

Special NASD Notice to Members 98-80

Nominees For NASD Board Of Governors

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National Association of Securities Dealers, Inc. Notice Of Nominees

The Annual Meeting of members of the National Association of Securities Dealers, Inc. (NASD®) will be held on December 21, 1998. A notice of meeting, including the precise date, time, and location of the Annual Meeting, will follow on or about November 16, 1998.

The individuals nominated by the NASD National Nominating Committee for election on the NASD Board of Governors are identified in this document. Pursuant to Section 10 of Article VII of the NASD By-Laws, a person who has not been so nominated for election to the Board of Governors may be included on the ballot for the election of Governors if (a) within 45 days of the date of this *Notice* such person presents to the Secretary of the NASD petitions in support of such nomination duly executed by at least three percent of the members of the NASD (as of the date of this *Notice* the NASD has 5,575 members, the applicable three percent threshold is therefore 167 members), and (b) the Secretary certifies that such petitions have been duly executed by the Executive Representatives of the requisite number of members of the NASD and the person being nominated satisfies the classification of the governorship to be filled based on the information provided by the person as is reasonably necessary for the Secretary to make the certification.

Questions regarding this *Notice* may be directed to:

Joan C. Conley
Corporate Secretary
National Association of Securities Dealers, Inc.
1735 K Street, N.W.
Washington, D.C. 20006-1500
(202) 728-8381

or

T. Grant Callery
Senior Vice President and General Counsel
National Association of Securities Dealers, Inc.
1735 K Street, N.W.
Washington, D.C. 20006-1500
(202) 728-8285

The following persons (see attached profiles) have been nominated by the National Nominating Committee¹ to serve on the Board of Governors of the NASD for a term noted or until their successors are duly elected or qualified. Terms of office run from January to January.

INDUSTRY

Name	Term
E. David Coolidge, III Chief Executive Officer William Blair & Company, L.L.C.	1999-2002
James Dimon President, COO and Director of Travelers Group Chairman & Co-Chief Executive Officer of Salomon Smith Barney	1999-2002
Richard C. Romano ² President Romano Brothers & Company	1999-2002

NON-INDUSTRY

H. Furlong Baldwin Chairman Mercantile Bankshares Corporation	1999-2002
Eugene M. Isenberg Chairman and Chief Executive Officer Nabors Industries, Inc.	1999-2002
Arthur Rock Principal Arthur Rock & Co.	1999-2002
James F. Rothenberg President Capital Research and Management Company	1999-2002

Footnotes

¹ NASD National Nominating Committee—Committee Chair: Daniel P. Tully, Merrill Lynch & Co. Members: H. Furlong Baldwin, Mercantile Bankshares Corporation, Thomas Hale Boggs, Jr., Patton Boggs, L.L.P., John S. Chalsty, Donaldson, Lufkin & Jenrette, Inc., Alfred E. Osborne, Jr., UCLA, Richard C. Romano, Romano Brothers & Company. Committee members Romano and Baldwin did not participate in the committee deliberations concerning their nominations.

² An amendment to the NASD By-Laws reserving a position on the NASD Board of Governors (the Board) for a person associated with a firm having not more than 150 registered persons was approved by the members on September 14, 1998. That amendment is now pending approval by the Securities and Exchange Commission (SEC). The nomination of Mr. Romano to the Small Firm position on the Board anticipates but is not dependent on the SEC's approval. The NASD National Nominating Committee has determined that in the event SEC approval is not obtained by the time the proxy must be mailed to the membership, Mr. Romano will remain on the ballot as a candidate for one of the vacant Industry positions on the Board.

PUBLIC

Gerald R. Ford 38th President of the United States	1999-2000
Elaine L. Chao Distinguished Fellow The Heritage Foundation	1999-2002
Kenneth M. Duberstein Chairman and Chief Executive Officer The Duberstein Group	1999-2002
Donald J. Kirk Executive-in-Residence Columbia University	1999-2002
John D. Markese President American Assoc. of Individual Investors	1999-2002

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National Association of Securities Dealers, Inc.

Profiles Of Board Nominees

Nominees For Industry Governors

E. David Coolidge, III is Chief Executive Officer of William Blair & Company, L.L.C. Mr. Coolidge joined William Blair & Company in 1969 and was elected Chief Executive Officer of the firm in 1995. Mr. Coolidge currently serves on the Board of the Pittway Corporation, the Kellogg Graduate School of Management at Northwestern University, the University of Chicago, the Rush-Presbyterian-St. Luke's Medical Center, the Rush North Shore Medical Center, and the Better Government Association. Mr. Coolidge holds a B.A. from Williams College and an M.B.A. from the Harvard Graduate School of Business. Mr. Coolidge currently serves on the NASD Board of Governors (1996 to present) and is a member of the NASD Audit Committee.

James (Jamie) Dimon is President, Chief Operating Officer and Director of Travelers Group, and Chairman and Co-Chief Executive Officer of Salomon Smith Barney. Mr. Dimon joined the firm in 1986. He was appointed President of Travelers Group in 1991 and became Chief Operating Officer in 1993. He was named Chairman and Chief Executive Officer of Smith Barney in 1996. Mr. Dimon is on the Board of Trustees of New York University Medical Center, the Board of Directors of the Center on Addiction and Substance Abuse, the Board of Directors of Tricon Global Restaurants, Inc., and the Board of Directors of the Welfare to Work Partnership. Mr. Dimon holds a B.A. from Tufts University and an M.B.A. from Harvard University Graduate School of Business. He currently serves on the NASD Board of Governors (1996 to present) and is Chairman of the NASD Management Compensation Committee.

Richard C. Romano is President, Romano Brothers & Company, having joined the firm in 1964. Mr. Romano has served on the Industry/Regulatory Council for Continuing Education, the NASD District Committee and the NASD Board of Governors (1985 to 1988). Mr. Romano currently serves on the NASD National Nominating Committee and is Vice Chairman of the NASD Small Firm Advisory Board. He holds a B.S. from the University of Illinois and an M.S. and Ph.D. from the University of Delaware.

National Association of Securities Dealers, Inc.

Profiles Of Board Nominees

Nominees For Non-Industry Governors

H. Furlong Baldwin is Chairman of the Mercantile Bankshares Corporation; he was elected as Chairman in 1984. Mr. Baldwin joined Mercantile-Safe Deposit & Trust Company in 1956 and was elected President in 1970 of Mercantile-Safe Deposit & Trust Company and Mercantile Bankshares Corporation. Mr. Baldwin serves on the Boards of Baltimore Gas & Electric Company, Constellation Holdings, Inc., GRC International, Inc., Offitbank, Wills Group, and The St. Paul Companies. Mr. Baldwin graduated from Princeton University and served on active duty with the U.S. Marine Corps. Mr. Baldwin currently serves on the NASD National Nominating Committee (1998 to present).

Eugene M. Isenberg is Chairman and Chief Executive Officer of Nabors Industries, Inc., a position he has held since 1987. He serves as a Director of the American Stock Exchange and also Danielson Holding Corporation, an insurance holding company. From 1969 to 1982, Mr. Isenberg was Chairman of the Board and principal shareholder of Genimar, Inc., a steel trading and building products manufacturing company, which was sold in 1982. From 1955 to 1968, Mr. Isenberg was employed in various management capacities with the Exxon Corporation. Mr. Isenberg is the founder and principal sponsor of the Parkside School for children with learning disabilities and has established the Eugene M. Isenberg Scholarships at the University of Massachusetts where the School of Management is named after him. He was an instructor at Princeton University from 1951 to 1952 and served as an officer in the U.S. Navy from 1952 to 1955. Mr. Isenberg holds a B.A. from the University of Massachusetts and an M.A. from Princeton University in 1952. Mr. Isenberg completed the program for Senior Executives at M.I.T.

Arthur Rock is Principal of Arthur Rock & Co., a venture capital firm in San Francisco, California. Mr. Rock founded the firm in 1969. Prior to that time, he spent seven years as a general partner at Davis & Rock. He served as Chairman of the Board of Directors of Scientific Data Systems, Inc. from 1962 to 1969 (when they merged with Xerox Corporation); he was a Director of Xerox Corporation from 1969 to 1972; a member of the Executive Committee and Director of Teledyne, Inc. from 1961 to 1994; a Director of Apple Computer, Inc. from 1980 to 1993; and he is Founder, Past Chairman of the Board of Directors, Chairman of the Executive Committee and Lead Director of Intel Corporation. Mr. Rock serves on the Boards for Echelon and Air Touch Communications. He has been a member of the visiting committee at Harvard Business School and is a member of the Board of Trustees of the California Institute of Technology. Mr. Rock is involved in many cultural and civic organizations in the San Francisco area. He holds a B.S. from Syracuse University and an M.B.A. from Harvard University. Mr. Rock currently serves on the NASD Board of Governors (1998 to present).

James F. Rothenberg is President of Capital Research and Management Company. Mr. Rothenberg assumed the position of President and Director of Capital Research and Management Company in 1994, having joined the company in 1970. Mr. Rothenberg serves on the Boards of the Huntington Memorial Hospital, KCET (Public Television for Southern and Central California), and the Westridge School. Mr. Rothenberg holds a B.A. in English from Harvard College and an M.B.A. from Harvard Graduate School of Business. He currently serves on the NASD Board of Governors (1996 to present), The Nasdaq Stock Market® Board of Directors, the Nasdaq Listing Subcommittee, and the Management Compensation and Finance Committee.

National Association of Securities Dealers, Inc.

Profiles Of Board Nominees

Nominees For Public Governors

Gerald R. Ford served as 38th President of the United States. Before entering the Presidency in 1974, President Ford served as Vice President for nine months under President Richard Nixon. Prior to this, President Ford served in the U.S. House of Representatives for 25 and one-half years. Since leaving the White House in 1977, President Ford has lectured at many colleges and universities and participated in public policy forums and conferences. President Ford serves as an Advisor to the Board of the American Express Company and is a member of the Board of The Travelers Group. President Ford holds a B.A. from the University of Michigan and an LL.B. from Yale University Law School.

Elaine L. Chao was appointed a Distinguished Fellow at The Heritage Foundation in 1996. Prior to this, she was President and Chief Executive Officer of the United Way of America, Director of the Peace Corps, and Deputy Secretary of the U.S. Department of Transportation. She was also Vice President, Syndications, at Bank America Capital Markets Group. Ms. Chao is currently a Director of Dole Food Company, Inc., Vencor, Inc., and Protective Life Corporation. Ms. Chao holds an A.B. from Mt. Holyoke College and an M.B.A. from Harvard University Business School. Ms. Chao currently serves on the NASD Board of Governors (1996 to present) and the NASD Audit Committee.

Kenneth M. Duberstein is Chairman and Chief Executive Officer of The Duberstein Group. Prior to this, Mr. Duberstein served as Chief of Staff to President Ronald Reagan from 1988 to 1989. During President Reagan's two terms in office, Mr. Duberstein also served in the White House as Deputy Chief of Staff (1987), as well as both the Assistant and the Deputy Assistant to the President for Legislative Affairs (1981 to 1983). Mr. Duberstein currently serves on the Board of Governors of the American Stock Exchange and on the Board of Directors at the Boeing Company, Cingery Corporation, Federal National Mortgage Association, and The St. Paul Companies, Inc. He is Vice Chairman of the Kennedy Center for the Performing Arts. Mr. Duberstein holds an A.B. from Franklin and Marshall College and an M.A. from American University.

Donald J. Kirk is Executive-in-Residence at Columbia University, Graduate School of Business. Mr. Kirk became a Professor of Accounting at Columbia University in 1987 and served in that capacity until 1995 when he became an Executive-in-Residence at the school. Mr. Kirk served as a member of the Financial Accounting Standards Board from 1973 to 1987, serving as Chairman from 1978 to 1987. Mr. Kirk currently serves as a Director of General Re Corporation, as a Trustee of the Fidelity Group of Mutual Funds, and is a member of the Public Oversight Board of the American Institute of CPAs. Mr. Kirk is Chairman of the Board of Trustees of Greenwich Hospital and a Director of Yale-New Haven Health Services Corp. Mr. Kirk holds a B.A. from Yale University and an M.B.A. from New York University. Mr. Kirk currently serves on the NASD Board of Governors (1996 to present) and as the Chairman of the NASD Audit Committee.

John D. Markese is President of the American Association of Individual Investors. Mr. Markese holds a doctorate in Finance from the University of Illinois. Mr. Markese currently serves on the NASD Board of Governors (1996 to present), The Nasdaq Stock Market Board of Directors, and the Nasdaq Listing Subcommittee.

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Members of NASD Board of Governors with Terms Not Expiring in January 1999

Governors with Terms Expiring January 2000

Industry

Jon S. Corzine
Chairman and Chief Executive Officer
Goldman, Sachs & Co.

Kenneth J. Wessels
Senior Executive Vice President
Dain Rauscher Incorporated

Non-Industry

Arvind Sodhani
Vice President and Treasurer
Intel Corporation

Public

Nancy Kassebaum Baker
Retired United States Senator

Robert R. Glauber
Adjunct Lecturer
John F. Kennedy School
of Government
Harvard University

Governors with Terms Expiring January 2001

Industry

Herbert M. Allison
President and Chief Operating Officer
Merrill Lynch & Co., Inc

Frank E. Baxter
Chairman and Chief Executive Officer
Jefferies Group, Inc.

Donald B. Marron
Chairman and Chief Executive Officer
PaineWebber Group, Inc.

Todd A. Robinson
Chairman and Chief Executive Officer
LPL Financial Services

Non-Industry

Michael W. Brown
Retired Chief Financial Officer
Microsoft Corporation

Harry P. Kamen
Retired Chairman of the Board and
Chief Executive Officer
Metropolitan Life Insurance
Company

James S. Riepe
Vice Chairman
T. Rowe Price Associates, Inc.

Howard Schultz
Chairman and Chief Executive Officer
Starbucks Coffee Company

Public

Paul H. O'Neill
Chairman and Chief Executive
Officer
ALCOA

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