

Special Notice to Members

APRIL 21, 2004

SUGGESTED ROUTING

Legal & Compliance
Senior Management

KEY TOPICS

National Adjudicatory Council

GUIDANCE

NAC Nominations

NASD Announces Nomination Procedures for Regional Industry Member Vacancies on the National Adjudicatory Council; **Nomination Deadline: May 17, 2004**

Executive Summary

The purpose of this *Special Notice to Members* is to advise members of the nomination procedures to fill two upcoming vacancies on the National Adjudicatory Council (NAC). The three-year terms of the NAC regional Industry members from the Midwest and South Regions expire in January 2005.

Exhibit I contains information regarding the NAC regional Industry members whose terms expire in January 2005. Exhibit II contains a list of all NAC members. The procedures to fill the NAC regional Industry vacancies are outlined in Exhibit III. Also, a Candidate Profile Sheet is included in Exhibit IV.

Nomination Process

Members are encouraged to submit nominations for the upcoming NAC vacancies. To nominate a candidate, members should submit a cover letter and the Candidate Profile Sheet (Exhibit IV) to the appropriate Regional Nominating Committee Chair, the NASD District Director, or NASD Corporate Secretary (listed in Exhibit I) by **May 17, 2004**.

The completed Candidate Profile Sheets will be provided to all Regional Nominating Committee members for review. On or about **June 1, 2004**, the Regional Nominating Committee will provide NASD members with written notice of the NAC candidates that the Committee proposes for nomination to the National Nominating Committee. Pursuant to Article V, Section 5.3(a) of the NASD Regulation By-Laws, the NASD National Nominating Committee shall nominate all candidates for the NAC for subsequent appointment by the Board.

04-31

Questions/Further Information

Questions concerning this *Special Notice* may be directed to the District Directors listed in Exhibit I or to Barbara Z. Sweeney, Senior Vice President and Corporate Secretary, NASD, at (202) 728-8062 or via e-mail at barbara.sweeney@nasd.com.

National Adjudicatory Council Membership and Function

Membership

The NAC consists of 14 members—seven Industry members and seven Non-Industry members. Exhibit II contains a list of all current NAC members. Two Industry members are appointed by the NASD Regulation Board of Directors as at-large members. Five Industry members each represent one of the following geographic regions:

West Region: Hawaii, California, Nevada, Arizona, Colorado, New Mexico, Utah, Wyoming, Alaska, Idaho, Montana, Oregon, Washington, and the former U.S. Trust Territories.

South Region: Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee, Texas, Florida, Georgia, North Carolina, South Carolina, Puerto Rico, the Canal Zone, and the Virgin Islands.

Midwest Region: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Illinois, Indiana, Kentucky, Michigan, and Wisconsin.

North Region: Delaware, Maryland, Pennsylvania, Virginia, West Virginia, the District of Columbia, New Jersey, Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, and New York (except for the counties of Nassau and Suffolk, and the five boroughs of New York City).

New York: The counties of Nassau and Suffolk, and the five boroughs of New York City.

We are seeking nominations for the Midwest and South Regions.

Function

According to the NASD By-Laws, the NAC is authorized to act for the NASD Board of Governors in matters concerning:

- ♦ appeals or reviews of disciplinary proceedings, statutory disqualification proceedings, or membership proceedings;
- ♦ the exercise of exemptive authority; and
- ♦ other proceedings or actions authorized by NASD rules.

The NAC also considers and makes recommendations to the Board on enforcement policy and rule changes relating to the business and sales practices of NASD members and associated persons.

EXHIBIT I

NAC Industry Member with a Term Expiring in January 2005

Midwest Region (Districts 4 and 8)

NAC Incumbent: Douglas L. Kelly

If you are interested in nominating yourself or a colleague to represent the Midwest Region for a three-year term on the NAC, please submit a cover letter and a completed Candidate Profile Sheet (Exhibit IV) to any of the following individuals by May 17, 2004.

William K. Curtis

Regional Nominating Committee Chair

M & I Brokerage Services, Inc.
770 North Water Street
Milwaukee, WI 53202

(414) 765-7674

Thomas D. Clough

District 4 Director

NASD
12 Wyandotte Plaza
120 West 12th Street, Suite 900
Kansas City, MO 64105

(816) 421-5700

Barbara Z. Sweeney

Senior Vice President and
Corporate Secretary

NASD
1735 K Street, NW
Washington, DC 20006

(202) 728-8062

Carlotta A. Romano

District 8 Director

NASD
55 West Monroe Street
Suite 2700
Chicago, IL 60603-5001

(312) 899-4400

NAC Industry Member with a Term Expiring in January 2005

South Region (Districts 5, 6, and 7)

NAC Incumbent: Barbara L. Weaver

If you are interested in nominating yourself or a colleague to represent the South Region for a three-year term on the NAC, please submit a cover letter and a completed Candidate Profile Sheet (Exhibit IV) to any of the following individuals by May 17, 2004.

Dennis S. Kaminski

Regional Nominating Committee Chair

Mutual Service Corporation
One Clearlake Centre, Suite 1800
250 Australian Avenue South
West Palm Beach, FL 33401

(561) 835-4100

Warren A. Butler, Jr.

Regional Director, South Region

NASD
1100 Poydras Street
Suite 850, Energy Centre
New Orleans, LA 70163

(504) 522-6527

Virginia F.M. Jans

District 6 Director

NASD
12801 North Central Expressway
Suite 1050
Dallas, TX 75243

(972) 701-8554

David Paulukaitis

District 7 Acting Director

NASD
One Securities Centre, Suite 500
3490 Piedmont Road, NE
Atlanta, GA 30305

(404) 239-6100

Barbara Z. Sweeney

Senior Vice President and
Corporate Secretary

NASD
1735 K Street, NW
Washington, DC 20006

(202) 728-8062

EXHIBIT II

2004 National Adjudicatory Council

Geoffrey F. Aronow	Heller Ehrman White & McAuliffe LLP
A. Louis Denton	Philadelphia Corporation for Investment Services
Amy Bowerman Freed	Hogan & Hartson, L.L.P.
Kathleen M. Hagerty	Northwestern University
Douglas L. Kelly	A.G. Edwards & Sons, Inc.
David A. Lipton	Catholic University of America
Philip R. Lochner	Director of Public Companies
Judith R. MacDonald	Rothschild, Inc.
Neal E. Nakagiri	Associated Securities Corporation
James M. Rogers	J.J.B. Hilliard, W.L. Lyons, Inc.
Mark A. Sargent	Villanova University School of Law
Richard O. Scribner	Recording for the Blind & Dyslexic
Brian T. Shea	Pershing LLC
Barbara L. Weaver	Howard Weil, Incorporated

EXHIBIT III

National Adjudicatory Council Nomination Procedures

1. NASD maintains Regional Nominating Committees in the manner specified in Article VI of the By-Laws of NASD Regulation, Inc.
2. Members located in the Midwest and South Regions are hereby notified of the upcoming election of members to the National Adjudicatory Council and are encouraged to submit names of potential candidates to their respective Chair of the Regional Nominating Committee, District Director, or to NASD Corporate Secretary Barbara Z. Sweeney (see Exhibit I) by **May 17, 2004**.
3. Nominees will be asked to complete a Candidate Profile Sheet, which will be reviewed by the Regional Nominating Committee.
4. The Regional Nominating Committee shall review the background of the candidates and the description of the NASD membership provided by NASD staff and shall propose to the National Nominating Committee one or more candidates for the National Adjudicatory Council. In proposing a candidate for nomination, the Regional Nominating Committee shall endeavor to secure appropriate and fair representation of the region.
5. On or about **June 1, 2004**, the Regional Nominating Committee shall notify in writing the Executive Representatives and branch offices of the NASD members in the region of the name of the candidate or candidates it will propose to the National Nominating Committee for the National Adjudicatory Council.
6. If an officer, director, or employee of an NASD member in the region is not proposed for nomination by the Regional Nominating Committee and wants to seek the nomination, he or she shall send a written notice to the Regional Nominating Committee Chair or the Secretary of NASD within 14 calendar days after the mailing date of the Regional Nominating Committee's notice (#5 above) and proceed in accordance with the Contested Nomination Procedures found in Article VI of the NASD Regulation By-Laws.
7. If no additional candidate comes forward within 14 calendar days, the Regional Nominating Committees shall certify their candidates to the National Nominating Committee.

Additional information pertaining to the National Adjudicatory Council Election Procedures can be found in Article VI of the By-Laws of NASD Regulation. The By-Laws can be found in the online *NASD Manual* at www.nasd.com.

EXHIBIT IV **Candidate Profile Sheet****Current Employment**

Name: _____ CRD#: _____

Firm: _____ #RRs at Firm: _____

Title/Primary Responsibility: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail: _____

Prior Employment (List the most recent first. Feel free to include extra pages if necessary.)

Firm: _____

Title/Primary Responsibility: _____

Firm: _____

Title/Primary Responsibility: _____

General Areas of Expertise (please check all that apply)

- | | |
|---|---|
| ☐ Compliance/Legal | ☐ Investment Advisory |
| ☐ Corporate Finance | ☐ Retail Sales |
| ☐ Financial/Operational | ☐ Trading/Market Making |
| ☐ Institutional Sales | ☐ Other |

Product Expertise (please check all that apply)

- | | |
|---|---|
| ☐ Corporate Bonds | ☐ Investment Company |
| ☐ Direct Participation Programs | ☐ Options |
| ☐ Equity Securities | ☐ Variable Contracts Securities |
| ☐ Municipal/Government Securities | ☐ Other |

Memberships/Positions Held in Trade or Business Organizations

Past NASD Experience and Dates of Service (please check all that apply)☐ Committee Member (Identify committee: _____) Approx. Dates: _____☐ Arbitrator Approx. Dates: _____☐ Mediator Approx. Dates: _____☐ Expert Witness (arbitrations; disciplinary proceedings): _____ Approx. Dates: _____☐ Other: _____ Approx. Dates: _____**Educational Background**

School: _____ Degree: _____

School: _____ Degree: _____