

Notice to Members

JANUARY 2007

SUGGESTED ROUTING

Executive Representatives
Legal & Compliance
Operations
Registered Representative
Registration
Senior Management

KEY TOPICS

IARDSM
Maintenance Fees
Registration
Renewals
Web CRD[®]

GUIDANCE

2007 Final Renewal Statements and Reports

Broker-Dealer, Investment Adviser Firm, Agent and Investment Adviser Representative Renewals for 2007

Executive Summary

The 2007 NASD Broker-Dealer and Investment Adviser Renewal Registration Program is in its final phase this month. NASD is issuing this *Notice* to help firms review, reconcile and respond to their Final Renewal Statements and reports that are currently available on Web CRD/IARD.

Questions/Further Information

Questions regarding this *Notice* may be directed to the Gateway Call Center at (301) 869-6699.

Final Renewal Statements and Reports

On January 3, 2007, Final Renewal Statements and reports became available in Web CRD for viewing and printing. The 2007 Final Renewal Statement reflects the final status of agent (AG), investment adviser representative (RA), branch and firm registrations and/or Notice filings as of December 31, 2006. Any adjustments in fees owed as a result of registration terminations, approvals, firm IA registrations or Notice filings subsequent to the Preliminary Renewal Statement have been made in this final reconciled statement.

If a firm had more agents, investment adviser representatives, branch offices, or additional registrations or Notice filings on Web CRD/IARD at year's end than it did on November 4, 2006, when its Preliminary Renewal Statement was generated, then additional fees were assessed. If a firm had fewer agents, investment adviser representatives or branch offices, firm registrations and/or Notice filings at year's end than it did when its Preliminary Renewal Statement was generated, then a credit was applied to the firm's CRD/IARD daily (registration) account.

The 2007 Final Renewal Statement reflects 2007 total fees (as applicable) for year-end 2006 for:

- ◆ Web CRD/IARD system processing fees
- ◆ NASD and jurisdiction branch office fees
- ◆ American Stock Exchange (AMEX), Chicago Board Options Exchange (CBOE), International Securities Exchange (ISE), NASDAQ Stock Exchange (NQX), New York Stock Exchange (NYSE), Pacific Exchange (PCX) and Philadelphia Stock Exchange (PHLX) maintenance fees
- ◆ Jurisdiction agent renewal fees
- ◆ Jurisdiction broker-dealer renewal fees
- ◆ Jurisdiction investment adviser representative renewal fees
- ◆ Jurisdiction investment adviser firm renewal fees

Renewal Payment

A Final Renewal Statement that reflects a zero balance requires no further action by the firm. On January 3, 2007, all renewal overpayments were systematically transferred to firms' daily (registration) accounts. If you believe your firm is due a renewal refund, please check your firm's daily account to verify that funds are available. To request a refund check, have an appropriate signatory send a written request on firm letterhead to:

NASD
Registration Management—CRD Accounting
9509 Key West Avenue
Rockville, MD 20850
(301) 869-6699

If the Final Renewal Statement reflects an **amount due**, NASD should receive payment no later than February 2, 2007. Firms have four (4) payment options:

Electronic Payment via Web E-Pay:

Firms can access Web E-Pay at <http://epay.nasd.com>. There is also a hyperlink to Web E-Pay on the online Final Renewal Statement.

Please note: If you have not used Web E-Pay since August 20, 2006, the first time you log onto Web E-Pay you will be required to enter your current user ID and a new password. The new password is your user ID + your firm's CRD number (all as one string, no spaces). You will be required to change your password after this initial logon in order to submit an electronic payment.

Check:

Make checks payable to NASD and be sure to indicate your firm's CRD number and the word "Renewal" on the memo line of the check. Print your Final Renewal Statement and mail the first page with your firm's check to:

U.S. Mail:

NASD, CRD-IARD
P.O. Box 7777-W8705
Philadelphia, PA 19175-8705

(The P.O. Box will **not** accept courier or overnight deliveries.)

Express Delivery:

NASD, CRD-IARD
W-8705
701 Market Street 199-3490
Philadelphia, PA 19106
(301) 869-6699

Please note that the renewal payment addresses noted above are different than the payment addresses to fund your firm's daily (registration) account.

Wire Transfer:

Firms may wire full payment of their Final Renewal Statement by requesting their bank to initiate the wire transfer to: "Mellon Financial, Philadelphia, PA."

Firms should provide their bank with the following information:

Transfer funds to: Mellon Financial, Philadelphia, PA
ABA number: 031 000 037
Beneficiary: NASD
Account number: 8-234-353
Reference number: Firm CRD number and the word "Renewal"

To ensure prompt processing of your renewal payment by wire transfer:

- ▶ Remember to inform your bank the funds are to be credited to the NASD bank account.
- ▶ Provide your firm's CRD number and the word "Renewal" as reference only.
- ▶ Record the confirmation number of the wire transfer given by your bank.

Transfer of Available Funds from Daily Account to Renewal Account:

Firms may also call the NASD Gateway Call Center at (301) 869-6699 or send an email to webcrd@nasd.com and request a transfer of the full renewal balance from their daily account to their renewal account.

Note: The firm must have the available funds in its daily account to pay the Final Renewal Statement in full in order for the transfer to be processed.

Reviewing Final Renewal Reports

Renewal reports include all individual registrations renewed for 2007. Registrations that were "pending approval" or were "deficient" at year-end 2006 were not assessed renewal fees; therefore, they will not be reported on the Firm (Agent) Renewal Report. Firms should examine their reports carefully to ensure that all registration approvals and terminations are properly listed. It is also suggested that these reports be made a permanent part of firms' records.

- ▶ **Firm Renewal Report:** applicable to broker-dealer and investment adviser firms. This report lists all renewed personnel with NASD, AMEX, CBOE, ISE, NQX, NYSE, PCX, PHLX and/or each jurisdiction. Individuals whose registrations were "approved" with any of these regulators during November and December 2006 will be included in this report, while registrations that were still pending approval or were deficient at year's end 2006 were not included in the 2007 Renewal Program; therefore, they will not be listed on the report. Firms should use this report to reconcile their records for renewal purposes.
- ▶ **Branches Renewal Report:** applicable to broker-dealer and investment adviser firms. This report lists each branch registered with NASD and other regulators that renew branches registered with them through Web CRD/IARD for which the firm was assessed a fee. Firms should also use this report to reconcile their records for renewal purposes.

Discrepancies (NASD, AMEX/CBOE/ISE/NQX/NYSE/PCX/PHLX/Jurisdictions)

If a firm finds any discrepancies between its records and those maintained on Web CRD/IARD, the discrepancy should be reported to NASD at:

NASD
Registration Management-CRD Accounting
9509 Key West Avenue
Rockville, MD 20850
(301) 869-6699

All discrepancies should be reported by February 2, 2007. Copies of appropriate documentation, such as a Web CRD-generated notice of termination, notification of deficient condition or notice of approval from the firm's Web CRD/IARD queues should be readily available.

The 2007 Renewal Program Bulletin contains detailed instructions to help firms complete the renewal process and can be found at www.nasd.com/renewals.

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