

February 27, 1998

Katherine A. England
Assistant Director
Division of Market Regulation
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549
Mail Stop 2-2/Room 2097

Re: **File No. SR-NASD-98-19; Interim Forms and Public Disclosure Program**

Dear Ms. England:

Pursuant to Rule 19b-4, enclosed herewith is the above-numbered rule filing. Also enclosed is a 3-1/2" disk containing the rule filing in WordPerfect 5.1 to facilitate production of the Federal Register release.

If you have any questions, please contact Mary Dunbar, Office of General Counsel, NASD Regulation, Inc., at (202) 728-8252; e-mail dunbarm@nasd.com. The fax number of the Office of General Counsel is (202) 728-8264.

Very truly yours,

Alden S. Adkins
Senior Vice President and General Counsel

Enclosure

File No. SR-NASD-98-19
Consists of 9 Pages

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C.

File No. SR-NASD-98-19

Form 19b-4

Proposed Rule Change

by

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Pursuant to Rule 19b-4 under the
Securities Exchange Act of 1934

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 ("Act"), NASD Regulation, Inc. ("NASD Regulation") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to National Association of Securities Dealers, Inc. ("NASD" or "Association") Interpretive Material 8310-2 to postpone the effective date of recently approved changes to this Interpretive Material and the Forms U-4 and U-5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

(a) The NASD Board of Governors approved proposed rule changes to Interpretive Material 8310-2 and the Forms U-4 and U-5 at the March 15, 1996, Board meeting, and the proposed rule changes were submitted as part of SR-NASD-97-78. As approved by the Commission on January 20, 1998, the amendments to Interpretive Material 8310-2 and the Forms U-4 and U-5 set forth in SR-NASD-97-78 were to take effect on February 17, 1998. However, subsequent to Commission approval of the proposed rule change, NASD members requested that the effective date of the amended Forms be delayed. Postponing the effective date of the amended Forms and Interpretive Material to address member concerns is consistent with prior authorizations.

(b) Questions regarding this rule filing may be directed to Mary M. Dunbar, Assistant General Counsel, NASD Regulation, Office of General Counsel, at (202) 728-8252.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) **Purpose**

The proposed rule change postpones the effective date of the amendments set forth in SR-NASD-97-78 that were approved by the Commission in Release No. 34-39562 on January 20, 1998. In that Release, the Commission approved amendments to NASD Regulation's Public Disclosure Program, as set forth in Interpretive Material 8310-2, and amendments to the Forms U-4 and U-5. These amendments were to become effective on February 17, 1998. Between January 20 and February 17, 1998, member firms expressed concern that they did not have sufficient time to change their operations for filing the Forms and for educating their employees as to changes in the Forms, and therefore requested that the implementation of the Forms be delayed for one month. Because the amended Forms are designed to provide NASD Regulation with information that will be used as the basis for the modification to the Public Disclosure Program, NASD Regulation has determined that it is appropriate to delay the effective date for the amendments to Interpretive Material 8310-2 as well.

(b) Statutory Basis

NASD Regulation believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act, which requires, among other things, that the Association's rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. NASD Regulation believes that delaying the effective date of the new rules to ensure that members are provided with a sufficient amount of time to change their operations to ensure that Forms U-4 and U-5 are properly submitted will not be inconsistent with these requirements.

4. Self-Regulatory Organization's Statement on Burden on Competition

NASD Regulation does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The rule change is effective upon filing pursuant to Section 19(b)(3)(A)(i) of the Act and Section (e) of Rule 19b-4 promulgated thereunder in that it constitutes a stated policy, practice, or interpretation with respect to the meaning of an existing rule.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Exhibits

1. Completed notice of proposed rule change for publication in the Federal Register. Pursuant to the requirements of the Securities Exchange Act of 1934, NASD Regulation has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

NASD REGULATION, INC.

BY: _____

Alden S. Adkins, Senior Vice President and General Counsel

Date: February 27, 1998

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-NASD-98-19)

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by National Association of Securities Dealers, Inc. Relating to Interim Forms and Public Disclosure Program

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on February 27, 1998, NASD Regulation, Inc. ("NASD Regulation") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NASD Regulation. NASD Regulation has designated this proposal as one constituting a stated policy, practice, or interpretation with respect to the meaning of an existing rule under § 19(b)(3)(A)(i) of the Act, which renders the rule effective upon the Commission's receipt of this filing. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. SELF-REGULATORY ORGANIZATION'S STATEMENT OF THE TERMS OF SUBSTANCE OF THE PROPOSED RULE CHANGE

NASD Regulation is proposing to postpone the effective date of recently approved amendments to NASD Interpretive Material 8310-2 and Forms U-4 and U-5.

II. SELF-REGULATORY ORGANIZATION'S STATEMENT OF THE PURPOSE OF, AND STATUTORY BASIS FOR, THE PROPOSED RULE CHANGE

In its filing with the Commission, NASD Regulation included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NASD Regulation has prepared summaries, set forth in Sections

(A), (B), and (C) below, of the most significant aspects of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(1) **Purpose**

The proposed rule change postpones the effective date of the amendments set forth in SR-NASD-97-78 that were approved by the Commission in Release No. 34-39562 on January 20, 1998. In that Release, the Commission approved amendments to NASD Regulation's Public Disclosure Program, as set forth in Interpretive Material 8310-2, and amendments to the Forms U-4 and U-5. These amendments were to become effective on February 17, 1998.

Between January 20 and February 17, 1998, member firms expressed concern that they did not have sufficient time to change their operations for filing the Forms and for educating their employees as to changes in the Forms, and therefore requested that the implementation of the Forms be delayed for one month. Because the Forms are designed to provide NASD Regulation with information that will be used as the basis for the modification to the Public Disclosure Program, NASD Regulation has determined that it is appropriate to delay the effective date for the amendments to Interpretive Material 8310-2 as well.

(2) **Statutory Basis**

NASD Regulation believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act, which requires, among other things, that the Association's rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect

investors and the public interest. NASD Regulation believes that delaying the effective date of the new rules to ensure that members are provided with a sufficient amount of time to change their operations to ensure that Forms U-4 and U-5 are properly submitted will not be inconsistent with these requirements.

(B) Self-Regulatory Organization's Statement on Burden on Competition

NASD Regulation does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

III. DATE OF EFFECTIVENESS OF THE PROPOSED RULE CHANGE AND TIMING FOR COMMISSION ACTION

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(i) of the Act and subparagraph (e) of Rule 19b-4 thereunder in that it constitutes a stated policy, practice, or interpretation with respect to the meaning of an existing rule.

At any time within 60 days of the filing of a rule change pursuant to Section 19(b)(3)(A) of the Act, the Commission may summarily abrogate the rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. SOLICITATION OF COMMENTS

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to the file number in the caption above and should be submitted by [insert date 21 days from the date of publication].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30-3(a)(12).

Jonathan G. Katz
Secretary