

NASD Notice to Members 99-46

Maximum SOES Order
Sizes Set To Change
July 1, 1999

Suggested Routing

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Executive Summary

Effective July 1, 1999, the maximum Small Order Execution SystemSM (SOESSM) order sizes for 336 Nasdaq National Market[®] (NNM) securities will be revised in accordance with National Association of Securities Dealers, Inc. (NASD[®]) Rule 4710(g).

For more information, please contact Nasdaq[®] Market Operations at (203) 378-0284.

Description

Under Rule 4710, the maximum SOES order size for an NNM security is 1,000, 500, or 200 shares, depending on the trading characteristics of the security. The Nasdaq Workstation II[®] (NWII) indicates the maximum SOES order size for each NNM security. The indicator "NM10," "NM5," or "NM2" displayed in NWII corresponds to a maximum SOES order size of 1,000, 500, or 200 shares, respectively.¹

The criteria for establishing maximum SOES order sizes are as follows:

- (1) a 1,000-share maximum order size shall apply to NNM securities on SOES with an average daily non-block volume of 3,000 shares or more a day, a bid price of less than or equal to \$100, and three or more Market Makers;
- (2) a 500-share maximum order size shall apply to NNM securities on SOES with an average daily non-block volume of 1,000 shares or more a day, a bid price of less than or equal to \$150, and two or more Market Makers; and
- (3) a 200-share maximum order size shall apply to NNM securities with an average daily non-block volume of less than 1,000 shares a day, a bid price of less than or equal to

\$250, and two or more Market Makers.

In accordance with Rule 4710, Nasdaq periodically reviews the maximum SOES order size applicable to each NNM security to determine if the trading characteristics of the issue have changed so as to warrant an adjustment. Such a review was conducted using data as of March 31, 1999, pursuant to the aforementioned standards. The maximum SOES order-size changes called for by this review are being implemented with three exceptions.

- First, issues were not permitted to move more than one size level. For example, if an issue was previously categorized in the 1,000-share level, it would not be permitted to move to the 200-share level, even if the formula calculated that such a move was warranted. The issue could move only one level to the 500-share level as a result of any single review.
- Second, for securities priced below \$1 where the reranking called for a reduction in the level, the maximum SOES order size was not reduced.
- Third, for the top 50 Nasdaq securities based on market capitalization, the maximum SOES order sizes were not reduced, regardless of whether the reranking called for a reduction.

In addition, with respect to initial public offerings (IPOs), the SOES order-size reranking procedures provide that a security must first be traded on Nasdaq for at least 45 days before it is eligible to be reclassified.

Thus, IPOs listed on Nasdaq within the 45 days prior to March 31, 1999, were not subject to SOES order-size reranking procedures.

Following is a listing of the 336 NNM issues that will have the maximum SOES order size changed on July 1, 1999.

Endnote

¹Previously, Nasdaq Market Makers were required to maintain a minimum quotation

size for an NNM security in an amount equal to the maximum SOES order size for that security. See generally, NASD Rule 4613(a)(1) - (2). On July 15, 1998, the Securities and Exchange Commission approved an amendment to NASD Rule 4613(a)(1)(C), which reduced the minimum quotation size for all Nasdaq securities to one normal trad-

ing unit when a Market Maker is not displaying a limit order, and which thus eliminated the requirement that Market Makers quote a size equal to the maximum SOES order size.

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Maximum SOES Order Size Changes In NNM Securities All Issues In Alphabetical Order By Security Name (Effective July 1, 1999)

Symbol	Security Name	Old Level	New Level	Symbol	Security Name	Old Level	New Level
TCHC	21ST CENTURY HLDG	500	1000	BBHF	BARBERS HAIRSTYLIN	500	1000
A				BPFH	BOSTON PVT FIN	500	1000
				EPAY	BOTTOMLINE TECH INC	200	500
				BOYD	BOYD BROS TRANS IN	500	1000
				BRAD	BRADLEES INC	200	500
ASBP	A S B FINANCIAL CP	500	200	BCST	BROADCAST.COM	1000	500
ABANP	ABI CAP TRUST PFD	500	1000	BRCM	BROADCOM CORP CL	500	1000
ABOV	ABOVENET COMMUNICTNS	200	500	BVRS	BVR SYSTEMS LTD	500	1000
AAABB	ADMIRALTY BCP B	500	1000	C			
DINEW	ADVANTICA WTS	1000	500				
AMRI	ALBANY MOLECULAR RES	200	500				
AORGB	ALLEN ORGAN CO B	200	500				
ALNC	ALLIANCE FINL CP	200	500	CBBI	C B BANCSHARES	500	1000
ALLN	ALLIN COMMUNICATIO	500	200	CERB	C E R B C O INC	500	200
AIFC	AMER INDEMNITY FIN	500	1000	FLYAF	C H C HELICO CL A	200	500
ANFI	AMERICAN NATL FINL	200	500	CSPI	C S P INC	500	1000
ASCA	AMERISTAR CASINO	1000	500	CFFI	C&F FINANCIAL CP	200	500
AFSC	ANCHOR FIN CORP	1000	500	CNEBF	CALL-NET ENTRPR CL B	500	1000
ANDR	ANDERSEN GROUP INC	200	500	CLZRW	CANDELA CP WTS	200	500
ASIGF	ANSALDO SIGNAL NV	1000	500	CNTBY	CANTAB PHARM ADR	200	500
ARCAF	ARCADIS NV	500	1000	CSWC	CAPITAL SOUTHWEST	1000	500
ARIS	ARI NETWORK	1000	500	CBCL	CAPITOL BANCORP LT	1000	500
ARMHY	ARM HLDGS ADS	1000	500	CBCLP	CAPITOL TRUST I PF	500	1000
ATYT	ATI TECHNOLOGIES	200	500	CPRK	CAPROCK COMM	500	1000
ATLPP	ATLANTIC PFD CAP CP	200	500	CRRB	CARROLLTON BANCORP	500	200
AIII	AUTOLOGIC INFO INT	1000	500	CECX	CASTLE ENERGY CP	500	1000
AXHM	AXIOHM TRANS SOL	500	200	CATT	CATAPULT COMM CP	200	500
B				CLPA	CELL PATHWAYS INC	500	1000
				CCBN	CENTRAL COAST BCP	500	1000
				CFAC	CENTRAL FIN ACCEPT	1000	500
				CHNL	CHANNELL COML CORP	1000	500
BESI	B E SEMICON ORD	200	500	CHERB	CHERRY CP CL B	500	200
BFEN	B F ENTERPRISES IN	500	200	CNRMF	CINRAM INTL INC	200	500
BNBCP	B N B CAP TR PFD	200	500	CIVC	CIVIC BANCORP	500	1000
BTBT	B T SHIP SP ADR	500	200	CLKB	CLARK/BARDES HLDGS	500	1000
BWINB	BALDWIN LYONS CL B	500	1000	CNBB	CNB INC	200	500
BPAO	BALDWIN PIANO ORGA	1000	500	CNYF	CNY FINANCIAL CP	500	1000
BMCCP	BANDO MCGLOC PFD A	500	200	CTBP	COAST BANCORP	200	500
BNSC	BANK OF SANTA CLAR	500	200	COHB	COHOES BANCORP	200	500
BKFR	BANKFIRST CORP	500	1000				

Symbol	Security Name	Old Level	New Level	Symbol	Security Name	Old Level	New Level
CBAN	COLONY BANKCORP	200	500	EXAP	EXCHANGE APPLICATNS	200	500
CBBO	COLUMBIA BANCORP	500	1000	EXDS	EXODUS COMMUN	1000	500
CNAF	COMMERCIAL NATL FI	200	500				
CFIC	COMMUNITY FIN CP	1000	500	F			
CMSV	COMMUNITY SVGS	200	500				
CNQR	CONCUR TECHNOLOGIES	200	500	FCBF	F C B FINANCIAL CP	500	1000
CNXT	CONEXANT SYSTMS	200	500	FLAG	F L A G FINANCIAL	500	1000
CNRD	CONRAD INDS INC	500	1000	FRPP	F R P PROPERTIES I	200	500
CWCO	CONS WATER CO INC	500	1000	FTMTF	FANTOM TECHS INC	500	1000
CMETS	CONTL MORTGAGE EQUIT	500	1000	FATB	FATBRAIN.COM INC	200	500
COMMF	CORECOMM LTD	500	1000	FFLC	FFLC BNCP INC	1000	500
COCO	CORINTHIAN COLLEGES	200	500	FSBI	FIDELITY BANCORP I	500	200
CSCQW	CORRECTIONAL SVCS	500	200	FFFLP	FIDELITY CAP TR I	1000	500
CRTQ	CORTECH INC	200	500	FACT	FIRST ALBANY COS	500	1000
COVD	COVAD COMMUN GROUP	200	500	FBNC	FIRST BANCPO TROY	200	500
CYOE	COYOTE NETWORK SYS	500	1000	FBSI	FIRST BANCSHARES	200	500
CMST	CREATIVE MASTER INTL	200	500	FSTC	FIRST CITIZENS COR	500	1000
CRNS	CRONOS GROUP THE	1000	500	FFES	FIRST FED S L E	1000	500
CNGR	CROWN GROUP INC	500	1000	FMSB	FIRST MUTUAL SVGS	500	1000
CTCI	CT COMMUNICATIONS	200	500	FPFC	FIRST PLACE FINL	200	500
CURT	CURTIS INTL LTD	500	1000	FRGB	FIRST REGIONAL BNC	200	500
D				FSLB	FIRST STERLING BKS	500	1000
				FUNC	FIRST UNITED CORP	500	1000
				FELE	FRANKLIN ELEC INC	1000	500
DRAI	DATA RESEARCH ASSO	500	1000	FTBK	FRONTIER FIN CORP	500	1000
HYTDL	DECS TRUST IV	200	500	FFHH	FSF FINANCIAL CP	500	1000
DSGX	DESCARTES SYS GRP	200	500	FTNB	FULTON BANCORP INC	1000	500
DCBK	DESERT COMMUNITY B	200	500	G			
DCPI	DICK CLARK PROD IN	200	500				
DTEK	DISPLAY TECHS	500	1000	GBNK	GASTON FED BANCPO	1000	500
DOCD	DOCDATA NV	1000	500	GFLSP	GCB CAP TRUST PFD	500	200
DHOM	DOMINION HOMES INC	1000	500	GSLI	GEN SCANNING INC	200	500
DCLK	DOUBLECLICK INC	1000	500	GENBB	GENESEE CP B	1000	500
DRRAP	DURA AUTO CAP TR	1000	500	GZMO	GENZYME MOLEC	500	1000
DXPE	DXP ENTERPRISE	200	500	GCTY	GEOCITIES	1000	500
E				GSCI	GEOSCIENCE CP	500	1000
				GABC	GERMAN AMER BANCOR	500	1000
ETEK	E-TEK DYNAMICS INC	200	500	GSPT	GLOBAL SPORTS INC	500	1000
ELXS	E L X S I CP	1000	500	GBIX	GLOBIX CORP	500	1000
EGLB	EAGLE BANCGROUP IN	1000	500	GNET	GO2NET INC	1000	500
EWBX	EARTH WEB INC	500	1000	GUCO	GRAND UNION CO	500	1000
EWBC	EAST WEST BANCORP	200	500	H			
EBAY	EBAY INC	200	500				
DISHP	ECHOSTAR CV PFD C	500	200	HPSC	H P S C INC	500	1000
EDCO	EDISON CONTROL CP	200	500	HABC	HABERSHAM BANCORP	200	500
ELET	ELLETT BROTHERS IN	1000	500	HACHA	HACH COMPANY CL A	1000	500
ENBRF	ENBRIDGE INC	200	500	HABKP	HAMILTON CAP TR I	200	500
ENGEF	ENGEL GNRL DEV	1000	500	HRBF	HARBOR FED BNCP IN	500	1000
ENTU	ENTRUST TECHS INC	500	1000	HARL	HARLEYSVILLE SAV B	200	500
EQSB	EQUITABLE FED SAV	1000	500				

Symbol	Security Name	Old Level	New Level	Symbol	Security Name	Old Level	New Level
HLTH	HEALTHEON CORP	200	500	MKFCF	MACKENZIE FIN CP	200	500
HMLK	HEMLOCK FED FIN CO	500	1000	FMARP	MARINER CAP TR PFD	1000	500
HTBK	HERITAGE COMMERCE	200	500	MARN	MARION CAP HLDGS	500	1000
HRLYZ	HERLEY INDS WTS	200	500	MKTW	MARKETWATCH.COM INC	200	500
HIFN	HI/FN INC	200	500	MSDX	MASON-DIXON BCSHS	500	1000
HBNK	HIGHLAND FEDERAL B	200	500	MATE	MATEWAN BCSHS INC	500	1000
HOEN	HOENIG GP INC	500	1000	MAXE	MAX ERMAS RESTR IN	500	1000
HOMEF	HOME CTRS (DIY) LTD	1000	500	MAXC	MAXCO INC	1000	500
HLFC	HOME LOAN FINL CP	1000	500	MDCA	MDC COMMUN CORP	500	1000
HPBC	HOME PORT BNCP INC	1000	500	MEDE	MEDE AMERICA CORP	200	500
HFBC	HOPFED BANCORP INC	500	1000	MBFC	MEGABANK FIN CORP	200	500
I				MIGI	MERIDIAN INS GP IN	500	1000
				MRET	MERIT HOLDING CP	500	1000
				MERK	MERKERT AMERICA CORP	200	500
INDBP	INDEP CAP TR I PFD	500	200	MCBI	METROCORP BANCSHARES	200	500
INHO	INDEPENDENCE HLDG	200	500	METFP	METROPOLITAN CAP	500	1000
IHIIZ	INDUSTRIAL HLDG WT	500	1000	METF	METROPOLITAN FIN C	500	1000
ISCX	INDUSTRIAL SCI COR	500	1000	MSIX	MINING SVC INTL CP	1000	500
INCX	INFOCURE CP	200	500	MMAN	MINUTEMAN INTL INC	500	200
INSP	INFOSPACE.COM INC	200	500	MMPT	MODEM MED POPPE	200	500
INKT	INKTOMI CORP	500	1000	MMTM	MOMENTUM BUS APPLICA	200	500
ILABY	INSTRUMENTATION ADR	1000	500	MBBC	MONTEREY BAY BANCO	1000	500
INMG	INSURANCE MGMT SOLUT	200	500	MORP	MOORE PRODUCTS CO	1000	500
GEEK	INTERNET AMERICA INC	200	500	CRGO	MOTOR CARGO INDS	1000	500
INTT	INTEST CORPORATION	1000	500	MOTR	MOTOR CLUB OF AMER	500	1000
IBHVF	INTL BRIQUETTES	500	200	N			
IROQ	IROQUOIS BNCP	500	1000	NARA	NARA BANK N A	500	1000
K				NTBK	NET.BANK INC	500	1000
				NECS	NETCOM AB ADR	1000	500
KNAP	KNAPE AND VOGT MFG	500	1000	NETS	NETWORK EVENT THEA	200	500
KOSS	KOSS CP	500	1000	NBSC	NEW BRUNSWICK SCI	500	1000
L				NHTB	NEW HAMPSHIRE THRI	500	1000
				NSCF	NORTHSTAR COMPUTER	1000	500
LX BK	L S B BANCSHARES	500	1000	TONS	NOVAMERICAN STEEL	1000	500
LABH	LAB HOLDINGS INC	500	1000	NVDA	NVIDIA CORP	200	500
LACO	LAKES GAMING INC	200	500	O			
LCCO	LAMAR CAP CORP	200	500				
LAND	LANDAIR CORP	500	1000	ODFL	OLD DOMINION FREIG	500	1000
LARK	LANDMARK BSCHS INC	200	500	OWOS	OWOSSO CP	1000	500
LWIN	LEAP WIRELESS	500	1000	P			
LGSA	LGS GROUP CL A	200	500				
LIBHA	LIBERTY HOMES INC	200	500	PFCB	P.F. CHANG'S CHINA	200	500
LNCB	LINCOLN BANCORP	200	500	PCNTF	PACIFIC INTERNET SE	200	500
LICB	LONG ISLAND FIN	1000	500	ICED	PACKAGED ICE INC	200	500
M				PCCIP	PCC CAPITAL I PFD	500	200
				PMFG	PEERLESS MFG CO	1000	500
MLCH	M L C HOLDINGS INC	1000	500	PEBK	PEOPLES BANK	500	200
MACC	MACC PRIVATE EQU	500	200				

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PEBO	PEOPLES BNCP INC	500	1000	SATH	SHOP AT HOME INC	500	1000
PBKBP	PEOPLES CAP TR PFD	200	500	SFNCA	SIMMONS FIRST NATL A	500	1000
PERM	PERMANENT BNCP INC	1000	500	SIXR	SIX RIVERS NAT BK	1000	500
PNTGF	PETROMET RES LTD	500	1000	SKAN	SKANEATELES BANC	500	1000
PHLYL	PHIL CONS GR PRIDE	200	500	SGAI	SMITH-GARDNER&ASSOC	200	500
PING	PINNACLE GLOBAL GRP	200	500	SNBJ	SNB BANCSHARES INC	200	500
PHFCP	PITT HOME CAP TR	500	200	SECAY	SOCIETE EUR ADS A	200	500
PWCC	POINT WEST CAP CP	500	1000	SFFS	SOUND FED BANCORP	500	1000
PLMD	POLYMEDICA CORP	200	500	SJFC	SOUTH JERSEY FINL CP	200	500
BPOPP	POPULAR INC PFD A	200	500	OKSB	SOUTHWEST BNCP INC	500	1000
PRBC	PRESTIGE BNCP INC	500	200	CTLG	SPECIALTY CATALOG	1000	500
PRENP	PRICE ENTERPR PFD	500	1000	SPZN	SPEIZMAN INDS INC	500	1000
PSMT	PRICESMART INC	500	1000	SNBCO	SUN CAPITL TR II	500	1000
PRVT	PRIVATE MEDIA GROUP	200	500	SIVBP	SVB CAPITAL I PFD	1000	500
PFACP	PRO-FAC COOP PFD A	500	1000	SVBF	SVB FIN SVCS INC	200	500
PRGY	PRODIGY COMM CORP	200	500	SWMAY	SWEDISH MATCH AB ADR	1000	500
PRSP	PROSPERITY BNCSHS	500	1000				
PAMC	PROVIDENT AMER	500	1000	T			
PBCP	PROVIDENT BANCORP	200	500	TBFCP	TELEBANC CAP TR	500	1000
CARD	PUBLICARD INC	200	500	TERN	TERAYON COMMUN SYS	500	1000
PLFC	PULASKI FURNITURE	1000	500	TBNC	THE BANC CORPORATION	200	500
Q				TGLO	THEGLOBE.COM INC	500	1000
QLGC	QLOGIC CP	500	1000	TMCS	TICKETMASTER ONLINE	200	500
R				TRKA	TRAK AUTO CP	1000	500
RNWK	REALNETWORKS INC	1000	500	TRNI	TRANS INDS INC	1000	500
REBC	REDWOOD EMPIRE BCP	500	1000	TREVV	TREEV INC WTS	200	500
RIMM	RESEARCH IN MOTION	200	500	TRBO	TURBOCHEF INC	200	500
RSBI	RIDGEWOOD FINL INC	200	500	TUTS	TUT SYSTEMS INC	200	500
RNIC	ROBINSON NUGENT IN	1000	500	U			
RMII	ROCKY MTN INTNET	500	1000	USLM	U S LIME & MINERAL	500	1000
RUSMF	RUSSELL METALS	200	500	USPH	U S PHYSICAL THERA	1000	500
S				UBID	UBID INC	200	500
SFED	S F S BANCORP INC	1000	500	UCBH	UCBH HOLDINGS INC	500	1000
SGVB	S G V BANCORP INC	200	500	ULTD	ULTRADATA CP	1000	500
SJNB	S J N B FINANCIAL	500	1000	UBSH	UNION BANKSHARES	500	1000
STVI	S T V GROUP INC	1000	500	UNPH	UNIPHASE CORP	1000	500
SCHR	SCHERER HEALTHCARE	500	1000	UFCS	UNITED FIRE CASUAL	500	1000
SCOP	SCOOT.COM ADR	500	1000	UNEWY	UNITED NEWS & MEDIA	200	500
SCOT	SCOTTISH ANNUITY&LIF	200	500	UPCOY	UNITED PAN-EUR ADS	200	500
SCFS	SEACOAST FIN SVC	200	500	UNTY	UNITY BANCORP INC	500	1000
SEWY	SEAWAY FOOD TOWN I	500	1000	V			
AIRB	SELECT COMFORT CP	200	500	VDRY	VACU DRY CO	500	1000
SENEA	SENECA FOODS CP A	500	1000	VAIL	VAIL BANKS INC	200	500
SEPR	SEPRACOR INC	1000	500	VALN	VALLEN CP	500	1000
SRNA	SERENA SOFTWARE INC	200	500	VNGI	VALLEY NATL GASES	500	1000
				VENT	VENTURIAN CP	1000	500

Symbol	Security Name	Old Level	New Level	Symbol	Security Name	Old Level	New Level
VRSN	VERISIGN INC	1000	500	X			
VERT	VERTICALNET INC	200	500				
VLOG	VIALOG CORP	200	500	XMCM	XOOM.COM INC	200	500
VCAP	VIRGINIA CAP BANCSHS	200	500				
VBNJ	VISTA BANCORP INC	500	1000	Y			
VINF	VISTA INFO SOL	500	1000				
VISX	VISX INC	1000	500	YDNT	YOUNG INNOVATIONS	1000	500
W				Z			
WVFC	W V S FINANCIAL CP	500	1000	ZVXI	ZEVEEX INTL INC	500	1000
WAIN	WAINWRIGHT BK TR C	1000	500				
WBSTP	WEBSTER PFD CAP B	500	200				
WEBK	WEST ESSEX BANCORP	500	1000				
WOFC	WESTERN OHIO FIN	500	1000				
WGBC	WILLOW GROVE BANCORP	200	500				
WSBK	WILSHIRE STATE BK	200	500				