

# For Your Information

## **Closing Of Washington District Office**

A decision was made in June of last year to close the Washington, D.C. NASD Regulation<sup>SM</sup> District Office. That District Office officially closed its doors on January 31, 1998.

This notification is to advise readers that the functions of the former D.C. District Office have been divided between the Philadelphia and Atlanta NASD Regulation District Offices. Therefore, the Philadelphia Office (District 9) has now taken responsibility for member firms located in Maryland and the District of Columbia, while member firms located in Virginia have been reassigned to the Atlanta Office (District 7). Please be sure to direct any communications and mail to the appropriate NASD Regulation District Office. The addresses and numbers for both District Offices are displayed below:

NASD Regulation Atlanta  
District 7 Office  
3490 Piedmont Road, NE  
Atlanta, GA 30305  
(404) 239-6100  
Fax: (404) 237-9290

NASD Regulation Philadelphia  
District 9 Office  
11 Penn Center  
1835 Market Street, 19th Floor  
Philadelphia, PA 19103  
(215) 665-1180  
Fax: (215) 496-0434

## **Treasury Amends Certain Time Frame Restrictions For Auction Bidders**

On January 28, 1998, the Department of the Treasury (Treasury) issued a final amendment to 31 CFR Part 356 (Uniform Offering Circular for the Sale and Issue of Marketable Book-Entry Treasury Bills, Notes and Bonds). The final amendment incorporates a change in the time frame

for certain restrictions pertaining to bidders that bid noncompetitively in Treasury auctions. The amendment states that, between the date of the offering announcement and the time of the official announcement by Treasury of the auction results, a non-competitive bidder may not hold, at any time, a position for its own account in when-issued trading or in futures or forward contracts in the security being auctioned, or enter into any agreement to purchase or sell or otherwise dispose of the securities it is acquiring in the auction.

The final amendment can be found on page 4185 of the *Federal Register* published on January 28, 1998. The final amendment, and other recent proposed and final amendments to 31 CFR Part 356 and interpretations of the regulations, are available at the Bureau of the Public Debt's Internet site at the following address: [www.publicdebt.treas.gov](http://www.publicdebt.treas.gov).

For further information or questions, contact Treasury's Government Securities Regulations Staff, at (202) 219-3632.

## **Year 2000 Update**

According to recent industry research about the Year 2000 challenge, securities firm management should be fundamentally aware of this issue at this time. Industry experts have stated that by mid-1998, a typical securities firm should have a Year 2000 plan with these activities completed: review of all business aspects to determine where Year 2000 failures may occur; completion of an inventory of any replacement or renovations required; identification of costs and resources; and notification of suppliers and partners to assess and certify their Year 2000 readiness. The plan should also define how the firm will test or validate its Year 2000 readiness, including

options for participating in industry-wide testing, and contain contingency planning approaches.

NASD Regulation urges NASD® member firms to develop and implement action plans to achieve Year 2000 compliance. All member firms have a responsibility to analyze the readiness of their automated regulatory and compliance systems and make the changes needed for continued successful operation. The scope of Year 2000 plans should extend to all information technology systems (internal and external) used to conduct a securities business and other business support systems (*e.g.*, telephone, power, elevators, etc.).

Be aware that computer failures related to Year 2000 problems generally will not be considered a defense to violations of firms' regulatory or compliance responsibilities, nor a mitigation of sanctions for such violations.

### **Year 2000 To Be Featured At NASD Regulation Conference**

In response to members' requests for more Year 2000 information, discussion of Year 2000 issues will be a

prominent feature of this year's Spring Securities Conference, May 20-22, in Washington, D.C. On Wednesday, May 20, NASD Regulation will hold a pre-conference session devoted to the Year 2000 challenge and address such topics as best practices, legal issues, and industry testing. Additionally, a Year 2000 general session will be held on the last day of the Securities Conference—Friday, May 22—where participants from the NASD, Securities and Exchange Commission, and the securities industry will discuss regulatory and compliance issues of interest to NASD members.

Members will receive a conference brochure and registration materials through the mail later this month. Also, check the "Conferences and Events" section of the NASD Regulation Web Site ([www.nasdr.com](http://www.nasdr.com)) for conference updates.

### **For More Year 2000 Information**

Within the next few weeks, NASD Regulation will publish a *Notice to Members* outlining results of the Year 2000 survey sent to members at the end of last year. For further information about the Year 2000 challenge in

general and/or NASD's Year 2000 Program, see *NASD Notice to Members 98-22—Year 2000 Frequently Asked Questions*; visit our Year 2000 Web Pages on both the NASD Regulation Web Site ([www.nasdr.com](http://www.nasdr.com)) and the NASD Web Site ([www.nasd.com](http://www.nasd.com)); or contact Lyn Kelly at the NASD Year 2000 Program Office, at (301) 590-6342, or via e-mail at [y2k@nasd.com](mailto:y2k@nasd.com).

**The time to act is now! The deadline for Year 2000 compliance is December 31, 1999, and there are no extensions!**

### **Disciplinary Actions Correction**

The February 1998 issue of *Notices to Members* erroneously stated information relating to the sanction of Alan S. Daniel (Registered Representative, Holland, Pennsylvania). Daniel submitted an Offer of Settlement pursuant to which he was censured, fined \$10,000, and barred from association with any NASD member in any capacity.

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