

# Special Notice to Members

AUGUST 2002

## SUGGESTED ROUTING

Legal & Compliance  
Senior Management

## KEY TOPICS

National Adjudicatory Council

## INFORMATIONAL

### NAC Nominations

NASD Announces Nomination Procedures for Regional Industry Member Vacancy on the National Adjudicatory Council; **Nomination Deadline: September 5, 2002**

#### Executive Summary

The purpose of this *Special Notice to Members* is to advise members of the nomination procedures to fill one upcoming vacancy on the National Adjudicatory Council (NAC). The three-year term of the NAC regional Industry member from the North Region expires in January 2003.

Exhibit I contains information regarding the NAC regional Industry member whose term expires in January 2003. 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 vacancy. 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 **September 5, 2002**.

The completed Candidate Profile Sheets will be provided to all Regional Nominating Committee members for review. On or about **September 19, 2002**, the Regional Nominating Committee will provide NASD members with written notice of the NAC candidate 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.

02-46

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## 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](mailto: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 North Region.

### 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.

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## EXHIBIT I

### NAC Industry Member With A Term Expiring In January 2003

#### North Region (Districts 9 and 11)

##### NAC Incumbent: Theodore W. Urban

If you are interested in nominating yourself or a colleague to represent the North 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 September 5, 2002.

##### **Peter Wheeler**

*Regional Committee Chair*

One University Office Park  
29 Sawyer Road  
Waltham, MA 02453-3483  
(781) 736-0700

##### **John P. Nocella**

*District 9 Director*

NASD  
11 Penn Center  
1835 Market Street, 19th Floor  
Philadelphia, PA 19103  
(215) 665-1180

##### **Gary K. Liebowitz**

*District 9 Director*

NASD  
581 Main Street, 7th floor  
Woodbridge, NJ 07095  
(732) 596-2000

##### **Fred McDonald**

*District 11 Director*

NASD  
260 Franklin Street, 16th Floor  
Boston, MA 02110  
(617) 261-0800

##### **Barbara Z. Sweeney**

*Senior Vice President and Corporate Secretary*

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

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## EXHIBIT II

### 2002 National Adjudicatory Council

<b>Mary E.T. Beach</b>	Attorney
<b>Herbert H. Brown</b>	Attorney
<b>David A. DeMuro</b>	Lehman Brothers
<b>Alice T. Kane</b>	Blaylock
<b>Douglas L. Kelly</b>	A.G. Edwards & Sons, Inc.
<b>Philip R. Lochner</b>	Director of Public Companies
<b>Mark Madoff</b>	Bernard L. Madoff
<b>Philip V. Oppenheimer</b>	Oppenheimer & Close, Inc.
<b>Mark A. Sargent</b>	Villanova University School of Law
<b>Richard O. Scribner</b>	Recording for the Blind & Dyslexic
<b>William A. Svoboda</b>	Morgan Stanley
<b>Theodore W. Urban</b>	Ferris, Baker Watts, Incorporated
<b>Barbara L. Weaver</b>	Legg Mason Wood Walker, Inc.
<b>Elliott J. Weiss</b>	University of Arizona College of Law

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## 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 North Region 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 **September 5, 2002**.
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 **September 19, 2002**, the Regional Nominating Committee shall notify in writing the Executive Representatives and branch offices of the NASD members in the region 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](http://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)

- |   |   |
|---|---|
| <input type="radio"/> Compliance/Legal      | <input type="radio"/> Investment Advisory   |
| <input type="radio"/> Corporate Finance     | <input type="radio"/> Retail Sales          |
| <input type="radio"/> Financial/Operational | <input type="radio"/> Trading/Market Making |
| <input type="radio"/> Institutional Sales   | <input type="radio"/> Other                 |

\_\_\_\_\_

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**Product Expertise** (please check all that apply)

- |   |   |
|---|---|
| <input type="radio"/> Corporate Bonds                 | <input type="radio"/> Investment Company            |
| <input type="radio"/> Direct Participation Programs   | <input type="radio"/> Options                       |
| <input type="radio"/> Equity Securities               | <input type="radio"/> Variable Contracts Securities |
| <input type="radio"/> Municipal/Government Securities | <input type="radio"/> Other                         |

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**Memberships/Positions Held in Trade or Business Organizations**

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**Past NASD Experience and Dates of Service** (please check all that apply)

<input type="radio"/> Committee Member (Identify committee: _____ )	Approx. Dates: _____
<input type="radio"/> Arbitrator	Approx. Dates: _____
<input type="radio"/> Mediator	Approx. Dates: _____
<input type="radio"/> Expert Witness (arbitrations; disciplinary proceedings):	Approx. Dates: _____
<input type="radio"/> Other: _____	Approx. Dates: _____

**Educational Background**

School: _____	Degree: _____
School: _____	Degree: _____