

ACTION REQUIRED

Broker/Dealer And Agent Renewals

2001 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 Representatives
- Registration
- Senior Management

KEY TOPICS

- Registration
- Renewals
- Web CRD

Executive Summary

The 2001 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 Web CRD. The NASD began generating Final Renewal Rosters on January 2, 2001. All rosters will be available no later than January 22, 2001.

Final Renewal Statements became available on January 2, 2001.

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

The NASD began making Final Renewal Statements available, via Web CRD, on January 2, 2001. Final Renewal Rosters will be available to all NASD member firms via Web CRD no later than January 22, 2001. The Final Renewal Statements reflect the year-end 2000 total fees 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), Pacific Exchange (PCX), and Philadelphia Stock Exchange (PHLX) Maintenance Fees;

- State Agent Renewal Fees; and
- State Broker/Dealer Renewal Fees.

The statement also reflects payment submitted by an NASD member in response to the Preliminary Renewal Statement which was made available on November 6, 2000. Along with the Final Renewal Statement, the NASD will provide no later than January 22, 2001, via Web CRD, a Firm Renewal Roster that lists each firm's NASD and, if applicable, NYSE-, Amex-, CBOE-, PCX-, and PHLX-registered personnel, as of year-end 2000.

The roster will list all of the firm's personnel (alphabetically) whose registrations were renewed in states. Firms with registered branch offices that were active as of December 31, 2000, will also receive a Branch Renewal Roster. A member's Final Renewal Statement will reflect an "amount due," a "credit due," or a "zero balance." If a firm's year-end 2000 total of NASD, NYSE, Amex, CBOE, PCX, PHLX, and state renewal fees exceeded the firm's payment submitted in response to the Preliminary Renewal Statement, the NASD paid the jurisdictions the additional renewal fees due at year-end on behalf of the firm and will generate an "amount due" statement to collect that sum from the member firm.

If the firm's Final Renewal Statement reflects an amount due, the NASD requests payment by wire transfer or company check. Wire transfer instructions are located on the NASD Regulation, Inc. (NASD RegulationSM) Web Site (www.nasdr.com). From the NASD Regulation Home Page, click on "Members Check Here," then click on "Central Registration Depository," and view information under the

menu selection, "License Renewal Information" and "Wire Transfer Instructions." Firms may also contact the NASD Regulation Finance Department at (240) 386-5294 for detailed wire instructions. Firms should make the check payable to NASD Regulation, Inc., with the firm's CRD Number and the word "Renewals" written on the check, and mail it with the statement (printed from Web CRD). Payments must be received by the NASD no later than March 16, 2001. Firms that fail to pay their 2001 Renewal Fees may have their NASD membership cancelled.

If the firm's payment submitted in response to the Preliminary Renewal Statement exceeds its year-end 2000 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 request to transfer funds by March 16, 2001, CRD Accounting will begin to manually transfer the remaining credit balances to member firms' CRD accounts. This process should be completed by April 6, 2001.

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

Reviewing The Renewal Rosters

Member Renewal Rosters include all agent registrations renewed for 2001. Registrations that were pending approval or were deficient at year-end 2000 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.

Branches Renewal Roster

If a firm's review of the Branches Roster finds any discrepancies between its records and those maintained on Web CRD, the discrepancy must be reported in writing, to the User Support-Research Unit in the CRD/PD Department no later than March 19, 2001. Copies of all appropriate documentation should be included.

Firm Renewal Roster (Agent)

If a firm's review of the Agent Roster finds any discrepancies between its records and those maintained on Web CRD, the discrepancy must be reported directly to the appropriate regulatory authority in writing by March 19, 2001.

- 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.

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 renewal. 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 2000 issue (Vol. 8, No. 2) 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 NASDR Web Site, www.nasdr.com.

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