



05/09/03

On March 17, 2003, NASD e-mailed a notification alerting certain member firms of a requirement to complete a self-assessment of front-end load mutual fund transactions by May 15, 2003. Over the last several days, numerous member firms have contacted NASD and explained that the self-assessment is proceeding more slowly than anticipated. As a result, members have sought extensions of varying time periods based on progress made to date and the specific challenges encountered while conducting the self-assessment.

In light of the numerous requests for extensions beyond the May 15, 2003 due date, NASD is providing relief. Rather than considering extension requests on a case-by-case basis, we are providing a one time global extension for all firms subject to the self-assessment. **In this regard, the new due date for all members subject to the self-assessment is June 13, 2003.** Please understand that there will be no extensions granted beyond June 13 for any firm. Firms must meet this new deadline.

**Importantly, firms with fewer than 100 customer purchases of front-end load Class A shares during each of the calendar years ended December 31, 2001 and 2002, need not complete the entire self-assessment. Rather, once the self-assessment Web Site is accessed and preliminary data entered, the system will prompt such firms to save and submit an abbreviated response to NASD.**

Member firms with more than 100 mutual fund customer purchase transactions in Class A shares during either 2001 or 2002 must follow a standard sampling methodology provided by NASD. Results must be submitted via Web-based forms provided by NASD that are accessed by using the firm's CRD number and individualized PIN number that was included in the initial e-mail to firms. To assist members with the self-assessment, NASD has included information and instructions on its Web Site at [http://www.nasdr.com/breakpoints\\_assessment.asp](http://www.nasdr.com/breakpoints_assessment.asp).

NASD is available to answer questions about the self-assessment through a toll-free number at (800) 334-0668. By calling this number, callers are prompted to select options regarding the sampling methodology, PIN numbers, access to and use of Web-based forms, and general questions. NASD has also published questions and answers to its Web Site related to the self-assessment.

Very truly yours,

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NASD, Member Regulation