

Special NASD Notice to Members 98-72

Regional Nominating Committee Nominees For The National Adjudicatory Council

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- ☐ Options
- ☐ Registered Representatives
- ☐ Registration
- ☐ Research
- ☐ Syndicate
- ☐ Systems
- ☐ Trading
- ☐ Training
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Executive Summary

The purpose of this *Notice* is to advise members of the Regional Nominating Committee Nominees for the 1999 National Adjudicatory Council (NAC). Pursuant to nomination procedures outlined in *Special Notice to Members 98-62*, nominees for NAC are presented to the membership. If an officer, director, or employee of a National Association of Securities Dealers, Inc. (NASD®) member is interested in being considered as an additional candidate, he/she must indicate his/her interest to the Secretary of NASD Regulation, Inc. (NASD RegulationSM) or the Regional Nominating Committee Chairman in the region (a map of the five regions is attached) within 14 calendar days of the date of the Regional Nominating Committee document. The Secretary of NASD Regulation or the Regional Nominating Committee Chairman shall make a written record of the time and date of such notification.

Questions concerning this procedure may be directed to the member's District Director or Alden S. Adkins, General Counsel, NASD Regulation, at (202) 728-8332; Joan C. Conley, Corporate Secretary, NASD, at (202) 728-8381; or Norman Sue, Jr., Associate General Counsel, NASD Regulation, at (202) 728-8117.

National Adjudicatory Council

In 1999, the NAC will be a 12-member committee with half of the members representing industry and half representing non-industry. The industry members serve as volunteers, and five of the six industry members will be nominated by region (a map of the five regions is attached) and approved by the NASD's National Nominating Committee (NNC). One industry member will be nominated by the NNC as an at-large member. In 1999, half of the industry and non-industry members will be appointed for one-year terms,

with the remaining members appointed for two-year terms. These one- and two-year term appointments will be determined by the NNC after the regional nomination and the at-large selection have been approved by the NNC. After 1999, all terms will be two-year terms, and service of two consecutive terms is permissible. The Chairman of the NAC will be elected by the incoming NAC members, and, in accordance with relevant By-Laws, has a seat on the NASD Regulation Board of Directors and NASD Board of Governors.

The NAC is the successor to the National Business Conduct Committee (NBCC). As such, it is responsible for the oversight of the disciplinary program of NASD Regulation, the most active of all securities industry self-regulatory programs. The NAC also is responsible for the development of regulatory and enforcement policy and rule changes relating to the business and sales practices of NASD members.

The NAC's mission is to assure fairness, expedition, and consistency in the disciplinary and regulatory actions for which it is responsible; to identify and address potential regulatory issues; and to enforce current and establish new disciplinary policy.

The NAC meets at least six times a year. It always meets every other month for a full day to decide appellate cases, rule on applications and exemption requests, and to address policy matters. It may transact additional business through supplementary telephone meetings. In preparation for these meetings, NAC members receive "kits" consisting of draft decisions on appellate cases and memoranda discussing proposed rules and other matters. The draft decisions range in number from 5 to 20 per kit, and in length up to 20 pages each. Required preparation time for each meeting is extensive,

and is in addition to time required to travel to the meetings and the meetings' time. Most meetings are held in Washington D.C. or New York City, but this year the NAC also met in Denver and San Francisco in order to meet with District Committees to discuss issues of common interest.

NAC members also serve about every other month on two-person Hearing Panels designated to hear appeals or calls for review in disci-

plinary, membership, or financial and operational limitation cases, as well as on Hearing Panels designated to conduct initial hearings in summary and non-summary suspension, eligibility, and statutory qualification cases. In addition, two to four NAC members also serve as members of the Review Subcommittee, which meets from one to four hours weekly by telephone to discuss and accept or reject proposed settlements in disciplinary actions, to review all non-

default initial decisions in disciplinary and membership cases, and to rule on miscellaneous motions or requests. The members of the NAC are supported by the staff of the NASD Regulation Office of General Counsel in connection with the foregoing adjudicatory and policymaking responsibilities.

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NASD Notices to Members (December 1996 to current) are also available on the Internet at www.nasdr.com.

1999 National Adjudicatory Council Nominees

West Region (Districts 1, 2, 3a, and 3b)

Nominee: Nicholas C. Cochran
American Investors Company
Hayward, California

Nicholas C. Cochran is Chairman of American Investors Company in Hayward, California. He started that firm in 1992. Prior to that time, he was with Foothill Securities, Inc. and Equity Engineering, Inc. Mr. Cochran is a former member of the NASD District 1 Committee (1994 to 1996) and a current member of the National Adjudicatory Council.

South Region (Districts 5, 6, and 7)

Nominee: Raymond E. Wooldridge
Southwest Securities
Dallas, Texas

Raymond E. Wooldridge is Vice Chairman of Southwest Securities, Inc.; having joined the firm in 1986. Prior to that time, he held various positions at the firm of Eppler, Guerin & Turner, Inc., including Chief Executive Officer. Mr. Wooldridge is a former member of the NASD Board of Governors (1994 to 1996) and the NASD District 6 Committee (1974 to 1976). He holds a B.A. in Economics from Washington & Lee University.

Central Region (Districts 4, 8a, and 8b)

Nominee: Ronald D. Brooks
Banc One Capital Markets
Columbus, Ohio

Ronald D. Brooks is Chairman and Chief Executive Officer of Banc One Capital Corporation in Columbus, Ohio. He joined Banc One Capital in 1984. Prior to that time, he was with The Ohio Company. Mr. Brooks is a former member of the NASD District 8 Committee (1994 to 1996) and has served on several disciplinary panels. He holds a B.A. in International Studies from Ohio State University.

North Region (Districts 9 and 11)

Nominee: Richard J. DeAgazio
Boston Capital Services
Boston, Massachusetts

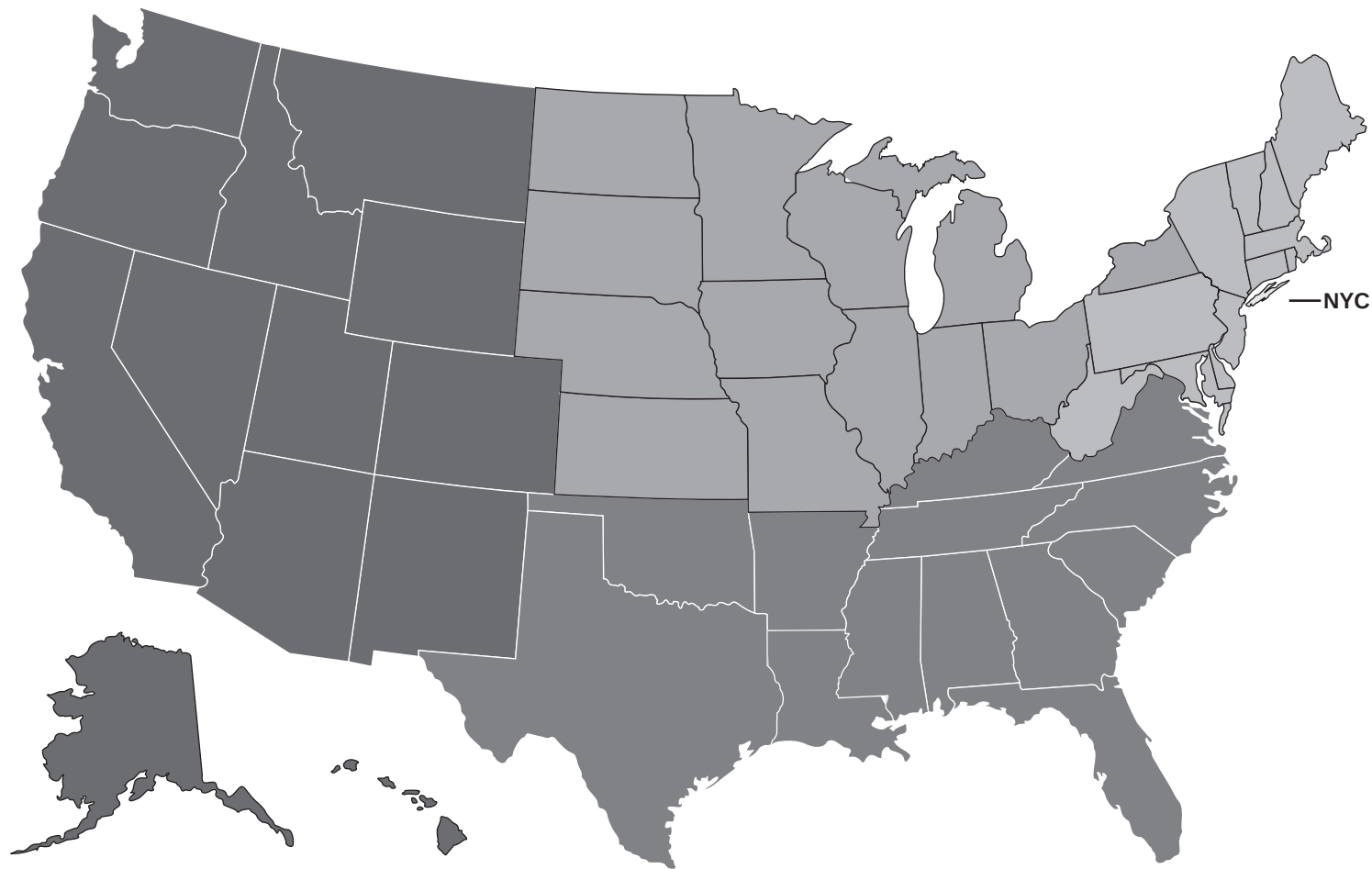
Richard J. DeAgazio is President of Boston Capital Services, Inc., and Executive Vice President of Boston Capital Corporation in Boston, Massachusetts. Mr. DeAgazio joined Boston Capital in 1982. Prior to that time, he was a Senior Vice President and Director of Exchange Securities, Inc. Mr. DeAgazio has served on several NASD committees and is a former member of the NASD Board of Governors (1992 to 1995). He holds a B.S./B.A. in Finance from Northeastern University.

New York (District 10)

Nominee: David A. DeMuro
Lehman Brothers
New York, New York

David A. DeMuro is Senior Vice President and Senior Counsel at Lehman Brothers, Inc. Mr. DeMuro joined Lehman Brothers in 1984. Prior to that time, he held various positions with the Securities and Exchange Commission in Detroit, Chicago, Los Angeles, and Washington, D.C. Mr. DeMuro is a current member of the NASD Membership Committee. He holds a B.A. from the University of Michigan and a J.D. from the University of Notre Dame.

Regional Map for National Adjudicatory Council Nominations



Region	Districts	No. Of Members
West	1, 2, 3a, 3b	1019
South	5, 6, 7	1117
Central	4, 8a, 8b	1040
North	9, 11	1182
New York City	10	1172