registered Representative, Chattanooga, Tennessee) was named as a respondent in an NASD complaint alleging that he executed unauthorized securities transactions in the accounts of a public customer without the customer's knowledge or consent. The complaint alleges that Brennan recommended and engaged in such purchase transactions and did not have reasonable grounds for believing that these recommendations and resultant transactions were suitable for the customer on the basis of investment objectives and needs. The complaint also alleges that in connection with unauthorized purchase transactions, Brennan verbally misrepresented to a public customer that the subject transactions had been effected in error, and made material misrepresentations to the customer by overstating the value of the account by approximately $146,000. The complaint also alleges that Brennan guaranteed a public customer against loss in that he stated that he would be responsible for making up any shortfall in the value of securities that occurred in a specified time period.

John Steven DeSane (Registered Principal, Mt. Sinai, New York) was named as a respondent in an NASD complaint alleging that he made material misrepresentations and omissions in connection with his solicitation of public customers to purchase securities. The complaint also alleges that DeSane made fraudulent price predictions in connection with his solicitation of public customers. The complaint alleges that DeSane effected transactions in a public customer's account without the prior authorization of the customer. The complaint also alleges that DeSane failed to execute a sale of securities as ordered by a public customer.

Edward Michael Gabbert (Registered Representative, Wilmington, Delaware) was named as a respondent in an NASD complaint alleging that he caused $20,795.71 in funds – to which he was not entitled – to be transferred from accounts in which he did not have an ownership interest to an account in which he did have an ownership interest. The complaint also alleges that Gabbert failed to respond to NASD requests for information.

Kenneth Edward Grant (Registered Representative, Oxford, Michigan) was named as a respondent in an NASD complaint alleging that he obtained checks totaling $2,622 made payable to public customers which included repayments for insurance policies, as well as a mistaken overpayment for the insurance policies, and endorsed the checks by writing the customers' names on the checks, without the customers' knowledge or consent. The complaint alleges that Grant then cashed the checks and used $2,185 for some purpose other than the benefit of the insurance company or the customers, then later paid the funds to the insurance company.

Michael Lee Eng King (Registered Principal, Portland, Oregon) was named as a respondent in an NASD complaint alleging that he exercised effective control over the account of a public customer and recommended to such customer the purchase and sale of securities, without having reasonable grounds for believing that such recommendations were suitable for the customer, in view of the frequency and nature of the recommended transactions (short sales) and the customer's financial situation, circumstances, and needs.

Robert Albert Skulman (Registered Representative, Ft. Smith, Arkansas) was named as a respondent in an NASD complaint alleging that he recommended and engaged in securities transactions in the accounts of public customers without having reasonable grounds for believing that these recommendations and resultant transactions were suitable for the customers on the basis of their financial situations, investment objectives, and needs. The complaint also alleges that Skulman provided an inaccurate annual income figure on a new account form for one public customer and inflated annual income and net worth figures on a new account form for another public customer. The complaint also alleges that Skulman executed unauthorized securities transactions in the account of a public customer without the customer's knowledge or consent.

Thomas F. White & Co., Inc. (San Francisco, California), Raymond M. C. Lui (Registered Principal, Alameda, California), Robert Thomson Angle (Registered Principal, San Francisco, California) and **Peter William Shea (Registered Principal, Alameda, California)** were named as respondents in an NASD complaint alleging that Lui exercised discretion in the accounts of public customers without having received written authorization from the customers and acceptance of the accounts as discretionary by his firm. The complaint alleges that Lui exercised effective control over the accounts of public customers and recommended purchases and sales of securities without having reasonable grounds for believing that the recommendations were suitable for the customers in light of their size and frequency and based upon the facts disclosed by the customers as to their other security holdings and their financial situations and needs. The complaint also alleges that Lui failed to respond to NASD requests for documents. The complaint alleges that the firm, acting through Angle and Shea, failed to establish and implement written supervisory procedures adequate to detect and prevent the violations alleged against Lui and to otherwise adequately supervise Lui's activities in connection with customer accounts. The complaint also alleges that the firm, acting through Angle, entered into settlement agreements with public customers which contained confidentiality clauses that prohibited or discouraged the customers from discussing the settlements with or disclosing the underlying facts to NASD and other regulators.

Firms Suspended/Canceled

The following firms were suspended/canceled from membership in the NASD for failure to comply with formal written requests to submit financial information to the NASD. The actions were based on the provisions of NASD Rule 8210 and Article VII, Section 2 of the NASD By-Laws. The date the suspensions/cancellations commenced is listed after the entry. If the firm has complied with the requests for information, the listing also includes the date the suspension concluded.

Advanta OTC Securities, Philadelphia, Pennsylvania (December 10, 1998)

Alden Capital Markets, Inc., New York, New York (December 4, 1998)

American Freedom Securities, Inc., Rochester, New York (December 4, 1998)

Ash Financial Corp., New York, New York (December 4, 1998)

Cassidy & Co., Inc., Blue Bell, Pennsylvania (December 4, 1998)

Clark Melvin Securities, Hato Rey, Puerto Rico (December 10, 1998)

Elswick, Banks and Associates, Inc., Atlanta, Georgia (December 4, 1998)

Fisher Hill Securities Corporation, San Francisco, California (December 4, 1998)

Fundamental Service Corporation, New York, New York (December 4, 1998)

Great American Securities, Phoenix, Arizona (December 21, 1998)

J. Robbins Securities, LLC, New York, New York (December 4, 1998)

Kenerson Financial Advisors, LLC, Boston, Massachusetts (December 4, 1998)

McCormick-O'Mara Securities Co., New York, New York (December 21, 1998)

Northbridge Financial Services, Farmington Hills, Michigan (December 4, 1998)

Firms Expelled For Failing To Pay Fines, Costs, And/Or Provide Proof Of Restitution

KBC Securities, Inc., Cincinnati, Ohio (December 17, 1998)

Paul Morigi & Company, Inc., Old Greenwich, Connecticut (December 9, 1998)

Portfolio Management, Inc., Little Rock, Arkansas (December 17, 1998)

Suspensions Lifted

The NASD has lifted the suspension from membership on the dates shown for the following firms because they have complied with formal written requests to submit financial information.

First International Capital Ltd., Hamilton, Bermuda (December 17, 1998)

Hampton Securities, Inc., Los Angeles, California (November 16, 1998)

Firms Suspended Pursuant To NASD Rule Series 9510 For Failure To Pay Arbitration Award

Dunhill Equities, Inc., Garden City, New York (December 11, 1998)

Investors Associates, Inc., Hackensack, New Jersey (December 17, 1998)

Island Securities, Inc., Garden City, New York (December 16, 1998)

J.S. Securities n/k/a First National Equity Corp., Point Pleasant, New Jersey (November 6, 1998)

L.C. Wegard & Co., New York, New York (December 11, 1998)

LT Lawrence & Co., Inc., New York, New York (November 27, 1998)

Monitor Investment Group, New York, New York (December 10, 1998)

Quantum Group, Ltd. a/k/a J.P. Milligan, Inc., Sloatsburg, New York (December 2, 1998)

Sterling Foster & Co., Inc., Uniondale, New York (December 2, 1998)

Suppes Securities, Inc., New York, New York (December 3, 1998)

Waldron & Co., Inc., Irvine, California (December 2, 1998)

Individuals Whose Registrations Were Revoked For Failure To Pay Fines, Costs And/Or Provide Proof Of Restitution In Connection With Violations

Bassin, Ira Warren, Plainview, New York (November 19, 1998)

Bowman, Samuel L., III, Little Rock, Arkansas (December 17, 1998)

Elliott, Jeffrey L., Jacksonville, Florida (December 9, 1998)

Fischer, Stephen J., Manhattan Beach, California (December 17, 1998)

Friedland, Adam C., Woodbury, New York (November 19, 1998)

Gray, John R., Kemah, Texas (December 17, 1998)

Jann, Christopher E., Middle Island, New York (December 17, 1998)

Kideys, Ian T., Los Angeles, California (December 17, 1998)

Maier, Donald C., Monte Sereno, California (December 17, 1998)

Martin, David R., Thousand Oaks, California (December 17, 1998)

McLaurin, David C., Birmingham, Alabama (December 17, 1998)

Pellone, Glenn, Denver, Colorado (November 19, 1998)

Sauceda, Benito, **III,** Denver, Colorado (November 19, 1998)

Sclafani, Michael A., Brooklyn, New York (December 17, 1998)

Stevens, Robert L., Denver, Colorado (November 19, 1998)

Van der Put, Christiaan P., Pittsburgh, Pennsylvania (December 17, 1998)

Individuals Suspended Pursuant To NASD Rule Series 9510 For Failure To Pay Arbitration Awards

Borden, Dianne A., Westfield, New Jersey (December 2, 1998)

Buchter, Ronald Leonard, New York, New York (November 27, 1998 - December 2, 1998)

Burrmann, John Edward, Missouri City, Texas (December 1, 1998)

Clarke, Leauwandeau, Sherman Oaks, California (December 9, 1998)

Duffy, Frank Gerard, III, Amityville, New York (December 7, 1998)

Elgindy, Amr Ibrahim, Colleyville, Texas (December 16, 1998)

Forman, Scott Brian, Brooklyn, New York (November 30, 1998)

Friedland, Adam Craig, Woodbury, New York (November 30, 1998)

Greer, Leonard B., Rye, New York (December 11, 1998)

Hagans, David Lebron, New York, New York (December 10, 1998)

Jones, Shelley, La Mesa, California (December 4, 1998)

Jones, William E., Marietta, Georgia (November 23, 1998)

Kauffman, Brian Charles, Trevose, Pennsylvania (December 11, 1998)

Kiperman, Neil Lewis, New York, New York (November 24, 1998)

Lemaich, Christopher D., Boca Raton, Florida (December 16, 1998)

Lieberman, Adam R., Roslyn Heights, New York (December 7, 1998)

Monroe, Lamarde A., Miami, Florida (December 11, 1998 - December 21, 1998)

Monroig, Frank J., Nissequogue, New York (December 7, 1998)

Perle, Cery Bradley, Corona Del Mar, California (December 2, 1998)

Porush, Daniel Mark, Oyster Bay Cove, New York (November 30, 1998)

Rich, Jason Allen, Jericho, New York (November 24, 1998)

Ruggiero, Salvatore F., Brooklyn, New York (December 10, 1998)

Sperling, Peter, Sugarland, Texas (December 3, 1998)

Trocchio, Michael S., Staten Island, New York (December 10, 1998)

Vink, Lawrence Jack, Poway, California (December 1, 1998)

Zimmerman, Sheldon G., San Diego, California (December 2, 1998)

NASD Regulation Sanctions And Fines VTR Capital, Inc. And Former President For Market Manipulation And Illegal Profits; Additional $300,000 Restitution Ordered

NASD Regulation announced that it has censured and fined VTR Capital, Inc., currently known as Fairchild Financial Group, Inc., and Edward J. McCune, owner and former President of VTR Capital, $100,000. Fairchild Financial Group has agreed to pay $300,000 in restitution and interest to nearly 150 VTR Capital customers in 30 states including Colorado, Florida, Illinois, New York, Ohio, and Pennsylvania. McCune, currently CEO of Fairchild Financial, has been suspended from the securities industry for eight months.

While neither admitting nor denying NASD Regulation's allegations, VTR Capital and McCune settled charges that the firm and McCune had participated in an illegal distribution and fraudulent manipulation of Interiors, Inc. Class A common stock.

In April 1995, VTR Capital and McCune acquired a block of 300,000 shares of Interiors common stock, representing approximately 28 percent of the outstanding shares. Specifically, VTR Capital and McCune arranged to purchase 300,000 shares of Interiors common stock from five short-term investors, including the firm's attorney, at prices ranging from $.95 to $.98 per share. VTR Capital and McCune then arbitrarily increased the market price of the stock to over $2 per share while selling the block to the firm's customers. Because of a regulatory restriction, the firm was prevented from directly selling the shares to its customers from its own account. To circumvent this limitation, the shares were actually sold by traders at two other firms who, in turn, obtained the shares from VTR almost immediately thereafter. This circular trading scheme artificially inflated the reported trading volume by 42 percent and created the deceptive appearance of an active market in the stock. The case is continuing against the two accommodating traders, Howard R. Perles of Fairchild Financial Group (formerly associated with I. A. Rabinowitz) and Laurence M. Geller of Wien Securities Corp.

While continuing to make a market in the Interiors stock and in the process of selling the shares, the firm paid additional compensation to the firm's brokers and used high-pressure sales tactics in violation of the federal securities laws. In addition, VTR Capital and McCune neglected to disclose to customers that they had received unfair and excessive compensation from underwriting the distribution of these shares. Interiors was not named in the complaint and is not alleged to have engaged in any wrongdoing.

At the time of the violations, VTR, based in New York City, was a full-service brokerage firm and employed about 70 brokers.

© 1999, National Association of Securities Dealers, Inc. (NASD). All rights reserved.

Audio Tape Order Form • NASD Regulation, Inc.
Fall Securities Conference

November 4-6, 1998 San Francisco, California

1998 Advertising Regulation Seminar

- ❍ **A01 General Session/Internet**
  - Introductory Remarks
  - Discussion Of New Rules
  - Internet & Electronic Communications
- ❍ **A02 Nuts & Bolts**
- ❍ **A03 Fundamentals Of Mutual Funds & Variable Insurance Products**
- ❍ **A04 General Brokerage**
- ❍ **A05 Advanced Variable Insurance Products**
- ❍ **A06 Case Studies**
- ❍ **A07 Advanced Mutual Funds**

Please Check Selection Numbers

1998 Fall Securities Conference

- ❍ **S01 General Session**
  - Welcome Address—State Of The SRO, Mary L. Schapiro, President, NASD Regulation, Inc.
- ❍ **S02 Continuing Education**
- ❍ **S03 Internet Compliance Issues**
- ❍ **S04 Managing Compliance Issues And Branch Operations By Small Broker/Dealers**
- ❍ **S05 Dynamics Of Customer Complaints**
- ❍ **S06 Examination Program: Process & Priorities**
- ❍ **S07 Hot Deals, Underwriting, And The NASD Rules**
- ❍ **S08 A Look Inside The Disciplinary Process**
- ❍ **S09 Effective Supervision**
- ❍ **S10 Open Forum With District Directors**
- ❍ **S11 CRD/Public Disclosure Issues**
- ❍ **S12 Securities Law**
- ❍ **S13 Market Regulation Issues**
- ❍ **S14 Independent Contractors/ Financial Planners/Investment Advisers**
- ❍ **S15 Rules Roundup**
- ❍ **S16 Enforcement Developments**
- ❍ **S17 Year 2000 Readiness**

Complete To Order

Post-Conference Prices:

Number of Individual Sessions			_____	x $12.00	= $	_____
5% discount when eight or more sessions purchased (includes storage album)	$ _____	x5% =	< _____ >		= $	_____
Complete set of Fall Securities Conference (includes 10% discount and storage album)			_____	x $183.60	= $	_____
Complete set of Advertising Regulation Seminar (includes 10% discount and storage album)			_____	x $75.60	= $	_____
Complete set of Fall Securities and Advertising Programs (includes 15% discount and storage album)			_____	x $244.80	= $	_____
				Sessions Sub-total	= $	_____
Sales Taxes: Maryland shipping addresses only	$ _____	x5% =	_____		= $	_____
				Sales Tax Sub-total	= $	_____

Shipping Charges:

$2.25 for the first session					**$2.25**
$1.25 for each additional tape ($21.00 maximum shipping charge)	_____	x	**$1.25**	= $	_____
$15.00 extra shipping charge for orders outside of the US Postal System				= $	_____
			Shipping Sub-total	= $	_____
			Grand Total	= $	_____

Your Name _____

Company _____

Street Address _____ **MS/Fl/Suite/Apt. #** _____ **City** _____

State _____ **Zip Code** _____ **Day Phone** _____ **Fax** _____ **E-mail** _____

For Mail or Fax Charge Card Orders:

❑ **Visa** ❑ **Mastercard** ❑ **Discover** ❑ **AMEX** ❑ **Check** (*payable to A.V.E.R. Associates*)

Cardholder Name _____ **Card Number** _____

Card Expiration Date _____ **Cardholder Signature** _____

Mail or Fax completed form and payment to:
A.V.E.R. Associates, 6974 Ducketts Lane, Elkridge, MD 21075, Phone 410-796-8940, Fax 410-796-8962

Received _____ **Auth # & Date** _____ **Shipped** _____ **Updated** _____

For Your Information

Wire Transfer Of Corporate Financing Fees

The Corporate Financing Department of NASD Regulation, Inc. (NASD Regulation℠) will now accept the payment of the Corporate Financing filing fee by wire transfer. (The Department will continue to accept checks or money orders, too.) To obtain the necessary information for wire transfers, please contact the Compliance Unit of the Corporate Financing Department at (202) 974-2700.

© 1999, National Association of Securities Dealers, Inc. (NASD). All rights reserved.

Check out the NEW NASD Member Benefit!

SAFECO™

800-978-NASD (6273)

An industry first! Easily and affordably protect your business property, employees, branch offices, and independent contractors with:

- *Packaged Property and Liability Insurance*
- *Workers' Compensation Coverage*
- *Business Auto Insurance*
- *Excess Liability Insurance*

Call 800-978-NASD (6273) today for more information on these policies and their availability in your state.