

INFORMATIONAL

NAC Nominees

NASD Announces Nominees For Regional Industry Member Vacancies On The National Adjudicatory Council

SUGGESTED ROUTING

The Suggested Routing function is meant to aid the reader of this document. Each NASD member firm should consider the appropriate distribution in the context of its own organizational structure.

- Legal & Compliance
- Senior Management

KEY TOPICS

- 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 West Region and New York Region. The nominees, nominated for two-year terms beginning in January 2002, are listed in Exhibit I. These nominees will be proposed to the National Association of Securities Dealers, Inc. (NASD®) National Nominating Committee in 14 calendar days, unless an 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 Regional Nominating Committees thoroughly reviewed the background of every candidate before selecting their nominee in an effort to secure appropriate and fair representation of the regions.

Contested Election Procedures

If an officer, director, or employee of an NASD member in the West Region and New York Region 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 of this *Special Notice*.

*Barbara Z. Sweeney
Office of the Corporate Secretary
NASD Regulation, Inc.
1735 K Street, NW
Washington, DC 20006-1500
(202) 728-8062*

The Contested Nomination Procedures can be found in Article VI of the NASDRSM By-Laws. If no

additional candidate comes forward within 14 calendar days, the 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 the NASD National Nominating Committee and are appointed by the Board of Directors of NASD Regulation, Inc. (NASD RegulationSM) 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)

Only two regions (West and New York) have vacancies for this election. NAC members for the other three regions (North, South, and Central) are completing the second year of their two-year term.

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 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.

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EXHIBIT A

Nominees For NAC Industry Member Vacancies

West Region (Districts 1, 2, and 3)

William A. Svoboda

Morgan Stanley Dean Witter
San Jose, CA

New York Region (District 10)

Philip V. Oppenheimer

Oppenheimer and Close, Inc.
New York, NY

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