

For Your Information

Year 2000 Tips For Members Will Your Fax Machine Work?

As the millennium approaches, one of the areas all businesses should assess for Year 2000 readiness is their internal office equipment. Last month, *Notices to Members* provided information on how to check a PC (personal computer), and this month's tip for members involves preparing your fax machine for 2000.

Firms should first contact the manufacturer of the fax machine. Most manufacturers should be able to furnish a list of fax machines that they consider to be Year 2000 compliant. If the fax machine was purchased through a local dealer, the dealer should either provide the phone number of the manufacturer or the manufacturer's documentation detailing the specific machines considered Year 2000 compliant.

However, firms may also attempt to conduct a "self test" of the fax. By setting the fax machine to January 1, 2000, firms can test in advance of the coming century and see how the machine would operate on that date. First set the date on the fax machine to 12/31/99 and the time to 11:57 p.m. (if the machine works on military time, set it to 23:57). After setting the date and time and letting the date flip to 1/1/2000, turn off the fax machine for five minutes. After waiting five minutes, turn the fax machine back on. Then try to send and receive a fax. If firms are able to perform these two tasks successfully, that fax machine is probably ready for 2000.

Although tests like these are likely to uncover most problems, it is still a good idea to check with the manufacturer. Manufacturers should have the most accurate information on how their particular machines will operate in 2000.

Year 2000 Checklist

Following is an inventory list of areas businesses should be checking for Year 2000 readiness.

Internal:

- Hardware—workstations, servers, other computer systems.
- Software—general ledgers, accounts payable, spreadsheets, word processing, macros.
- Automated/embedded systems—modems, fax machines, copiers.
- Interfaces between items.

External:

- Customers/clients.
- Suppliers—delivery methods, supplies, utilities, computer/Internet services providers.

Third Party:

- Information providers and processing facilities—data vendors, banks, accountants, clearing firms, payroll vendors, insurance vendors.

Infrastructure:

- Physical access—elevators, sprinkler systems, security systems, card readers, telephone systems.
- Environmental—air conditioning controls, power generators, heating systems, back-up power supplies.
- General equipment—clocks, calendars, payroll time clocks, time/date stamps, copiers, bar code equipment.

End-User:

- Desktop applications, macros, etc., developed by end-users.

Amendments To Rule Regarding Equity Trader Exam

On April 1, 1998, NASD Regulation, Inc. (NASD RegulationSM) implemented amendments to the NASD Registration Rules requiring representatives who trade equity securities in The Nasdaq Stock Market[®] (Nasdaq[®]) and/or over-the-counter (OTC) to register and pass

the Equity Trader Examination (Series 55). Persons functioning as equity traders on or before April 1, 1998, were allowed to continue to function as equity traders but were required to pass the Series 55 by May 1, 2000. To be eligible for this extended qualification period, equity traders had to submit their applications to NASD Regulation before May 1, 1998.

The NASD now has amended its Registration Rules to extend the filing period to **August 31, 1998**, for persons who were functioning as equity traders before May 1, 1998, and who missed that cut-off date for filing their applications for the Series 55 examination.

Members must submit a page one of the Form U-4 and a letter that states the applicant was functioning as an equity trader before May 1, 1998 to: NASD Regulation
Qualifications Department
1390 Piccard Drive, 2nd Floor
Rockville, MD 20850

Persons who request this registration during this extended filing period may continue to function as equity traders until May 1, 2000, but must pass the Series 55 examination by that date.

Equity traders who are eligible for the extended filing period, but who fail to file their applications by the August 31, 1998, deadline must cease trading in the Nasdaq or OTC markets until they satisfy the qualification requirements.

For more information regarding the registration and qualification requirements for Nasdaq or OTC equity traders, refer to *Notices to Members 98-17* and *98-60* as well as *Head Trader Alert 1998-32*.

Questions regarding these requirements may be directed to Carole B. Hartzog at (301) 590-6696, Elaine P. Warren at (301) 590-6315, or Eva E. Cichy at (301) 208-2789.

Announcement - Upcoming District 4 Seminar

District 4 is hosting an upcoming Compliance/Continuing Education seminar on September 29, 1998. The "Preventive Compliance/Continuing Education Membership Seminar," will feature discussions on Internet supervisory and compliance issues; current enforcement and regulatory topics; and a continuing education update.

The conference will be held at the Radisson Plaza Hotel in Minneapolis, Minnesota and the registration deadline is September 14, 1998. To register or for more information, call Cheryl Hackathorn, NASD Regulation, at (816) 421-5700.

Correction To Notice To Members 98-59

In the July 1998 issue of *Notices to Members*, on page 428, the second paragraph under subhead **New Program For Principals** should read:

For purposes of NASD rules, the following registrations will be included in the principal category: Series 4 (Registered Options Principal); Series 8 (General Securities Sales Supervisor); **Series 24 (General Securities Principal)**; Series 26 (Investment Company Products/Variable Contracts Limited Principal); Series 27 (Financial and Operations Principal); Series 28 (Introducing Broker-Dealer Financial and Operational Principal); Series 39 (Direct Participation Programs Principal); Series 53 (Municipal Securities Prin-

cipal Qualification); and the Government Securities Principal (no series number).

Correction To July Disciplinary Actions Regarding Jacques Pessah

The July 1998 *Notices to Members* Disciplinary Actions regarding Jacques V. Pessah erroneously stated that Pessah submitted a Letter of Acceptance, Waiver, and Consent (AWC) pursuant to which he was censured and fined \$10,000. In fact, Pessah submitted an AWC pursuant to which he was censured and fined \$2,500.

Correction To December Disciplinary Actions Regarding Michael Jawitz

The December 1997 issue of *Notices to Members* erroneously stated information relating to findings on which the sanctions against Michael B. Jawitz (Registered Representative, North Miami Beach, Florida) were based. The sanctions against Jawitz were based on findings that he: (1) engaged in serious misconduct which involved the entry of numerous fictitious non-bona-fide orders into his employer's order execution system over a significant period of time; (2) caused the execution of numerous fictitious transactions which were reported through ACT to Nasdaq and which prevented the execution of customer limit orders; and (3) violated NASD Conduct Rules 2110 and 3310, and IM-2110-2. All allegations against Jawitz that he violated NASD Conduct Rule 2120 or acted with intent to manipulate or defraud were dismissed.

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