

Special Notice to Members

DECEMBER 20, 2004

INFORMATIONAL

SUGGESTED ROUTING

Legal & Compliance

Operations

Registration

Senior Management

Nominees for the District Committee for District 10

KEY TOPICS

District Elections

Executive Summary

Article VIII, Section 8.32 of the NASD Regulation, Inc. By-Laws (the By-Laws) permits the Secretary of NASD Regulation, in extraordinary circumstances and with the approval of the NASD Executive Committee or the NASD Board of Governors, to adopt additional procedures for District Committee and District Nominating Committee elections.

Pursuant to this provision, the purpose of this *Special Notice to Members* is to inform the members of District 10 of additional procedures adopted on December 13, 2004 by the NASD Executive Committee to address the situation where a nominee, Tracy E. Calder, withdrew from further consideration for the District Committee for District 10. Ms. Calder withdrew following the September 16, 2004 *Special Notice* announcing the nominees for the District Committee for District 10 and prior to distribution of the contested election ballot.

The additional procedures for electing the members of the District Committee for District 10 include: (1) extending the timeframe for the Secretary of NASD Regulation to notify the Executive Representatives of NASD members and the District Committee of an amended slate of nominees when a candidate previously nominated by the District Nominating Committee has withdrawn from further consideration; (2) authorizing the District Nominating Committee to amend the slate of nominees to include an alternate nominee selected by the District Nominating Committee to replace a previously nominated candidate who has withdrawn from consideration; (3) requiring that the Secretary of NASD Regulation repeat the procedures as set forth in Article VIII of the By-Laws by

giving notice to the Executive Representatives of NASD members and the District Committee, not later than December 20, 2004, of the amended slate of nominees and identifying the requirements that an additional candidate must satisfy in order to contest the election; and (4) requiring that the ballot for the contested election be distributed after the time period has expired for any additional candidates to come forward to contest the election, and include on the ballot the names of any such additional candidates as well as that of the nominee who successfully gathered petitions as a result of the September 16, 2004 *Special Notice to Members*.

At its meeting on August 13, 2004, to select nominees for the District Committee for District 10, the District Nominating Committee for District 10 identified Vincent A. Buchanan as an alternate nominee in the event one of its nominees were to withdraw from further consideration. Identified in Attachment A is the amended slate of nominees, which includes Mr. Buchanan, who replaces Ms. Calder. Four of the individuals on the slate have been nominated for a three-year term on the District Committee for District 10, with terms commencing in January 2005. A fifth individual has been nominated to fill an existing vacancy on the District Committee for District 10 and will serve the remaining one-year term of this position, beginning in January 2005.¹

The members of District 10 are also notified that in connection with the initial slate of nominees that appeared in *Special Notice 04-67*, an individual, Howard Spindel, has come forward and satisfied the requirements of the By-Laws to contest the election for membership on the District Committee for District 10. The ballot for the contested election will be distributed after the time period has expired for any additional candidates to come forward to contest the election, as outlined below in the Contested Election Procedures.

If any individuals who have not been nominated for election to the District Committee for District 10 are interested in being considered for election, they may contest the election by following the procedures in Sections 8.20 and 8.22 of the By-Laws, as summarized below.

Contested Election Procedures

If an officer, director, or employee of an NASD member is interested in being considered an additional candidate, he/she must indicate his/her interest to the District Director by January 3, 2005. If an additional candidate or candidates come forward by that date, the Secretary of NASD Regulation will provide each additional candidate with a list of members who are eligible to vote in the District. In order to be considered for nomination, within 30 calendar days of receipt of the list of members eligible to vote, an additional candidate must submit a petition to the District Nominating Committee for District 10 with signatures from at least 10 percent of the Executive Representatives of members eligible to vote in the District.

Additional information pertaining to the District Election Procedures can be found in Article VIII of the By-Laws.

Questions/Further Information

Questions concerning this *Special Notice* may be directed to the District Director noted in Attachment A or to Barbara Z. Sweeney, Senior Vice President and Corporate Secretary, NASD, at (202) 728-8062 or via e-mail at: barbara.sweeney@nasd.com.

Endnote

- 1 Margaret Caffrey has been nominated to serve the remaining one-year term of Vicki Holleman, who resigned from the District Committee.

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

ATTACHMENT A

District 10

Hans Reich, Regional Director, New York Region

One Liberty Plaza, New York, NY 10006

(212) 858-4000

New York (the counties of Nassau and Suffolk, and the five boroughs of New York City)

District 10 Nominating Committee Chair

Judith R. MacDonald	Rothschild, Inc.	New York, NY
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District 10 Committee Nominees

Vincent A. Buchanan*		New York, NY
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Margaret M. Caffrey (1-Year Term)	Schonfeld & Company, LLC	Jericho, NY
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Clifford H. Goldman	Marco Polo Securities Inc.	New York, NY
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Jeffrey T. Letzler	Instinet, LLC	New York, NY
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Michael Santo	Banc of America Investment Services, Inc.	New York, NY
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* Mr. Buchanan is associated with nine broker-dealers within District 10 as a Financial and Operations Principal.