

Notice to Members

JANUARY 2005

SUGGESTED ROUTING

Legal and Compliance
Operations Managers
Senior Management

KEY TOPICS

Options Exemption
Trading Activity Fee

GUIDANCE

Trading Activity Fee

NASD Provides Updated Options Exemption Listing
for the Trading Activity Fee

Discussion

In 2003, the Securities and Exchange Commission (SEC) approved amendments to the NASD By-Laws establishing a Trading Activity Fee (TAF).¹ Among the covered securities excluded from the TAF are transactions in exchange-listed options effected by a member for which NASD is **not** the designated options examining authority (DOEA). Attached is an updated list of broker-dealers, effective January 1, 2005, for which NASD is **not** the DOEA. All member firms, other than those listed in Attachment A, are assessed a TAF on transactions they effect in exchange-listed options. As changes are required, a revised list will be published in a future *Notice to Members*.

Questions/Further Information

Questions concerning this *Notice* should be directed to NASD Finance at (240) 386-5397, or the Office of General Counsel, Regulatory Policy and Oversight, at (202) 728-8071.

Endnote

- 1 See SEC Order Approving Proposed Rule Change to Eliminate the Regulatory Fee and Institute a Transaction-Based Trading Activity Fee, Exchange Act Rel. No. 47946 (May 30, 2003), 68 FR 34021 (June 6, 2003) (SR-NASD-2002-148).

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2005 DOEA ALLOCATIONS — FIRMS NOT DESIGNATED TO NASD

Firm ID	SEC 8 - #	MPID	Firm Name	City	State
7537	8-21897	ANOS	ABEL NOSER CORP	NEW YORK	NY
15776	8-32746	CHGO	ABN AMRO INCORPORATED	CHICAGO	IL
13071	8-23522	BKBS	ADP CLEARING & OUTSOURCING SERVICES (Fleet securities)	NEW YORK	NY
10	8-21409	ADVS	ADVEST, INC.	HARTFORD	CT
5835	8-16555	BCOM	BAKER & CO., INCORPORATED	CLEVELAND	OH
26091	8-42263	BOFA	BANC OF AMERICA SECURITIES LLC	CHARLOTTE	NC
17066	8-32954	BCHW	BIRCHWOOD SECURITIES CORP.	MEDFORD	NJ
35693	8-46838	ECUT	BNY BROKERAGE INC.	NEW YORK	NY
104487		BBHC	BROWN BROTHERS HARIMAN	NEW YORK	NY
630	8-18333	CIBC	CIBC WORLD MARKETS CORP.	NEW YORK	NY
1588	8-17103	DAVA	DAVENPORT & COMPANY LLC	RICHMOND	VA
115740	8-53521	DOYL	DOYLE MILES & CO	NEW YORK	NY
41957	8-49647	DRKW	DRESDNER KLEINWORT WASSERSTEIN SECURITIES LLC	NEW YORK	NY
25025	8-41354	ETRS	E*TRADE CLEARING LLC	NEW YORK	NY
1781	8-09952	FAGI	FAGENSON & CO., INC.	NEW YORK	NY
7784	8-23292	FIBS	FIDELITY BROKERAGE SERVICES LLC	BOSTON	MA
298	8-02018	FACT	FIRST ALBANY CAPITAL INC.	ALBANY	NY
361	8-00129	GSCO	GOLDMAN, SACHS & CO.	NEW YORK	NY
7536	8-32215	WELC	H. G. WELLINGTON & CO., INC.	NEW YORK	NY
16686	8-34344	GKMC	HARRIS NESBITT GERARD, INC.-	NEW YORK	NY
396	8-17737	HAZL	HAZLETT, BURT & WATSON, INC.	WHEELING	WV
22062	8-39382	BRUS	HD BROUS & CO., INC.	GREAT NECK	NY
867	8-02671	WDSB	HELFANT GROUP, INC. (d/b/a JEFFERSON EXECUTION SERVICES)	NEW YORK	NY
28872	8-43978	INGB	ING FINANCIAL MARKETS	NEW YORK	NY
473	8-17530	JOLE	JOHNSTON, LEMON & CO. INCORPORATED	WASHINGTON	DC

Firm ID	SEC 8 - #	MPID	Firm Name	City	State
7720	8-23135	KBCO	KAHN BROTHERS & CO. INC.	NEW YORK	NY
505	8-17230	LTCO	LADENBURG, THALMANN & CO., INC.	NEW YORK	NY
566	8-30177	MDLD	MCDONALD INVESTMENTS INC.	CLEVELAND	OH
2764	8-28816	MSRO	MESIROW FINANCIAL, INC.	CHICAGO	IL
21520	8-41415	MDWD	MIDWOOD SECURITIES, INC.	NEW YORK	NY
47293	8-51750	MTCO	MILLER TABAK	NEW YORK	NY
4161	8-15001	MOKE	MORGAN KEEGAN & COMPANY, INC.	MEMPHIS	TN
2908	8-01068	NEUB	NEUBERGER BERMAN, LLC	NEW YORK	NY
14020	8-34354	SHMR	O'CONNOR & COMPANY	CHICAGO	IL
7671	8-22871	REND	REYNDERS, GRAY & CO., INCORPORATED	NEW YORK	NY
18377	8-24255	RBLT	ROSENBLATT SECURITIES INC.	NEW YORK	NY
8330	8-24971	SEAP	SEAPORT SECURITIES CORP.	NEW YORK	NY
3403	8-04024	SHRE	SHUFRO, ROSE & CO., LLC	NEW YORK	NY
6220	8-45123	SWST	SOUTHWEST SECURITIES, INC.	DALLAS	TX
3466	8-00526	SILK	SPEAR, LEEDS & KELLOGG, L.P.	NEW YORK	NY
3496	8-01927	SPHN	STEPHENS INC.	LITTLE ROCK	AR
791	8-11754	SALI	STERNE, AGEE & LEACH, INC.	BIRMINGHAM	AL
6670	8-17758	STOX	STOCKCROSS FINANCIAL SERVICES, INC.	BOSTON	MA
5133	8-15656	SPTW	STRASBOURGER PEARSON	NEW YORK	NY
6271	8-17212	STCM	SUNTRUST CAPITAL MARKETS, INC.	ATLANTA	GA
7870	8-23395	WATH	TD WATERHOUSE INVESTOR SERVICES, INC.	NEW YORK	NY
877	8-12987	WEDB	WEDBUSH MORGAN SECURITIES INC.	LOS ANGELES	CA
39310	8-48636	WEXS	WEXFORD CLEARING SERVICES, LLC	NEW YORK	NY
1252	8-02698	WBLR	WILLIAM BLAIR & COMPANY L.L.C.	CHICAGO	IL
8056	8-24126	YOSE	YORK SECURITIES, INC.	NEW YORK	NY