

ACTION REQUIRED

Broker/Dealer, Investment Adviser, And Agent Renewals

2002 Renewal Rosters And Final Renewal Statements

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.

- Executive Representatives
- Legal & Compliance
- Operations
- Registered Representative
- Registration
- Senior Management

KEY TOPICS

- Registration
- Renewals
- Web CRD
- Web IARD

Executive Summary

The 2002 Renewal Program for the National Association of Securities Dealers, Inc. (NASD®) broker/dealer and agent registration began its second phase this month. The NASD is issuing this *Notice* to help members review, reconcile, and respond to the Final Renewal Statements and Rosters that are available on the Web CRDSM system.

Questions/Further Information

Questions regarding this *Notice* may be directed to the CRD/Public Disclosure (CRD/PD) Gateway Call Center at (301) 869-6699.

Final Renewal Statements And Rosters

Final Renewal Statements became available to access via the Web CRD system on January 2, 2002. NASD member firms can begin to request 2002 Final Renewal Rosters on January 2, 2002, via the Web CRD Reports Tab.

The 2002 Final Renewal Statements reflect the total amount owed by the firm, as of year-end 2001, for:

- NASD Personnel Assessments
- NASD Branch Office Assessments
- NASD System Processing Fees
- New York Stock Exchange (NYSE), American Stock Exchange (Amex), Chicago Board Options Exchange (CBOE), International Securities Exchange (ISE),

Pacific Exchange (PCX), and Philadelphia Stock Exchange (PHLX) Maintenance Fees

- State Agent Renewal Fees
- State Broker/Dealer Renewal Fees
- State Investment Adviser Firm Renewal Fees
- Firm payment submitted to the NASD in response to the Preliminary Renewal Statement that was made available on November 5, 2001

The 2002 Final Renewal Statement also reflects the final status of agent and firm registrations and/or Notice Filings as of December 31, 2001. Any adjustments in fees owed as a result of registration terminations, approvals, Notice Filings, or transitions subsequent to the Preliminary Renewal Statement will be made in this final reconciled statement on the Web CRD system. If a firm has more agents, branch offices, or jurisdictions registered and/or Notice Filed on the Web CRD and IARD systems at year's end (than it did in on November 3 when the Preliminary Renewal Statement was generated), additional fees will be assessed. If a firm has fewer agents, branch offices or jurisdictions registered and/or Notice Filed at year's end (than it did when the Preliminary Renewal Statement was generated), a credit/refund will be issued.

If the firm's payment submitted in response to the Preliminary Renewal Statement exceeds its year-end 2001 total of NASD, NYSE, Amex, CBOE, PCX, PHLX, and state renewal fees, a "credit due" statement will be made available. If the firm's Final

Renewal Statement reflects a credit due and the firm would like a refund check, it should print and sign the statement and send it to:

CRD Accounting—Renewal Refunds
NASD Regulation, Inc.
9509 Key West Avenue
Rockville, MD 20850

The statement must be signed by an officer or principal of the firm and should include the name and address of the firm's contact person to whom the check should be sent. Refund requests will be processed as soon as possible. The average turnaround time for receiving a refund check last year was approximately two weeks. Member firms may also request to transfer the credit due to their CRD Daily Registration Account. To initiate a transfer of funds, please contact the CRD/PD Gateway Call Center at (301) 869-6699. If the NASD does not receive a request for a refund check or a request to transfer funds by March 15, 2002, CRD Accounting will begin to manually transfer the remaining credit balances to member firms' CRD accounts.

Final Renewal Statements that reflect zero balances require no further action by the member firm.

Reviewing The Renewal Reports/Rosters

Member Renewal Rosters include all agent registrations renewed for 2002. Registrations that were pending approval or were deficient at year-end 2001 were not assessed Renewal fees; therefore, they will not be reported on the Renewal Roster. Members should examine their rosters carefully to ensure that all registration approvals and terminations are properly listed.

- The **Firm Renewal Roster** (Agent) will list all agents registered with your firm, sorted alphabetically by regulator. If a firm's review of the Agent Roster finds any discrepancies between its records and those maintained on the Web CRD system, the discrepancy must be reported, in writing, directly to the appropriate regulatory authority by March 15, 2002.
- Discrepancies—NYSE/Amex/CBOE/PSE/PHLX/States: All regulators should be contacted directly in writing. The NASD Regulation Web Site, www.nasdr.com, provides a complete listing of regulator addresses.
- Discrepancies—NASD: Contact the CRD/PD Gateway Call Center at (301) 869-6699 in regard to the NASD Roster. Copies of appropriate documentation, such as Web CRD-generated notice of termination, notification of deficient condition, or notice of approval from its Firm Queues, should be readily available.
- The **Firm Renewal Roster Download** (Agent) will list all agents registered with your firm, sorted alphabetically by regulator in a downloadable format.
- The **Branches Renewal Roster** lists each branch registered with the NASD and lists branch offices for which the firm is being assessed a fee. Firms should use this roster to reconcile their records for Renewal purposes.

Billing Code Summary And Detail Reports

The Billing Code Summary Report summarizes all Renewal charges by billing code. The Billing Code Detail Report is grouped by billing code and provides detailed information on agent renewals. The Billing Code Summary and Billing Code Detail Reports are for the firm's internal accounting reconciliation and are not an additional billing. It is a report of fees assessed, based on the data supplied by the firm in Item #7, "Branch I.D.," of the Form U-4 application. Any combination of letters and characters is captured as a "billing code." NASD Regulation does not use this data to assess fees.

The November 2001 issue (Vol. 9, No. 1) of the *CRD/PD Bulletin* contains detailed instructions to help members complete the Renewal Process. This publication can also be found on the CRD Web Page of the NASD Regulation Web Site, www.nasdr.com.

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