THE NASDAQ STOCK MARKET, INC.

NASDAQ

<u>Attn: Manager P&S Dept./Traders/Cashier/Manager Reorganization/Manager Dividends</u>
<u>UNIFORM PRACTICE DIVISION ADVISORY (UPC # 039-97) May 30, 1997</u>

<u>Amendments to NASD Rules 11580 and 11870</u>

On May 8, 1997 the Securities and Exchange Commission (SEC) approved amendments to Rule 11580 (formerly Section 73) and Rule 11870 (formerly Section 65) of the Uniform Practice Code relating to a member's use of standard transfer forms when transferring limited partnership securities.

The amendment to Rule 11580 provides for an exemption, for good cause, for a member to modify the standard transfer forms for limited partnership securities.

The amendment to Rule 11870 requires members to use the standard transfer forms to transfer limited partnership securities in customer accounts when transferring such accounts to another member.

The new amendments became effective immediately following SEC approval.

Members are advised to review their internal operational procedures to provide for compliance with the amendments, the text of which is provided below.

11580. <u>TRANSFER OF LIMITED PARTNERSHIP SECURITIES</u>

(a) The Corporate Financing Department may, pursuant to a written request for good cause shown, grant an exemption from the requirements of subparagraph (a) to permit a member to modify the standard transfer forms for the transfer of limited partnership securities where necessary to meet other regulatory requirements or to otherwise facilitate the transfer of the securities.

11870. <u>CUSTOMER ACCOUNT TRANSFER CONTRACTS</u>

<u>(n) Transfers Accomplished Ex-Clearing</u>

(a) Members must use the transfer instructions and provide the reports prescribed by the Association when accomplishing account transfers pursuant to this Rule. The Association deems the transfer instruction and reports required by the National Securities Clearing Corporation (NSCC) in connection with its automated customer account transfer system, and transfer instructions and reports that are substantially similar to those required by the NSCC as acceptable for the purpose of accomplishing transfers of accounts under this Rule; <u>provided, however, that members must use the Standardized Transfer Forms required under Rule 11580 to transfer limited partnership securities unless exempted from the requirements of that rule</u>.

Questions regarding this notice should be directed to: Market Data Integrity Dept., (203) 375-9609. Attn: O'Neil Blake, Manager.

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