

Special Notice to Members

JUNE 30, 2005

SUGGESTED ROUTING

Legal & Compliance
Senior Management

KEY TOPICS

National Adjudicatory Council

GUIDANCE

NAC Nominations

NASD Announces Nomination Procedures for Regional Industry Member Vacancies on the National Adjudicatory Council; **Nomination Deadline: August 1, 2005**

Executive Summary

The purpose of this *Special Notice to Members* is to advise members of the nomination procedures to fill one upcoming vacancy on the National Adjudicatory Council (NAC). The three-year term of the NAC regional Industry member from the North Region expires in January 2006. Exhibit I contains information regarding the NAC regional Industry member whose term expires in January 2006. Exhibit II contains a list of all NAC members. The procedures to fill the NAC regional Industry vacancy is outlined in Exhibit III. Also, a Candidate Profile Sheet is included in Exhibit IV.

Nomination Process

Members are encouraged to submit nominations for the upcoming NAC vacancy. To nominate a candidate, members should submit a cover letter and the Candidate Profile Sheet (Exhibit IV) to the Regional Nominating Committee Chair, the NASD District Directors, or the NASD Corporate Secretary (listed in Exhibit I) by **August 1, 2005**.

The completed Candidate Profile Sheets will be provided to all Regional Nominating Committee members for review. On or about **August 12, 2005**, the Regional Nominating Committee will provide NASD members with written notice of the NAC candidate that the Committee proposes for nomination to the National Nominating Committee. Pursuant to Article V, Section 5.3(a) of the NASD Regulation By-Laws, the NASD National Nominating Committee shall nominate all candidates for the NAC for subsequent appointment by the Board.

Questions/Further Information

Questions concerning this *Special Notice* may be directed to the District Directors listed in Exhibit I or to Barbara Z. Sweeney, Senior Vice President and Corporate Secretary, NASD, at (202) 728-8062 or via e-mail at barbara.sweeney@nasd.com.

National Adjudicatory Council Membership and Function

Membership

The NAC consists of 14 members—seven Industry members and seven Non-Industry members. Exhibit II contains a list of all current NAC members. Two Industry members are appointed by the NASD Regulation Board of Directors as at-large members. Five Industry members each represent one of the following geographic regions:

- West Region:** Hawaii, California, Nevada, Arizona, Colorado, New Mexico, Utah, Wyoming, Alaska, Idaho, Montana, Oregon, Washington, and the former U.S. Trust Territories.
- South Region:** Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee, Texas, Florida, Georgia, North Carolina, South Carolina, Puerto Rico, the Canal Zone, and the Virgin Islands.
- Midwest Region:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Illinois, Indiana, Kentucky, Michigan, and Wisconsin.
- North Region:** Delaware, Maryland, Pennsylvania, Virginia, West Virginia, the District of Columbia, New Jersey, Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, and New York (except for the counties of Nassau and Suffolk, and the five boroughs of New York City).
- New York:** The counties of Nassau and Suffolk, and the five boroughs of New York City.

We are seeking nominations for the North Region.

Function

According to the NASD By-Laws, the NAC is authorized to act for the NASD Board of Governors in matters concerning:

- ▶ appeals or reviews of disciplinary proceedings, statutory disqualification proceedings, or membership proceedings;
- ▶ the exercise of exemptive authority; and
- ▶ other proceedings or actions authorized by NASD rules.

The NAC also considers and makes recommendations to the Board on enforcement policy and rule changes relating to the business and sales practices of NASD members and associated persons.

EXHIBIT I

NAC Industry Member with a Term Expiring in January 2006

North Region (Districts 9 and 11)

NAC Incumbent: A. Louis Denton

If you are interested in nominating yourself or a colleague to represent the North Region for a three-year term on the NAC, please submit a cover letter and a completed Candidate Profile Sheet (Exhibit IV) to any of the following individuals by **August 1, 2005**.

W. Dean Karrash

Regional Nominating Committee Chair

Burke, Lawton, Brewer & Burke
516 N. Bethlehem Pike
P.O. Box 950-C
Spring House, PA 19477

(215) 643-9100

Gary K. Liebowitz
District 9 Director (New Jersey)

NASD
581 Main Street, 7th Floor
Woodbridge, NJ 07095

(732) 596-2000

Frederick F. McDonald
District 11 Director

NASD
99 High Street, Suite 900
Boston, MA 02110

(617) 532-3400

John P. Nocella
District 9 Director (Philadelphia)

NASD
11 Penn Center
1835 Market Street, 19th Floor
Philadelphia, PA 19103

(215) 665-1180

Barbara Z. Sweeney
Senior Vice President and
Corporate Secretary

NASD
1735 K Street, NW
Washington, DC 20006

(202) 728-8062

EXHIBIT II

2005 National Adjudicatory Council

Geoffrey F. Aronow	Heller Ehrman White & McAuliffe LLP
Constance Bagley	Harvard Business School
A. Louis Denton	Philadelphia Corporation for Investment Services
W. Dennis Ferguson	Sterne Agee Clearing
Amy Bowerman Freed	Hogan & Hartson, L.L.P.
Kathleen M. Hagerty	Northwestern University
Timothy Henahan	Baker & Co., Inc.
David A. Lipton	Catholic University of America
Judith R. MacDonald	Rothschild, Inc.
Neal E. Nakagiri	
James M. Rogers	J.J.B. Hilliard, W.L. Lyons, Inc.
Brian T. Shea	Pershing LLC
William Wang	Hastings College of Law
Samuel Wolff	Akin Gump Strauss

EXHIBIT III

National Adjudicatory Council Nomination Procedures

1. NASD maintains Regional Nominating Committees in the manner specified in Article VI of the By-Laws of NASD Regulation, Inc.
2. Members located in the North Region are hereby notified of the upcoming election of a member to the National Adjudicatory Council and are encouraged to submit names of potential candidates to the Chair of the Regional Nominating Committee, District Directors, or to the NASD Corporate Secretary, Barbara Z. Sweeney (see Exhibit I) by **August 1, 2005**.
3. Nominees will be asked to complete a Candidate Profile Sheet, which will be reviewed by the Regional Nominating Committee.
4. The Regional Nominating Committee shall review the background of the candidates and the description of the NASD membership provided by NASD staff and shall propose to the National Nominating Committee a candidate for the National Adjudicatory Council. In proposing a candidate for nomination, the Regional Nominating Committee shall endeavor to secure appropriate and fair representation of the region.
5. On or about **August 12, 2005**, the Regional Nominating Committee shall notify in writing the Executive Representatives and branch offices of the NASD members in the region of the name of the candidate it will propose to the National Nominating Committee for the National Adjudicatory Council.
6. If an officer, director, or employee of an NASD member in the region is not proposed for nomination by the Regional Nominating Committee and wants to seek the nomination, he or she shall send a written notice to the Regional Nominating Committee Chair or the Secretary of NASD within 14 calendar days after the mailing date of the Regional Nominating Committee's notice (#5 above) and proceed in accordance with the Contested Nomination Procedures found in Article VI of the NASD Regulation By-Laws.
7. If no additional candidate comes forward within 14 calendar days, the Regional Nominating Committee shall certify their candidate to the National Nominating Committee. Additional information pertaining to the National Adjudicatory Council Election Procedures can be found in Article VI of the By-Laws of NASD Regulation. The By-Laws can be found in the online *NASD Manual* at www.nasd.com.

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EXHIBIT IV Candidate Profile Sheet**Current Registration**

Name: _____ CRD#: _____

Firm: _____ #RRs at Firm: _____

Title/Primary Responsibility: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

Email: _____

Prior Registration (List the most recent first. Feel free to include extra pages if necessary.)

Firm: _____

Title/Primary Responsibility: _____

Firm: _____

Title/Primary Responsibility: _____

General Areas of Expertise (please check all that apply)

- | | |
|---|---|
| <input type="radio"/> Compliance/Legal | <input type="radio"/> Investment Advisory |
| <input type="radio"/> Corporate Finance | <input type="radio"/> Retail Sales |
| <input type="radio"/> Financial/Operational | <input type="radio"/> Trading/Market Making |
| <input type="radio"/> Institutional Sales | <input type="radio"/> Other |

Product Expertise (please check all that apply)

- | | |
|---|---|
| <input type="radio"/> Corporate Bonds | <input type="radio"/> Investment Company |
| <input type="radio"/> Direct Participation Programs | <input type="radio"/> Options |
| <input type="radio"/> Equity Securities | <input type="radio"/> Variable Contracts Securities |
| <input type="radio"/> Municipal/Government Securities | <input type="radio"/> Other |

Memberships/Positions Held in Trade or Business Organizations

Past NASD Experience and Dates of Service (please check all that apply) Committee Member (Identify committee: _____) Approx. Dates: _____ Arbitrator Approx. Dates: _____ Mediator Approx. Dates: _____ Expert Witness (arbitrations; disciplinary proceedings): _____ Approx. Dates: _____ Other: _____ Approx. Dates: _____**Educational Background**

School: _____ Degree: _____

School: _____ Degree: _____