

Special Notice to Members

MAY 2003

SUGGESTED ROUTING

Legal & Compliance
Senior Management

KEY TOPICS

National Adjudicatory Council

INFORMATIONAL

NAC Nominees

NASD Announces Nominees for Regional Industry Member Vacancies on the National Adjudicatory Council

Executive Summary

The purpose of this *Special Notice to Members* is to announce the nominees for the National Adjudicatory Council (NAC) for the New York and West Regions. The nominees, nominated for a three-year term beginning in January 2004, are listed in Exhibit I. These nominees will be proposed to NASD's National Nominating Committee in 14 calendar days, unless the election is contested.

We appreciate the interest shown by many members in expressing their desire to serve on the NAC and thank everyone for their continuing support of the self-regulatory process. The New York and West Regional Nominating Committees thoroughly reviewed the background of every candidate before selecting their nominees in an effort to secure appropriate and fair representation of both regions.

Contested Election Procedures

If an officer, director, or employee of an NASD member in the New York or West Regions has not been proposed for nomination by the Regional Nominating Committee and wants to seek the nomination, he or she should send a written notice to Barbara Z. Sweeney, Corporate Secretary, at the address below within 14 calendar days after the publishing date (May 27) of this *Special Notice*.

Barbara Z. Sweeney
NASD
Office of the Corporate Secretary
1735 K Street, NW
Washington, DC 20006-1500

03-27

The Contested Nomination Procedures can be found in Article VI of the NASD Regulation By-Laws. If no additional candidate comes forward within 14 calendar days, the New York and West Regional Nominating Committees shall certify their candidates to the National Nominating Committee.

Questions/Further Information

Questions concerning this *Special Notice to Members* may be directed 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. Two Industry members are nominated by NASD's National Nominating Committee and are appointed by the Board of Directors of NASD Regulation, Inc., 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, and Washington (Districts 1, 2, and 3)

South Region:

Alabama, Arkansas, Kentucky, Louisiana, Mississippi, Oklahoma, Tennessee, Texas, Florida, Georgia, North Carolina, South

Carolina, Puerto Rico, Virginia, Canal Zone, and the Virgin Islands (Districts 5, 6, and 7)

Central Region:

Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Illinois, Indiana, Michigan, part of Western New York state, and Wisconsin (Districts 4 and 8)

North Region:

Delaware, Maryland, Pennsylvania, West Virginia, District of Columbia, New Jersey, Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, and New York (except for New York City, Long Island, and Western New York state) (Districts 9 and 11)

New York:

New York City and Long Island (District 10)

Two regions (New York and West) have vacancies for this election. NAC members for the other three regions (South, Central, and North) are indicated in Exhibit II, along with the year in which their terms expire.¹

Function

According to the NASD Regulation 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 review of offers of settlement; letters of acceptance, waiver, and consent; and minor rule violation plan letters;

-
- the exercise of exemptive authority; and
 - other proceedings or actions authorized by the Rules of the Association.

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.

Endnote

- 1 On September 20, 2001, the NASD Board of Governors approved an amendment to Article V, Section 5.4 of the NASD Regulation By-Laws changing the term of office of NAC members from two years, with the opportunity to serve consecutive terms, to a single three-year term. This By-Law amendment was approved by the SEC on October 17, 2001. To effect the change from two-year to three-year terms, NASD divided the NAC seats into three transitional classes, as nearly equal in number and as evenly divided between industry and non-industry seats as possible. The purpose of this division is to assure appropriate continuity and orderly turnover during the transitional period. The transitional period will end in January 2004, at which time all members of the NAC will be elected to a single three-year term.

EXHIBIT I

Nominees for NAC Industry Member Vacancies

West (Districts 1, 2, and 3)

Neal K. Nakagiri
Associated Securities Corporation
Los Angeles, CA

New York (District 10)

Judith R. MacDonald
Rothschild, Inc.
New York, NY

EXHIBIT II

NAC Members with Terms Expiring in January 2005

(Central Region)

Douglas L. Kelly
A.G. Edwards & Sons, Inc.
St. Louis, MO

(South Region)

Barbara L. Weaver
Legg Mason Wood Walker, Inc.
New Orleans, LA

NAC Members with Terms Expiring in January 2006

(North Region)

A. Louis Denton
Philadelphia Corporation for Investment Services
Philadelphia, PA

© 2003. NASD. All rights reserved.

NASD Notices to Members is published monthly by NASD Corporate Communications, Susan Lewis, Editor, NASD Communication Services, 1735 K Street, NW, Washington, DC 20006-1500, (202) 728-8991. No portion of this publication may be copied, photocopied, or duplicated in any form or by any means, except as described below, without prior written consent of NASD. Members of NASD are authorized to photocopy or otherwise duplicate any part of this publication without charge only for internal use by the member and its associated persons. Nonmembers of NASD may obtain permission to photocopy for internal use through the Copyright Clearance Center (CCC) for a \$3-per-page fee to be paid directly to CCC, 222 Rosewood Drive, Danvers, MA 01923.

Each member firm's Executive Representative is entitled to one annual subscription to *Notices to Members* at cost (\$15 per year). Additional annual subscriptions are available for \$225; single issues cost \$25. To order, send a check or money order (payable to NASD) to NASD MediaSource, P.O. Box 9403, Gaithersburg, MD 20898-9403; to order with a credit card (American Express, MasterCard, or Visa), call (240) 386-4200, Monday to Friday, 9 a.m. to 5 p.m., Eastern Time. Back issues may be ordered by calling MediaSource at (240) 386-4200. Subscribers with subscription problems or address changes may contact NASD Corporate Communications at (202) 728-8885. To make an address change you may also send in writing your correct address with your publication mailing label showing current name, address, and label code. Send information to: Gina Cherry, NASD Corporate Communications, 1735 K Street, NW, Washington DC 20006-1500.

Notices to Members (December 1996 to current) are also available on the Internet at www.nasd.com.