

Special Notice to Members

AUGUST 17, 2006

SUGGESTED ROUTING

Executive Representatives
Legal & Compliance
Operations
Registration
Senior Management

KEY TOPICS

District Elections

INFORMATIONAL

District Elections

Nominees for District Committee and District Nominating Committee

Executive Summary

The purpose of this *Special Notice to Members* is to announce the nominees for the District Committees and the District Nominating Committees.¹ The individuals identified in this *Special Notice* (see Attachment A) have been nominated for three-year terms² on the District Committees, and for one-year terms on the District Nominating Committees, starting in January 2007. These nominees will be considered duly elected on **September 1, 2006**, unless an election is contested in accordance with the procedures summarized below.

Also identified in Attachment A is the total number of candidates for the District Committee and/or the District Nominating Committee in each district. We appreciate the substantial interest shown by all of the candidates participating in the District Elections, and thank everyone for their continuing support of the self-regulatory process.

Contested Election Procedures

If an officer or director of, or individual who is registered with, an NASD member who meets the qualifications of Sections 8.2 or 8.9, as applicable, of the NASD Regulation By-Laws, has not been nominated by the District Nominating Committee as a candidate or alternate and wants to be considered for election to the District Committee or the District Nominating Committee, he or she must deliver a written notice to the District Director or Regional Director within 14 calendar days of the date of this *Special Notice*, or by **August 31, 2006**.

If an additional candidate or candidates come forward by **August 31, 2006**, the Corporate Secretary 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 with signatures from at least 10 percent of 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 NASD Regulation By-Laws.

Questions/Further Information

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

Endnotes

1. In addition to nominating a slate of candidates for each of these committees, each District Nominating Committee may nominate one alternate candidate for each committee. The nomination of alternate candidates is permitted under Section 8.17 of the NASD Regulation By-Laws. Attachment A identifies each District Nominating Committee's slate of nominees, plus alternate candidates (if any).
2. Some nominees are filling existing vacancies and therefore may serve less than a three-year term, as indicated on Attachment A.

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ATTACHMENT A

District Committee and District Nominating Committee Nominees

District 1

Debra J. Pohlson, Acting District Director

525 Market Street, Suite 300, San Francisco, CA 94105-2711

(415) 882-1203

(415) 546-6991 Fax

Northern California (the counties of Monterey, San Benito, Fresno and Inyo, and the remainder of the state north or west of such counties), northern Nevada (the counties of Esmeralda and Nye, and the remainder of the state north or west of such counties) and Hawaii

2006 District Nominating Committee Chair

Nicholas C. Cochran

American Investors Company

San Ramon, CA

Number of Candidates: 23

District 1 Nominees

Leonard Berry

Backstrom McCarley Berry & Co., LLC

San Francisco, CA

Scott Cook

Charles Schwab & Co., Inc.

San Francisco, CA

James Williams

Financial Telesis, Inc.

San Rafael, CA

Alternate Candidate

Christopher Aguilar

Merriman Curhan Ford & Co.

San Francisco, CA

District 1 Nominating Committee Nominees

William A. Evans

Stone & Youngberg, LLC

San Francisco, CA

Gerard P. Gloisten

GBS Financial Corporation

Santa Rosa, CA

William P. Hayes

Wells Fargo Investments, LLC

San Francisco, CA

Francis X. Roche II

RBC Dain Rauscher, Inc.

San Francisco, CA

William Svoboda

Morgan Stanley

Palo Alto, CA

Alternate Candidate

Warren Gordon

Charles Schwab & Co., Inc.

San Francisco, CA

District 2

Lani M. Sen Woltmann, District Director

300 South Grand Avenue, Suite 1600, Los Angeles, CA 90071-3126

(213) 613-2601

(213) 617-3156 Fax

Southern California (that part of the state south or east of the counties of Monterey, San Benito, Fresno and Inyo), southern Nevada (that part of the state south or east of the counties of Esmeralda and Nye) and the former U.S. Trust Territories

2006 District Nominating Committee Chair

Don Dalis

UBS Financial Services, Inc.

Newport Beach, CA

Number of Candidates: 28

District 2 Nominees

Benjamin J. Prince

Banc of America Investment Services

Newport Beach, CA

Jeffrey P. Shackett

RH Investment Corp.

Encino, CA

Craig R. Watanabe

Western International Securities

Pasadena, CA

Alternate Candidate

Maureen M. Maloney

Associated Securities Corp.

Los Angeles, CA

District 2 Nominating Committee Nominees

M. LaRae Bakerink

WBB Securities, LLC

San Diego, CA

Stephen B. Benton

Financial Network Investment Corp.

El Segundo, CA

Don S. Dalis

UBS Financial Services, Inc.

Newport Beach, CA

James M. Dillahunty

Fixed Income Securities, LLC

San Diego, CA

Neal E. Nakagiri

NPB Financial Group, LLC

Burbank, CA

Alternate Candidate

Diane P. Blakeslee

Blakeslee & Blakeslee, Inc.

San Luis Obispo, CA

District 3

Joseph M. McCarthy, District Director

370 17th Street, Suite 2900
Denver, CO 80202-5629

(303) 446-3100

(303) 620-9450 Fax

*Arizona, Colorado, New Mexico, Utah
and Wyoming*

Michael E. Lewis, District Director

601 Union Street, Suite 1616
Seattle, WA 98101-2327

(206) 624-0790

(206) 623-2518 Fax

Alaska, Idaho, Montana, Oregon and Washington

2006 District Nominating Committee Chair

Bridget M. Gaughan

AIG Financial Advisors, Inc.

Phoenix, AZ

Number of Candidates: 28

District 3 Nominees

James Cannon

AIG Financial Advisors, Inc.

Phoenix, AZ

Patrick Elliott

RBC Dain Rauscher

Bainbridge Island, WA

Chester Hebert

CIM Securities, LLC

Greenwood Village, CO

Alternate Candidate

Elyssa Baltazar

Citigroup Global Markets, Inc.

Denver, CO

District 3 Nominating Committee Nominees

Bridget Gaughan

AIG Financial Advisors, Inc.

Phoenix, AZ

John Goodwin

Goodwin Browning & Luna Securities, Inc.

Albuquerque, NM

Curtis Hammond

Morgan Stanley DW Inc.

Bellevue, WA

J. Keith Kessel

AFS Brokerage, Inc.

Greenwood Village, CO

Arlene Wilson

D.A. Davidson

Great Falls, MT

District 4

Thomas D. Clough, District Director

120 W. 12th Street, Suite 800, Kansas City, MO 64105

(816) 421-5700

(816) 421-5029 Fax

Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota

2006 District Nominating Committee Chair

Jeffrey A. Schuh Residential Funding Securities Corporation Minneapolis, MN

Number of Candidates: 33

District 4 Nominees

Kenneth M. Cherrier ¹	Fintegra, LLC	Minneapolis, MN
Richard D. Link	Edward Jones	St. Louis, MO
Daniel J. May	Financial Network Investment Corporation	Minneapolis, MN
Arthur S. Montgomery ²	Walnut Street Securities, Inc.	St. Louis, MO

Alternate Candidate

Jo Ann Zellmer	Northland Securities, Inc.	Minneapolis, MN
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District 4 Nominating Committee Nominees

Robert M. Chambers	A.G. Edwards & Sons, Inc.	West Des Moines, IA
Joseph D. Fleming	RBC Dain Rauscher Inc.	Minneapolis, MN
Mark T. Lasswell	Wells Fargo Brokerage Services, LLC	Minneapolis, MN
Kevin P. Maas	PrimeVest Financial Services, Inc.	St. Cloud, MN
Stephen S. Soden	Country Club Financial Services, Inc.	Mission Woods, KS

- 1 Mr. Cherrier has been nominated to serve the remaining year of the term of Stephen R. Oliver, who has resigned from the District Committee.
- 2 Mr. Montgomery is currently serving the remaining year of the term of Richard M. Hurwitz, who resigned from the District Committee. Mr. Montgomery has been nominated to serve a three-year term on the District Committee, commencing January 2007.

District 5

Keith E. Hinrichs, District Director

1100 Poydras Street, Energy Centre, Suite 850, New Orleans, LA 70163-0802

(504) 522-6527

(504) 522-4077 Fax

Alabama, Arkansas, Louisiana, Mississippi, Oklahoma and Tennessee

2006 District Nominating Committee Chair

John J. Dardis

Jack Dardis & Associates, Ltd.

Metairie, LA

Number of Candidates: 27

District 5 Nominees

Hal J. Brown

BOSC, Inc.

Oklahoma City, OK

Michael J. Mungenast

ProEquities, Inc.

Birmingham, AL

Gary K. Wunderlich, Jr.

Wunderlich Securities, Inc.

Memphis, TN

Alternate Candidate

Rush F. Harding, III

Crews & Associates, Inc.

Little Rock, AR

District 5 Nominating Committee Nominees

John J. Dardis

Next Financial Group, Inc.

Metairie, LA

Henry M. Fyfe, III

Duncan-Williams, Inc.

Memphis, TN

Charles C. Hollinger, Jr.

Johnson Rice & Company, LLC

New Orleans, LA

Carolyn R. May

Simmons First Investment Group, Inc.

Little Rock, AR

R. Patrick Shepherd

Avondale Partners, LLC

Nashville, TN

Alternate Candidate

Donald (Don) Winton

Crews & Associates, Inc.

Little Rock, AR

District 6

Virginia F. M. Jans, Regional Director, South Region

12801 N. Central Expressway, Suite 1050, Dallas, TX 75243

(972) 701-8554

(972) 716-7646 Fax

Texas

2006 District Nominating Committee Chair

V. Keith Roberts	Stanford Group Company	Houston, TX
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Number of Candidates: 33

District 6 Nominees

Kennard (Ken) R. George	VSR Financial Services, Inc.	Dripping Springs, TX
William C. Rea	Banc of America Investment Services, Inc.	Dallas, TX
Fenner R. Weller, Jr.	Weller Anderson & Co., Ltd.	Houston, TX

Alternate Candidate

Joan H. (Dorothy) Peurifoy	Financial Network Investment Corporation	Dallas, TX
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District 6 Nominating Committee Nominees

Karen Banks	Frost Brokerage Services, Inc.	San Antonio, TX
Cynthia E. Besek	Maplewood Investment Advisors, Inc.	Dallas, TX
William D. Felder	Southwest Securities, Inc.	Dallas, TX
Brent T. Johnson	Multi-Financial Securities Corporation	Houston, TX
John R. Muschalek	First Southwest Company	Dallas, TX

Alternate Candidate

Sennett Kirk, III	Kirk Securities Corporation	Denton, TX
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District 7

Daniel J. Stefek, District Director

One Securities Centre
3490 Piedmont Road, NE, Suite 500
Atlanta, GA 30305

(404) 239-6128

(404) 237-9290 Fax

Georgia, North Carolina and South Carolina

Mitchell C. Atkins, District Director

Crystal Corporate Center
2500 N. Military Trail, Suite 302
Boca Raton, FL 33431

(561) 443-8010

(561) 443-7995 Fax

Florida, Puerto Rico, the Canal Zone and the Virgin Islands

2006 District Nominating Committee Chair

Roark A. Young

Young, Stovall & Company

Miami, FL

Number of Candidates: 37

District 7 Nominees

Jed E. Bandes	Mutual Trust Company of America Securities	Clearwater, FL
Valerie G. Brown	Multi-Financial Services Corporation	Atlanta, GA
Raymond H. Smith, Jr. ³	Smith, Brown & Groover, Inc.	Macon, GA
Dennis W. Zank	Raymond James & Associates, Inc.	St. Petersburg, FL

Alternate Candidate

Thomas A. Kicak	SunTrust Capital Markets, Inc.	Atlanta, GA
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District 7 Nominating Committee Nominees

Susan J. Hechtlinger	Banc of America Investment Services, Inc.	Charlotte, NC
Landrum H. Henderson, Jr.	Stephens, Inc.	Charlotte, NC
Dennis S. Kaminski	Mutual Service Corporation	West Palm Beach, FL
James A. Klotz	FMSBonds, Inc.	North Miami Beach, FL
Alan L. Maxwell	Wachovia Capital Markets, LLC	Charlotte, NC

Alternate Candidate

Kenneth W. McGrath	Popular Securities, Inc.	San Juan, PR
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³ Mr. Smith has been nominated to serve the remaining year of the term of Erick R. Holt, who has resigned from the District Committee.

District 8

Carla A. Romano, Regional Director, Midwest Region

55 West Monroe Street, Suite 2700, Chicago, IL 60603-5052

(312) 899-4324

(312) 899-4399 Fax

Illinois, Indiana, Kentucky, Michigan, Ohio and Wisconsin

2006 District Nominating Committee Chair

Carol P. Foley

Podesta & Company

Chicago, IL

Number of Candidates: 47

District 8 Nominees

Joel R. Blumenschein

Freedom Investors Corp.

Hartland, WI

Thomas A. Bono

David A. Noyes & Company

Oak Park, IL

Steven J. Greenwald

Telemus Investment Brokers, LLC

Southfield, MI

Alternate Candidate

Lloyd A. Wennlund

Northern Trust Securities, Inc.

Chicago, IL

District 8 Nominating Committee Nominees

George E. Bates

Bates Securities, Inc.

Rockford, IL

Michael E. Bosway

City Securities Corporation

Indianapolis, IN

Mari Buechner

Coordinated Capital Securities, Inc.

Madison, WI

Ruth C. Hannenberg

Mesirow Financial, Inc.

Chicago, IL

Robert J. Michelotti

Ferris, Baker Watts Incorporated

Auburn Hills, MI

Alternate Candidate

G. Donald Steel

Planned Investment Co., Inc.

Indianapolis, IN

District 9

Gary K. Liebowitz, Regional Director, North Region

581 Main Street, 7th Floor
Woodbridge, NJ 07095

(732) 596-2025

(732) 596-2001 Fax

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

James J. Flicker, Associate District Director

1835 Market Street, Suite 1900
Philadelphia, PA 19103

(215) 665-1180

(215) 963-7442 Fax

Delaware, the District of Columbia, Maryland, Pennsylvania, Virginia and West Virginia

2006 District Nominating Committee Chair

Michael B. Row	Pershing LLC	Jersey City, NJ
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Number of Candidates: 28

District 9 Nominees

Wayne F. Holly ⁴	Sage, Ruty & Co., Inc.	Rochester, NY
James J. Rabenstine	PNC Investments LLC	Pittsburgh, PA
Timothy L. Smith	Comprehensive Asset Management & Servicing, Inc.	Parsippany, NJ

Alternate Candidate

James Clements	Park Avenue Securities LLC	Bethlehem, PA
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District 9 Nominating Committee Nominees

A. Louis Denton	Peterson Investments, Inc.	Blue Bell, PA
Peter P. Jenkins	Credit Suisse Securities (USA) LLC	Baltimore, MD
W. Dean Karrash	Burke, Lawton, Brewer & Burke	Spring House, PA
Gregg A. Kidd	Pinnacle Investments Inc.	East Syracuse, NY
Harold N. Peremel	Mercantile Brokerage Services, Inc.	Baltimore, MD

Alternate Candidate

Kimberly Tillotson Fleming	Hefren-Tillotson, Inc.	Pittsburgh, PA
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⁴ Mr. Holly is currently serving the remaining year of the term of Barry M. Cash, who resigned from the District Committee. Mr. Holly has been nominated to serve a three-year term on the District Committee, commencing January 2007.

District 10

Hans L. Reich, Regional Director, New York Region

One Liberty Plaza
49th Floor, 165 Broadway
New York, NY 10006

(212) 858-4180

(212) 858-4078 Fax

Patricia Cappeto, Deputy District Director Long Island Office

Two Jericho Plaza
2nd Floor, Wing A
Jericho, NY 11753

(516) 949-4200

(516) 949-4201 Fax

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

2006 District Nominating Committee Chair

Jennifer A. Connors

Lehman Brothers Inc.

New York, NY

Number of Candidates: 23

District 10 Nominees

Alfred R. Berkeley, III

Pipeline Trading Systems LLC

New York, NY

Kathryn G. Casparian

CIBC World Markets Corp.

New York, NY

Jonathan S. Hurd

Terwin Capital, LLC

New York, NY

Craig B. Jampol⁵

Caris & Company

New York, NY

James D. Lamke

Bear, Stearns & Co. Inc.

New York, NY

Alternate Candidate

George Mandl

ITG Inc.

New York, NY

District 10 Nominating Committee Nominees

Margaret M. Caffrey

Schonfeld & Company, LLC

Jericho, NY

Lon T. Dolber

American Portfolios Financial Services, Inc.

Holbrook, NY

George T. Mimura

Nomura Securities International, Inc.

New York, NY

Richard J. Paley

Carey Financial Corporation

New York, NY

Howard R. Plotkin

Lehman Brothers Inc.

New York, NY

Alternate Candidate

Judith R. MacDonald

Rothschild Inc.

New York, NY

⁵ Mr. Jampol has been nominated to serve the remaining year of the term of Jeffrey T. Letzler, who has resigned from the District Committee.

District 11

Frederick F. McDonald, Jr., District Director

99 High Street, Suite 900, Boston, MA 02110

(617) 532-3401

(617) 451-3524 Fax

Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont

2006 District Nominating Committee Chair

Mark R. Hansen

Alta Capital Group, LLC

Boston, MA

Number of Candidates: 21

District 11 Nominees

Michael E. Callaghan

Harvest Capital Advisors, LLC

Wethersfield, CT

Stephen L. Schardin

Charles River Brokerage, LLC

Burlington, MA

Therese M. Squillacote

ING Financial Advisers, LLC

Hartford, CT

Alternate Candidate

Steven D. Martino

Detwiler, Mitchell, Fenton, and Graves, Inc.

Boston, MA

District 11 Nominating Committee Nominees

David K. Booth

Jefferson Pilot Securities Corp.

Concord, NH

Mark R. Hansen

Alta Capital Group, LLC

Boston, MA

Thomas F. Hollenbeck

National Financial Services, LLC

Boston, MA

Thomas J. Horack

Sun Life Financial Distributors

Wellesley Hills, MA

Wilson G. Saville

Barrett & Company

Providence, RI

Alternate Candidate

Curtis L. Snyder, Jr.

American Technology Research, Inc.

Greenwich, CT