

**BROKERAGE ADMINISTRATORS
CORPORATION**

Member NASD/SIPC

November 2, 1999

Mr. Gray Goldsholle
Office of General Counsel
NASD Regulation, Inc.
1735 K Street, NW
Washington, DC 20008-1500

Via Overnight Mail

Re: Information Requested - Meeting on September 30, 1999
Request for Interpretive letter - April, 1999

Dear Mr. Goldsholle:

Thank you for coordinating the recent meeting held in your office to discuss the above-referenced request for Interpretive Advice.

Enclosed please find an Activities Summary - which includes the information you requested during the meeting regarding detailed activities that could be performed by telephone representatives. It was our objective to provide you with as comprehensive a report as possible as well as attempt to address minimum registration levels which may be required for each of the activities.

Finally, I would like to schedule a follow-up conference call in approximately one week to discuss any other requirements you may have as well as the anticipated timeframe in which we might expect an interpretation to be rendered. If you have any questions regarding the enclosed, please do not hesitate to contact me at (303) 357-3026.

Sincerely,

Karen A. Steighner
Chief Compliance Officer

KAS:gtw

Enclosure

Cc: Frank McAuliffe
Jeffrey Holik
Allison Reid
Daniel Goelzer
Patrick O'Neil

5619 D T C Parkway, 12th Floor
Englewood, Colorado 80111-3017
(303) 357-3026 Fax (303) 323-4215

Item No	Call Type	Specific Activity	Series 7	Series 6	Series 11	Other (Define)
1	ESTABLISH INTEREST IN NEW ACCOUNT/ ESTABLISH NEW ACCOUNT	Telephone Representative would receive inbound calls from existing/prospective customers with inquiries about/interest in establishing an Internet brokerage account in response to sales literature received from the Client Member firm. Telephone representatives would then assist callers by directing them to the Client Member Firm website and end the call.				NONE
2		Telephone Representatives would receive inbound calls from existing/prospective customers with inquiries about/interest in establishing an Internet brokerage account in response to sales literature received from the Client Member firm. Telephone representatives would then assist callers by providing scripted and approved answers to questions about an online brokerage account before directing them to the Client Member Firm website and ending the call.	X			
3		Telephone Representatives would receive inbound calls from existing/prospective customers with inquiries about/interest in establishing an Internet brokerage account in response to general advertising by the Client Member firm. Telephone representatives would then assist callers by directing them to the Client member Firm website to self-establish the account online and ending the call.				NONE
4		Telephone Representatives would receive inbound calls from existing/prospective customers with inquiries about/interest in establishing an Internet brokerage account in response to general advertising by the Client member firm. Telephone representatives would then assist callers by providing scripted and approved answers to questions about an online brokerage account before directing them to the Client Member Firm website to self-establish the account online and ending the call.	X			
5		Telephone Representatives would receive inbound calls from existing/prospective customers with inquiries about/interest in establishing an Internet brokerage account in response to sales literature received from the Client member firm. Telephone representatives would then assist callers by collecting new account data and forwarding it to the Client member Firm, instructing the client to send the initial deposit to the Client member firm and ending the call.	X			
6		Telephone Representatives would receive inbound calls from existing/prospective customers with inquiries about/interest in establishing an Internet brokerage account in response to general advertising by the Client member firm. Telephone representatives would then assist callers by collecting new account data and forwarding it to the Client Member Firm, instructing the client to send the initial deposit to the Client Member firm and ending the call.				X

Item No	Call Type	Specific Activity	Series 7	Series 6	Series 11	Other (Define)
1	PROVIDE INFORMATION	<i>General Market Data</i> - Telephone Representatives would receive inbound calls from customers with inquiries regarding general market data. The Telephone Representative would assist the caller by providing information such as current market statistical information such as performance, market indices, volumes, news, etc.				NONE
2		<i>Specific Security Data</i> - Telephone Representatives would receive inbound calls from customers with inquiries regarding data for a specific security (equity, bond, option). The Telephone Representative would assist the caller by providing information such as current market statistical information such as price quote, performance, volumes, news, etc.			X	
3		<i>Specific Security Data</i> - telephone Representatives would receive inbound calls from customers with inquiries regarding data for a specific security (mutual fund, variable annuity). The Telephone Representative would assist the caller by providing information such as current market statistical information such as price quote, performance, volumes, news, etc.			X	
4		<i>Specific Security Information</i> - Telephone Representative would receive inbound calls from customers with requests to receive a prospectus, research report, news report or other similar information for debt or equity securities. The Telephone Representative would assist the caller by collecting customer name and address information, sending fulfillment and ending the call.				NONE
5		<i>Specific Security Information</i> - Telephone Representatives would receive inbound calls from customers with requests to receive a prospectus, research report, news report or other similar information for a mutual fund/variable annuity. The Telephone Representative would assist the caller by collecting customer name and address information, sending fulfillment and ending the call.				NONE
6		<i>General Financial Information</i> - Telephone Representatives would receive inbound calls from customers with inquiries regarding general financial terminology and definitions. The Telephone Representative would assist the caller by providing the customer with definitions such as market order, limit order, market maker, etc.			X	

Item No	Call Type	Specific Activity	Series 7	Series 6	Series 11	Other (Define)
1	ACCOUNT INQUIRY/ SERVICE	Telephone Representatives would receive calls from customers with Internet access who have specific inquiries about their account such as share balances, cash balances, margin balances, buying power, transfer status. The Telephone Representative would assist the customer by directing the caller to the Client Member firm's website to obtain account information online.			X	
2		Telephone Representatives would receive calls from customers who temporarily have no Internet access or are having difficulty navigating the Client Member firm's website and who have specific inquiries about their account such as share balances, cash balances, margin balances, buying power, transfer status, etc. the Telephone Representative would assist the caller by looking up the customer account information and reporting it verbally to the customer.			X	
3		Telephone Representatives would receive calls from customers with Internet access who are requesting changes to their account such as: address, phone numbers, beneficiaries, registrations, dividend/capital gains distribution instructions, etc. The Telephone representative would assist the caller by directing the customer to the Client Member Firm's website to make the request online and ending the call.				NONE
4		Telephone Representatives would receive calls from customers who temporarily have no Internet access or are having difficulty navigating the Client member firm's website and who are requesting changes to their account such as: address, phone numbers, beneficiaries, registrations, dividend/capital gains distribution instructions, etc. The Telephone representative would assist by either making the requested change (if allowed without written consent) or by sending the appropriate forms required to make the requested change.			X	
5		Telephone Representatives would receive calls from customers with Internet access who are requesting specific activity in their account such as: account liquidations, funds transfer, securities transfer, duplicate statements/confirmations, 1099 reissue, etc. The Telephone Representative would assist the caller by directing the customer to the Client member Firm's website to make the request online and ending the call.				NONE
6		Telephone Representatives would receive calls from customers who temporarily have no Internet access or are having difficulty navigating the Client member firm's website and who are requesting a specific activity in their account such as: account liquidations, funds transfer, securities transfer, duplicate statements/confirmations, 1099 reissue, etc. The Telephone Representative would assist the caller by either making the request (if allowed without written consent) or by sending the appropriate forms required to fulfill the request.			X	

Activities Summary
- Inbound-

Item No	Call Type	Specific Activity	Series 7	Series 6	Series 11	Other (Define)
7	ACCOUNT INQUIRY/ SERVICE (cont'd)	Telephone Representatives would receive calls from existing customers who temporarily have no Internet access or are having difficulty navigating the Client member firm's website and who wish to report an error in their account. The Telephone Representative would assist the customer by taking the error information and processing it according to previously established internal company procedures.			X	
8		Telephone Representatives would receive calls from existing customers with Internet access who wish to report an error in their account. The Telephone Representative would assist the customer by taking the error information and processing it according to previously established internal company procedures or directing the customer to the appropriate function tool on the Client member firm's website.			X	
9		Telephone Representative would receive calls from existing customers who temporarily have no Internet access or are having difficulty navigating the Client Member firm's website and who have a complaint regarding their account. The Telephone Representative would assist the customer by taking the complaint and processing the complaint according to previously established internal company procedures.	X	X		
10		Telephone Representatives would receive calls from existing customers with Internet access who have a complaint regarding their account. The Telephone Representative would assist the customer by directing the customer to the appropriate function tool for complaints on the Client member firm's website.			X	

Item No	Call Type	Specific Activity	Series 7	Series 6	Series 11	Other (Define)
1	INTERNET INTERACTIVE/ NAVIGATION ASSISTANCE	Telephone Representatives would receive calls from existing/prospective customers responding to a toll-free telephone number provided on the Client Member firm's website as a resource for its customers/prospects requiring assistance while navigating the website. The Telephone Representative would assist the caller by providing the customer with and technical instructions to navigate the website, troubleshooting information, and answers to technical questions regarding navigation of the website.				NONE
2		Telephone Representatives would receive calls from existing/prospective customers responding to a toll-free telephone number provided on the Client Member firm's website as a resource for its customers/prospects experiencing difficulty while self-completing online new account applications. The Telephone Representative would then assist the caller by providing technical instructions to help the customer self-complete and transmit the new account application to the Client Member firm; and/or, answer other technical website-related navigation questions.			X	
3.		Telephone Representatives would receive calls from existing/prospective customers responding to a toll-free telephone number provided on the Client Member firm's website as a resource for its customers/prospects experiencing difficulty while enter/confirming/canceling their own debt, equity and options securities order(s) in the Client Member firm's alternative trading system. The Telephone Representative would then assist the caller by providing technical instructions to help the customer self-complete and transmit order(s) to buy, sell, or cancel securities transactions to the Client Member firm; and/or, answer other technical website-related navigation questions.			X	
4		Telephone Representatives would receive calls from existing/prospective customers responding to a toll-free telephone number provided on the Client Member firm's website as a resource for its customers/prospects experiencing difficulty while entering/confirming/canceling their own securities order(s) for mutual funds or variable annuities in the Client Member firm's alternative trading system. The Telephone Representative would then assist the caller by providing technical instructions to help the customer self-complete and transmit order(s) to buy, sell or cancel securities transactions to the Client Member firm; and/or, answer other technical website-related navigation questions.			X	
5		Telephone Representatives would receive calls from existing/prospective customers responding to a toll-free telephone number provided on the Client Member firm's website as a resource for its customers/prospects requiring technical information regarding hardware/software, system configuration requirements, etc.. The Telephone Representative would assist the caller by providing the customer with the requested technical information.				NONE

Item No	Call Type	Specific Activity	Series 7	Series 6	Series 11	Other (Define)
1	INVESTMENT SELECTION/ ORDER PROCESSING & ENTRY	Telephone Representatives would receive unsolicited calls from customers responding to a toll-free telephone number provided by the Client Member firm as a resource for its existing customers with Internet access who are having difficulty enter/canceling orders for debt, equity or options transactions via the Client member firm's website. The Telephone Representative would assist the caller by helping the customer troubleshoot navigation of the appropriate function tool on the Client Member firm's website and ultimately self-enter the order/cancellation online.			X	
2		Telephone Representatives would receive unsolicited calls from customers responding to a toll-free telephone number provided by the Client Member firm as a resource for its existing customers with Internet access who are having difficulty entering/canceling orders for mutual fund or variable annuity transactions via the Client Member firm's website. The Telephone Representative would assist the caller by helping the customer troubleshoot navigation of the appropriate function tool on the Client Member firm's website and ultimately self-enter the order online.			X	
3		Telephone Representatives would receive unsolicited calls from customers responding to a toll-free telephone number provided by the Client Member firm as a resource for its existing Internet customers to enter/cancel orders for debt, equity or options transactions via telephone when necessary due to usually temporary Internet access problems such as alternative system malfunctions, computer inaccessibility by customers, etc. The Telephone Representative would electronically forward the order/cancellation information to the Client Member firm (via its alternative trading system or other predetermined alternative method) while the customer would forward any funds directly to the Client Member firm.			X	
4		Telephone Representatives would receive unsolicited calls from customers responding to a toll-free telephone number provided by the Client Member firm as a resource for its existing Internet customers to enter/cancel orders for mutual fund or variable annuities transactions via telephone when necessary due to alternative system malfunctions, Internet inaccessibility by customers, etc. The Telephone Representative would electronically forward the order/cancellation information to the Client Member firm (via its alternative trading system or other predetermined alternative method) while the customer would forward any funds directly to the Client Member firm.			X	
5		Telephone Representatives would receive calls from existing/prospective customers with inquiries about/interest in mutual fund investing. The telephone representative would then assist the caller by directing the customer to the appropriate function tool available on the Client Member firm's website. The Telephone Representative would explain to the customer that this function tool would help him identify mutual funds designed to meet his suitability and investment objectives and help him make his final investment selection. Prospectus and other fulfillment would be mailed accordingly.		X		

Item No	Call Type	Specific Activity	Series 7	Series 6	Series 11	Other (Define)
6	INVESTMENT SELECTION/ORDER PROCESSING & ENTRY (CON'D)	Telephone Representatives would receive calls from existing/prospective customers with inquiries about/interest in mutual fund investing. The telephone representative would then assist the caller by obtaining suitability information. The representative would enter the information into the appropriate function tool on the Client Member firm's website and present the resulting matching mutual funds for the prospect to make his final investment selection. Prospectus and other fulfillment would be mailed.		X		
7		Telephone Representatives would receive calls from existing/prospective customers with inquiries about/interest in debt, equity and/or options investing. The telephone representative would then assist the caller by obtaining suitability information. The representative would recommend specific types of securities designed to meet the customer's objectives and help the prospect make a final investment selection. Prospectus and other fulfillment would be mailed.	X			

Item No	Call Type	Specific Activity	Series 7	Series 6	Series 11	Other (Define)
1	ESTABLISH INTEREST IN NEW ACCOUNT/ INVESTING	Telephone Representatives would call existing/prospective customers from a database provided by the Client Member firm to confirm the receipt of certain sales literature sent by the Client Member firm regarding its Internet brokerage account. If the customer expresses an interest, the Telephone Representative would direct the customer/prospect to the website to self-establish an account online.				NONE (Existing Customers)
2		Telephone Representatives would call existing/prospective customers from a database provided by the Client Member firm to confirm the customer's awareness of general advertising by the Client Member firm regarding its Internet brokerage account. If the customer expresses an interest, the Telephone Representative would direct the customer/prospect to the website to self-establish an account online.				NONE (Existing Customers)
3		Telephone Representatives would call existing/prospective customers about establishing an Internet brokerage account in follow-up to sales literature sent by the Client Member firm. Telephone Representatives would then assist customers/prospects by collecting new account data and forwarding it to the Client Member Firm, instructing the customer to send the initial deposit to the Client Member firm and ending the call.	X			
4		Telephone Representatives would call existing/prospective customers about establishing an Internet brokerage account in follow-up to a general advertising campaign by the Client Member firm. Telephone representatives would then assist customer/prospect by collecting new account data and forwarding it to the Client Member Firm, instructing the customer to send the initial deposit to the Client Member firm and ending the call.	X			
5		Telephone Representatives would call existing/prospective customers from a database provided by the Client Member firm to determine interest in various debt, equity and/or options investment products or services such as check writing, margin lending, IRA accounts. The Telephone Representative would assist the customer by directing him to the appropriate function tool on the Client Member firm's website. Prospectus and other information would be mailed if requested.				NONE (Existing Customers)

Activities Summary
-Outbound-

11/29/1999

Item No	Call Type	Specific Activity	Series 7	Series 6	Series 11	Other (Define)
6		Telephone Representative would call existing/prospective customers with Internet access in response to a request for information regarding online brokerage services for debt, equity and options transactions via the Client Member firm's website. The Telephone Representative would assist the prospect/customer by pre-approved, scripted answers to questions regarding online brokerage services before directing the customer/prospect to the Client Member firm's website.	X			
7		Telephone Representatives would call existing/prospective customers from a database provided by the Client Member firm to determine interest in various mutual fund and/or variable annuity investment products or services such as check writing, margin lending, IRA accounts. The Telephone Representative would assist the customer by directing him to the appropriate function tool on the Client Member firm's website. Prospectus and other information would be mailed if requested.				NONE (Existing Customer)
8		Telephone Representatives would call existing/prospective customers with Internet access in response to a request for information regarding online brokerage services for mutual fund and/or variable annuity transactions via the Client Member firm's website. The Telephone Representative would assist the prospect/customer by pre-approved, scripted answers to questions regarding online brokerage services before directing the customer/prospect to the Client Member firm's website.		X		

Item No	Call Type	Specific Activity	Series 7	Series 6	Series 11	Other (Define)	
1	PROVIDE INFORMATION	<i>General Market Data</i> - Telephone Representatives would call existing/prospective customers (of the Client Member firm) in response to a previous inquiry for general market data. The Telephone Representative would provide information which can be found on its Internet website regarding current market statistical information such as performance, market indices, volumes, news, etc.				X	
2		<i>Specific Security Data</i> - Telephone Representatives would call existing/prospective customers (of the Client Member firm) in response to a previous inquiry for information regarding a specific security (equity, bond, option). The Telephone Representative would provide information such as bid/ask, last trade, performance, volumes, news, etc.	X				
3		<i>Specific Security Data</i> - Telephone Representatives would call existing/prospective customers (of the Client Member firm) in response to a previous request for information regarding date for a specific security (mutual fund, variable annuity). The Telephone Representative would provide information such as price quote, performance, volume, news, etc.			X		
4		<i>Specific Security Information</i> - Telephone Representatives would call existing/prospective customers with an offer to provide a prospectus, research report, news report or other similar information for a specific debt or equity security. The Telephone Representative would assist the customer by collecting customer name & address information, sending fulfillment and ending the call.				X	NONE (Existing Customer)
5		<i>Specific Security Information</i> - Telephone Representatives would call existing/prospective customers with an offer to provide a prospectus, research report, news report or other similar information for a specific mutual fund or variable annuity. The Telephone Representative would assist the customer by collecting customer name & address information, sending fulfillment and ending the call.				X	NONE (Existing Customer)

Item No	Call Type	Specific Activity	Series 7	Series 6	Series 11	Other (Define)
6	PROVIDE INFORMATION (Cont'd)	<i>Specific Security Information</i> - Telephone Representatives would call existing/prospective customers (of the Client Member firm) in response to a previous requests to receive a prospectus, research report, news report or other similar information for a specific debt or equity security. The Telephone Representative would assist the caller by directing the caller to the Client Member firm's website to order the information online.			X	NONE (Existing Customer)
7		<i>Specific Security Information</i> - Telephone Representatives would call existing/prospective customers (of the Client Member firm) in response to a previous requests to receive a prospectus, research report, news report or other similar information for a specific mutual fund or variable annuity. The Telephone Representative would assist the caller by directing the caller to the Client Member firm's website to order the information online.			X	NONE (Existing Customer)

Activities Summary
-Outbound-

11/29/1999

Item No	Call Type	Specific Activity	Series 7	Series 6	Series 11	Other (Define)
1	ANSWER ACCOUNT INQUIRY/PROVIDE ACCOUNT SERVICE	Telephone Representatives would call existing customers with Internet access in response to previous inquiries about their account such as share balances, cash balances, margin balances, buying power, transfer status. The Telephone Representative would assist the customer by directing the caller to the Client Member firm's website to obtain account information online.				NONE
2		Telephone Representatives would call existing customers who temporarily have no Internet access or are having difficulty navigating the Client Member firm's website in response to previous inquiries about their account such as share balances, cash balances, margin balances, buying power, transfer status, etc. The Telephone Representative would assist the customer by electronically accessing the customer's account information and relaying it verbally to him over the telephone.				X
3		Telephone Representatives would call existing customers with Internet access advising them of a recent change to their account such as: address, phone number, beneficiaries, registrations, dividend/capital gains distribution instructions, duplicate confirmations & statements, 1099 reissues, etc. The Telephone Representative would assist the caller by directing the customer to the Client Member firm's website to review the changes and make corrections accordingly.				NONE
4		Telephone Representatives would call existing customers who temporarily have no Internet access or are having difficulty navigating the Client Member firm's website advising them of a recent change to their account such as: address, phone number, beneficiaries, registrations, dividend/capital gains distribution instructions, duplicate confirmations & statements, 1099 reissues, etc. The Telephone Representatives would assist the customer by electronically accessing the customer's account information and relaying it verbally to him over the telephone.				X
5		Telephone Representatives would call existing customers (of the Client Member firm) with Internet access advising them of a specific activity in their account (such as margin calls, Reg T violations, account liquidations, funds transfer, securities transfers, etc. The Telephone Representative would assist the caller by directing the customer to the Client Member firm's website to review the activity and make corrections accordingly.				X
6		Telephone Representatives would call existing customers (of the Client Member firm) with Internet access advising them of a specific activity in their account (such as margin calls, Reg T violations, account liquidations, funds transfer, securities transfers, etc.). The Telephone Representative would assist the customer by electronically accessing the customer's account information and relaying it verbally to him over the telephone.				X

Item No	Call Type	Specific Activity	Series 7	Series 6	Series 11	Other (Define)
1	INVESTMENT SELECTING/ORDER PROCESSING & ENTRY	Telephone Representatives would call existing/prospective customers with Internet access from a database provided by the Client Member firm to offer assistance with online order entry for debt, equity or options transactions via the Client Member firm's website. The Telephone Representative would assist the customer/prospect by helping him navigate the Order Entry function on the Client Member firm's website to self-enter an order online.	X			
2		Telephone Representatives would call existing/prospective customers with Internet access from a database provided by the Client Member firm to offer assistance with online order entry for mutual fund or variable annuity transactions via the Client Member firm's website. The Telephone Representative would assist the customer/prospect by helping him navigate the Order Entry function on the Client Member firm's website to self-enter an order online.		X		