

To Whom It May Concern:

Re: to Notice to Members 04-23

(1) MRVP

Should NASD amend IM-9216 (MRVP) to include failure timely to submit amendments to the Form U5 (as required by Article V, Section 3(a) of the NASD By-Laws), to be consistent with existing provisions regarding the failure timely to submit amendments to Forms U4 and BD?

Yes, that sounds reasonable.

(1) Inactive Disclosure Review

(a) Should NASD adopt a rule creating an Inactive Disclosure Review registration status for registered persons whose employing member fails timely to report or update a disclosure item on behalf of the registered person and/or fails to provide requested documentation to NASD staff (and fails to provide adequate justification for failing to make such report)?

(b) If so, do the proposed 30-day and supplemental 10-day notice provisions provide adequate time for members to report matters or otherwise resolve deficiencies?

(c) Do you have any additional comments or suggestions?

Adopting a registration of inactive disclosure review does make sense. The problem is the 30-day time frame is not adequate. With there being no statute of limitations for some events which require reporting there have been times where documents were needed that are over 30 and 40 years old. These types of documents can take a great deal of time to hunt down through courts, police departments, etc., and many times we do not know what the documentation will actually show, or if it can be found at all. If a request is made for documentation with a municipality it may be weeks before they even respond. The time frame would need to be more generous and provide for an allowance if steps are taken to resolve the deficiency.

The inactive status would not be as problematic for persons who are newly licensed and have never been approved, but for representatives with current registration this would be difficult have them cease doing business if they are doing everything necessary to comply with the requirements.

Thanks

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