

Special Notice to Members

APRIL 2003

SUGGESTED ROUTING

Legal & Compliance
Senior Management

KEY TOPICS

National Adjudicatory Council

INFORMATIONAL

NAC Nominations

NASD Announces Nomination Procedures for Regional Industry Member Vacancies on the National Adjudicatory Council; **Nomination Deadline: May 9, 2003**

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 West and New York Regions expire in January 2004.

Exhibit I contains information regarding the NAC regional Industry members whose terms expire in January 2004. 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 9, 2003**.

The completed Candidate Profile Sheets will be provided to all Regional Nominating Committee members for review. On or about **May 20, 2003**, 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.

03-18

Questions/Further Information

Questions concerning this *Special Notice to Members* 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, and Washington.

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.

Central Region: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Illinois, Indiana, Michigan, Western New York state, and Wisconsin.

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).

New York: New York City and Long Island.

We are seeking nominations for the West and New York 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 2004

West Region (Districts 1, 2 and 3)

NAC Incumbent: William A. Svoboda

If you are interested in nominating yourself or a colleague to represent the West 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 9, 2003.

Kathryn A. Supko

Regional Committee Chair

Northwestern Mutual Investment Services, LLC
1555 Shoreline Drive, Suite 210
Boise, ID 83702

Elisabeth P. Owens

District 1 Director

NASD
525 Market Street, Suite 300
San Francisco, CA 94105-2711
(415) 882-1200

Lani M. Sen Woltmann

District 2 Director

NASD
300 South Grand Avenue, Suite 1600
Los Angeles, CA 90071
(213) 627-2122

Joseph M. McCarthy

District 3 Director

NASD
Republic Office Building
370 17th Street, Suite 2900
Denver, CO 80202-5629
(303) 446-3100

James G. Dawson

District 3 Director

NASD
Two Union Square
601 Union Street, Suite 1616
Seattle, WA 98101-2327
(206) 624-0790

Barbara Z. Sweeney

*Senior Vice President and
Corporate Secretary*

NASD
1735 K Street NW
Washington, DC 20006
(202) 728-8062

NAC Industry Member With A Term Expiring In January 2004

New York Region (District 10)

NAC Incumbent: Philip V. Oppenheimer

If you are interested in nominating yourself or a colleague to represent the New York 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 9, 2003.

Jennifer A. Connors
Regional Committee Chair

ITG, Inc.
380 Madison Avenue, 4th Floor
New York, NY 10017

Cathleen Shine
District 10 Director

NASD
One Liberty Plaza
New York, NY 10006
(212) 858-4000

Barbara Z. Sweeney
*Senior Vice President and
Corporate Secretary*

NASD
1735 K Street NW
Washington, DC 20006
(202) 728-8062

EXHIBIT II

2003 National Adjudicatory Council

Geoffrey F. Aronow	Arnold & Porter
A. Louis Denton	Philadelphia Corporation for Investment Services
Amy Bowerman Freed	Hogan & Hartson, L.L.P.
Douglas L. Kelly	A.G. Edwards & Sons, Inc.
David A. Lipton	Catholic University of America
Philip R. Lochner	Director of Public Companies
Mark Madoff	Bernard L. Madoff
Paul J. Mason	Dechert
Philip V. Oppenheimer	Oppenheimer & Close, Inc.
Mark A. Sargent	Villanova University School of Law
Richard O. Scribner	Recording for the Blind & Dyslexic
Brian T. Shea	Donaldson, Lufkin & Jenrette Securities Corporation
William A. Svoboda	Morgan Stanley
Barbara L. Weaver	Legg Mason Wood Walker, Inc.

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 West and New York 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 9, 2003**.
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 one or more candidates for nomination to the National Nominating Committee. 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 **May 20, 2003**, 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 it will propose to the National Nominating Committee for nomination to 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 NASDR 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
 Corporate Finance
 Financial/Operational
 Institutional Sales
- Investment Advisory
 Retail Sales
 Trading/Market Making
 Other
- _____
- _____

Product Expertise (please check all that apply)

- Corporate Bonds
 Direct Participation Programs
 Equity Securities
 Municipal/Government Securities
- Investment Company
 Options
 Variable Contracts 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: _____