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NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC., 1707 H ST., N.W., WASHINGTON, D. C.

SEC STUDY REPORT DISCUSSED BY BOARD

The NASD Board of Governors held its Fall meeting September 24-26 at Pebble Beach, California, where, among other subjects, the recently completed SEC Special Study of the Securities Markets received particular attention.

Several of the NASD's Standing Committees—the Quotations Committee, the Investment Companies Committee, the Qualifications Examination Committee and the National Business Conduct Committee—had held meetings prior to the assembling of the full Board and presented reports of their discussions concerning the most significant problems posed in these areas by the Study Group recommendations.

Hudson B. Lemkau, Vice-Chairman of the Board, presided at the meeting. Mr. Lemkau emphasized afterward that while the Governors had not formed a definite position on all of the Special Study recommendations, they had discussed at length Chapter VII on Quotations and Chapter XII on the internal organization of the NASD. (See story on Quotations on page 3.) He pointed out that the Board had also concerned itself with the most efficient and thorough method of intensely reviewing the vast number of other recommendations not requiring changes in present law which were made by the study on diverse and complex areas of the business.

Mr. Lemkau stated that any Association position regarding the Study Group recommendations is naturally preceded by detailed dis-

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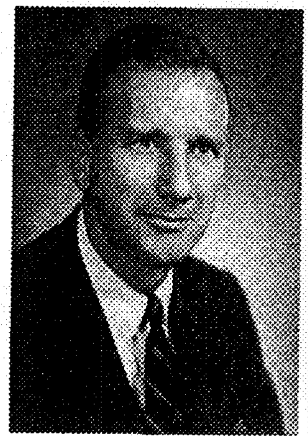
HAACK, MILLER, DAYTON, SEVERANCE, FULTON TO BE NEW OFFICERS OF THE BOARD IN 1964



Robert W. Haack

Robert R. Miller

John W. Dayton, Jr.

Craig Severance

Wallace H. Fulton

A nominating committee composed of the senior members of the NASD Board of Governors has selected Robert W. Haack of Milwaukee, Vice-President of Robert W. Baird & Co., Inc., to be the 1964 Chairman of the 21-man governing body of the Association. Mr. Haack will be the third member of his firm to serve as NASD Chairman, the other two being Robert Baird in 1941 and Clarence Bickel in 1952.

Robert R. Miller, a partner of Hornblower & Weeks in Los Angeles, and John W. Dayton, Jr., Vice-President of Clark, Dodge & Co., Inc., in New York, were nominated for Vice-Chairmen of the Board. Craig Severance, a partner of New York Securities Co., New York, was named for the position of Treasurer. Wallace H. Fulton, NASD's Executive Director for the past 24 years, was again nominated for this post.

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BOARD MEETING Continued from Page

cussions with the SEC so that final action both reflects the best interest of the securities business and the public.

The SEC has established groups within the Commission to discuss the Study Group recommendations with the industry. Mr. Lemkau said that small working committees of Governors and other industry experts are being appointed as the need arises to carry on these discussions with the SEC implementation group in the areas of retail and wholesale quotations, qualifications for persons and firms entering the business and sale of investment company shares. The first of these exploratory meetings on the subject of quotations was held on October 9 with the SEC staff. Another discussion between the Commissioners and representatives of the NASD, NYSE and IBA followed on October 10. In addition, Mr. Lemkau stated that the Board will continue consideration of its own program of By-Laws revision in conjunction with its review of the Study Group recommendations.

This past summer, representatives of the Association participated in numerous discussions with the SEC prior to the submission of the Commission's proposed legislative package to Congress which was based on the recommendations contained in the first four chapters of the report. At the June hearings of the Securities Subcommittee of the Senate Banking and Currency Committee, the NASD supported the SEC proposals embodied in S-1642 which has now passed the Senate and awaits consideration by the House. House hearings are expected to take place November 19-21.

NEW SEC SECURITIES LEGISLATION PACKAGE PASSED SENATE, STALLED IN HOUSE COMMITTEE

Testifying in support of SEC proposed legislation at Senate Committee hearings this summer are left to right, A. Jackson Goodwin, NASD Governor; Wallace Fulton, Executive Director; Marc White, General Counsel; Hudson Lemkau, Vice-Chairman; Avery Rockefeller, past Chairman and Robert Haack, Governor.

1964 NASD ASSESSMENT BASED ON OTC SALES

Members were recently informed that the basis for assessments will be revised for the fiscal year beginning in the latter part of 1964.

Assessment reports to be filed for the nine months ended June 30, 1964 will require reporting for the first time of gross dollar amount of over-the-counter sales of securities.

Gross sales are defined to include all sales in which the reporting member acts as principal and all sales *for* customers in which the reporting member acts as agent. Securities purchased for the account of a customer are not considered as sales for the purpose of this reporting. Also, securities purchased from a customer for a firm's own account are to be excluded from the report of gross sales.

Gross sales of investment company shares by sponsors or underwriters and all other underwritings will continue to be reported on the same basis as in past years.

Exempted securities as defined in the Securities Exchange Act should not be reported. Redemptions of mutual fund shares and matured or called bonds handled for customers are not considered to be sales and are to be excluded from amounts to be reported.

Reinvestment of dividends in shares of investment companies are also to be excluded from amounts reported by dealers, regardless of whether they receive commissions or not.

Over-the-counter sales of listed securities, foreign securities and any systematic accumulation plan for shares of investment companies (actual payments into the plan, not the full face value of the contract) must be included.

Each NASD member should advise his accounting department of this new procedure so that any necessary changes in present methods can be put into effect immediately to acquire this additional information.

NASD BOARD TAKES FIRM STAND AGAINST STUDY REPORT SUGGESTIONS ON QUOTATIONS

A firm stand against the publishing of wholesale quotations, as suggested in the SEC Special Study Report, has been taken by the NASD Board of Governors after thorough discussion of the subject at the recent Board Meeting and subsequent industry conferences.

Four Governors, representing the 21-man Board, held an all-day exploratory meeting on October 9 with key Commission staff people and expressed the NASD position that publication of wholesale markets would destroy established OTC merchandising concepts and drastically affect the liquidity and depth in many security issues.

The NASD representatives stated that the merchandising nature of the over-the-counter securities market was completely different from the auction-type market for listed securities, and the separate functions performed by the retail and wholesale segments of the OTC business were each of vital importance to the continued availability of investment opportunity for the public. The Governors viewed the publication of wholesale quotations as neither serving the best interest of the public nor the industry if the predictable result would hamper present retailing operations and the flow of capital into new business ventures.

At the time Chapter VII of the Study Group Report was released, SEC Chairman William Cary stated that the Commission itself, while in agreement with some of the quotations recommendations, was not prepared on the basis of the work done so far, to determine the acceptability of those recommendations pertaining to publishing wholesale markets and making available inter-dealer quotations systems to the public.

He said in a letter to Representative Oren Harris, Chairman of the House Interstate and Foreign Commerce Committee, "The remaining recommendations call for exploration, study or action with respect to new regulatory concepts which could be expected to change, in some respects quite drastically, the existing methods of pricing securities in over-the-counter retail transactions and the operating procedures which have evolved in conducting that market. The Commission is not prepared to determine which of these concepts, if any, should replace those so far applied in the discharge of our obligations under the Act. Certainly, at this juncture, it would be impossible for the Commission to judge with assurance or certainty what the ultimate and total effect these suggestions might have upon the markets and the broad and essential functions they perform. We view these subjects as appropriate for discussion with our staff and with the industry."

Meetings held so far between NASD representatives and SEC Commissioners and staff have been exploratory in nature. Additional conferences, in which these and other Study Group recommendations will be discussed in depth, are planned for the near future.

COMPLETE SEC STUDY REPORT AVAILABLE

[illegible] House Document 95 [illegible]

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Chapter XIV, House Document 95 ... $.55

Order from the Government Printing Office, 710 N. Capitol Street N.W., Washington, D.C.

14 STATES PARTICIPATE IN NASD PROGRAM

Fourteen states are now accepting the NASD qualification examination as either partial or total fulfillment of their requirements for registration of securities salesmen.

Since July, Oklahoma, Illinois, Texas and Iowa have adopted this policy.

Beginning in November, candidates in Missouri may take the State Law Examination, required by the state, at the NASD Examination Centers in St. Louis and Kansas City.

The NASD Qualification Examination Department has been working closely with other states, not now in the Association program, to achieve a goal of complete coordination so that candidates for registered representative may fulfill all of their examination requirements, NASD, NYSE, AMEX and State at a single sitting at one of the NASD centers.

For the first nine months of this year, 8,399 candidates have been examined for NASD qualification. Failure rates for the period have improved—for the first six months of the year the failure rate was 31.3% and for the most recent three months, it has been 29.6%.

An analyses of examinations pointing up those areas in which an applicant did poorly, is now being included on the reverse side of failure notices sent to each candidate who has not passed the test. This failure analyses is intended to aid the candidate in subsequent study and review as he prepares to retake the examination.

Two new examination centers, one in Tallahassee, Florida and the other in Juneau, Alaska, will be available to applicants beginning in November. This brings the total number of NASD centers to 69 throughout the fifty states and Puerto Rico.

250 OFFICERS AND RR'S ATTEND MEMBERSHIP MEETINGS

Membership meetings held this Summer by Districts 2, 4 and 9, in Honolulu, St. Louis and Toledo were attended by some 250 principals and officers of NASD member firms.

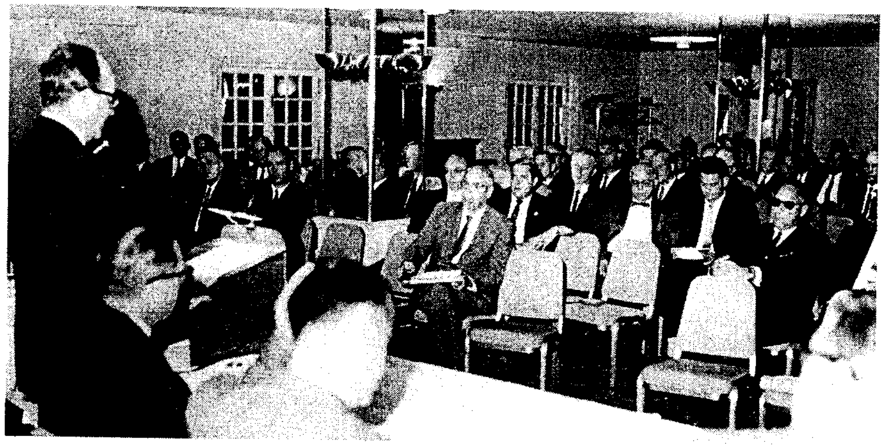
At the Hawaiian meeting on July 9, the second held for Association members in the Islands, District Chairman Frank Bowyer, Committeemen Paul Duggan and Richard F. Guard, along with District Secretary George Durfey, presented a fast paced two-hour review of Association rules and policies for the more than 85 in attendance. A practical and helpful question and answer period concluded the meeting and copies of all NASD literature were distributed and carefully explained.

More than 100 representatives of NASD members in a four-state area attended the St. Louis meeting on July 31. Principal speakers were John Bunn, Governor from District 4, who discussed the proposed SEC securities legislation, and Edward R. Gilleran, chief of NASD examiners and compliance at the Executive Office, who traced the development and evolution of the NASD and Association policies.

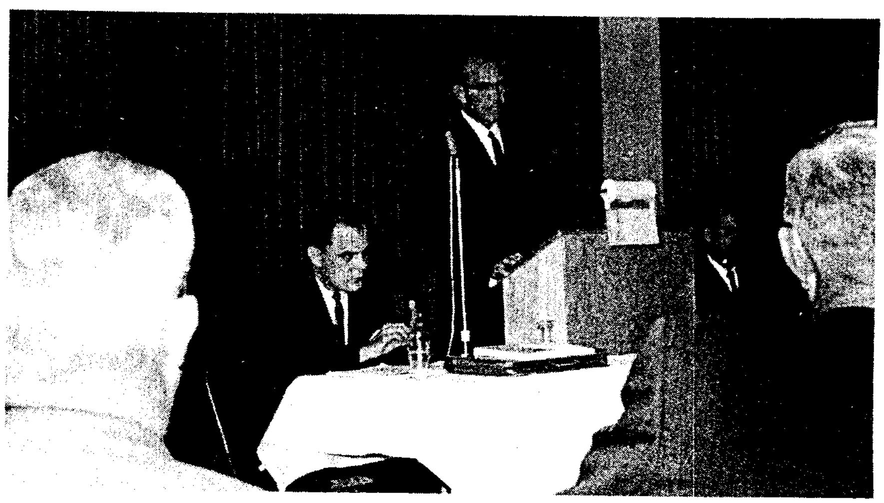
The Toledo membership meeting was attended by 70 representatives from local area members. Such subjects as the 5% Policy, Regulation T, supervision of salesmen and the NASD qualification examination program were discussed by Justin J. Stevenson, Governor from District 9; Seth Fitchet, Chairman of District 9 and Vincent Nelson, Committee Secretary.

A suggestion was made at the recent NASD Board Meeting that each District attempt to hold at least one general membership meeting per year to acquaint executive personnel of firms with Association policies and activities.

Hawaiian members receive literature.



Governor John Bunn answers questions in St. Louis.



District 9 Chairman, Seth Fitchet, addresses Toledo meeting.

SAXON STARTS FIGHT OVER BOND ISSUES

James J. Saxon, the Comptroller of the Currency, has started a heated controversy with the Investment Banking Industry and William McChesney Martin, Chairman of the Federal Reserve Board, over his new rules allowing banks to underwrite certain types of revenue bonds.

Testifying on a Congressional bill supported by Mr. Saxon, which would liberalize bond definitions under the present banking law and uphold the Comptroller's ruling, Mr. Martin said that the Glass-Steagall Act of 1933 explicitly prohibits banks from underwriting any bond issue other than those that are considered general obligations backed by the full faith and taxing powers of the State or political subdivision.

Mr. Saxon's ruling, which was published in early September, stated that in certain cases, revenue bonds that were indirectly supported by the State through sales taxes or other special funds would be considered by his office as falling under the definition of general obligations and open to bank underwriting.

Immediately after the Comptroller's ruling was published, a syndicate headed by Chase Manhattan Bank of New York was the successful bidder on a $35 million issue of the State of Washington in which receipts from sales taxes were pledged to pay off the bonds. The Federal Reserve Board announced after the Washington State deal was completed that Reserve banks in the future would not be allowed to participate in similar underwritings which, in the FRB's opinion, were in violation of Law.

In the past there has been no question that banks could buy such bonds for their own investment. However, under the Comptroller's ruling, banks would also be permitted to act in much the same capacity as broker-dealers in selling bonds to customers.

Investment bankers and underwriting groups are strongly opposed

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NATIONAL OTC CLEARING CORPORATION IN FULL SWING CLEARING 1300 SECURITIES

The National OTC Clearing Corporation began its operations in August using the facilities of the American Stock Exchange Clearing Corporation. Shown at the opening are left to right, Charles Gilroy, Executive Vice-President; Edwin D. Etherington, President of the American Exchange; Carl Stolle, Chairman of the Clearing Corporation Board; John Kirvin, OTC Clearing Corp. President and August Gunther, Vice-President and General Manager of the American Stock Exchange Clearing Corporation.

The National OTC Clearing Corporation, which began its activities in August on a pilot-run basis, is now in full operation clearing more than 1300 different securities.

At present, the Clearing Corporation has 76 members in the New York area. While full membership is open only to NASD firms, a provision has been made for banks and others to participate on a limited basis.

The first three months of operation has proven that the new Corporation is successfully achieving its primary goal of substantially eliminating fails to receive, deliver and settle among its members in the OTC market. A spokesman for the organization stated recently that the initial success achieved with the clearing facility now warrants a concerted effort to acquire new participating members.

The OTC Clearing Corporation was organized a little over a year ago through the efforts of the NASD as an answer to the poor delivery problem that was then plaguing the business. Initial funds for the Corporation were supplied by the Association until adequate capital was obtained through a stock issue.

Recently the OTC Clearing Corporation has been successful in obtaining permission from New York State to collect and make daily payment of State transfer taxes for those OTC members who did not enjoy this privilege in the past. The Corporation is currently working on a similar proposal with the Internal Revenue Service to pay Federal taxes in this manner.

NASD members in New York interested in learning more about the Clearing Corporation and its services should direct their inquiries to the Corporation's Executive Vice President, Charles Gilroy, 12 Albany Street, New York, New York.

FUNDSCOPE CONFORMING WITH SOP; DEALERS MAY USE NEW ISSUES

The publisher of *FundScope* Magazine has undertaken to make substantial changes in the format and content of the magazine so that the publication will conform with the SEC's Statement of Policy governing sales literature about investment companies. On the basis of this undertaking, performance data in new issues of the magazine will be brought into compliance with the Statement of Policy so that *FundScope* may be used by NASD members and their registered representatives in discussing mutual funds shares with the public.

Use of the new issues of *FundScope* as sales literature must be accompanied by the magazine's annual mutual fund guide and by prospectuses of the investment company or companies whose shares are being offered. Each new subscriber and each current subscriber will be furnished with a copy of the revised annual guide, which will be substantially augmented by data for each fund for each of the most recent ten years.

A major enterprise in *FundScope's* undertaking to conform with the Statement of Policy, this inclusion of detailed annual figures in the basic guide will provide supporting data for the various summaries of investment company results contained in the monthly issues.

Investors thus may determine how hypothetical investments in any of the 200-plus mutual funds covered by *FundScope* would have fared over all periods in the last ten years. This will be of material aid to investors in judging how investment company management carries out its published investment objectives.

FundScope's publisher announced the intention to make extensive revisions in the magazine for conformity with the standards of the SEC's Statement of Policy after discussions with the Commission Staff and with NASD's Investment Companies Department.

Shown at a recent Investment Companies Committee meeting in New York are clockwise from the left, Jim Ratzlaff, Secretary; Craig Severance; Edward Burr; George Fulk; Ray Moulden, Department Director; Arthur Haussermann, Committee Chairman; Glenn Lempereur and Franklin Johnson. Hidden in the pictures are Rowland Robbins, Joseph Welch and Robert Cody.

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to Mr. Saxon's ruling and the bill under his sponsorship which is now being considered by the House Banking and Currency Committee.

The Investment Bankers Association and the NASD, as well as Individual representatives of securities firms, have filed statements and testified in opposition to H.R. 5845. Present indications are that the bill will not be considered by Congress until some time next year.

Authorities consider Mr. Saxon's latest move as another step to broaden the competitive position of banks and further their encroachment into business areas that have been barred to them since 1933.

The 1933 Glass-Steagall Act was adopted to prevent certain abuses prevalent prior to 1933 when banks were underwriting highly speculative bond issues and using their advantageous position to place such securities in the hands of trusts, customers and other persons to whom they had a fiduciary responsibility.

Earlier this year, Mr. Saxon had issued another ruling allowing commingling of common trust funds and managed agency accounts that would for all practical purposes put banks in the mutual fund business without the accompanying regulations of the 1940 Investment Company Act.

Although the SEC objected strongly to this ruling, at least one large New York bank has indicated that it will proceed along these lines as soon as it receives a tax opinion from the Internal Revenue Service.

A House bill, H.R. 8499, was introduced on September 19, 1963, which would also support this common trust ruling of Mr. Saxon's office. The NASD intends to prepare a statement and testify against this measure.

NEW ASSOCIATION OFFICERS FOR 1964 (Continued from page 1)

These new officers will assume their duties in January. They are serving three-year terms as members of the Board of Governors with the exception of Mr. Fulton, who has announced that he plans to retire on April 1, 1964. The late Merrill M. Cohen of Minneapolis served as NASD Chairman in 1963 until his death in June.

Mr. Haack was born in Milwaukee, Wisconsin, where he attended public schools. He is a graduate of Hope College in Holland, Michigan, and received his M.B.A. from the Harvard Business School.

Mr. Haack joined Robert W. Baird & Co. in 1940 and, except for W.W. II service as a lieutenant in the U. S. Navy, has been with the firm to the present time. He is a member of the Milwaukee Bond Club and University Club, as well as a governor of the Midwest Stock Exchange and member of its executive committee.

Mr. Haack has been a Vice-Chairman of the NASD's District Committee No. 8 and a Chairman of the National Business Conduct Committee.

He is married and has four children, including a son who is a freshman at Williams College.

A native of Los Angeles, Robert Miller is a graduate of the University of California at Berkeley. From 1940 to 1960, he was with Revel Miller & Co., except for a period in the U. S. Army during World War II. He became president of the firm in 1949.

Mr. Miller joined Hornblower & Weeks as a partner in 1960 and has been a member and Co-Chairman of District Committee No. 2. He came on the NASD Board in 1962 and is married and has three children.

John Dayton is a native New Yorker who attended Princeton and New York Universities. He was with J. & W. Seligman & Co., and Union Securities Corp. before joining Clark, Dodge & Co., Inc., in 1945 after having served four years in the Navy, attaining the rank of Lt. Commander.

Mr. Dayton has been a Vice President and Director of Clark, Dodge since 1960 and in past years he was a member of the Syndicate and Education Committees of the I.B.A. and Secretary of the NYSE Nominating Committee. He served on NASD's District Committee No. 12 from 1959 through 1961 and was elected to the Board in 1962.

Craig Severance is a graduate of Princeton University and formerly was a partner of F. Eberstadt & Co. before becoming a partner of New York Securities Co. when it was founded in 1962. Mr. Severance served five years in the Navy as a Lt. Commander during World War II and has been a past Chairman of District Committee No. 12 in New York.

PARTNERS EXAM MUST BE TAKEN IN DECEMBER BY ALL NEW TO BUSINESS

A completely new qualification examination, designed exclusively for principals and officers of member firms, will be put into effect on December 1, 1963, at the Association's 69 test centers.

The new Qualification Examination for Principals must be taken, in general, by all applicants new to the securities business who are to be partners, officers, or sole proprietors of NASD members. The examination will be given to prospective principals in place of the NASD Registered Representative Examination.

The new, four-hour test consists of objective and short-answer essay type questions dealing with those fields of knowledge that must be understood by individuals in positions of authority, policy making, or supervision in the securities business. Included in the examination will be questions requiring the analysis of sample financial statements of an industrial corporation and investment company.

The new principal examination also covers among other things certain SEC rules on record keeping, net capital, hypothecation of customers' securities and the Statement of Policy on sales of investment company shares. NASD rules regarding supervision of salesmen, and the Uniform Practice Code are also included.

A Supplemental Study Outline for the Qualification Examination for Principals, containing additional topics not found in the Study Outline for the Registered Representative Examination, is now available from the Association, 1707 H Street, N.W., Washington 6, D. C. Applicants preparing to take the Examination for Principals should use both the Study Outline for the Registered Representative Examination and the Supplemental Study Outline. A fee of $25.00 will be charged all applicants each time the Principal Exam is taken.

The NASD Training Guide released on August 29, 1963, will also be found to be a valuable aid in studying for the Examination for Principals.

Candidates for registration as a partner, officer or sole proprietor will not be qualified by the NASD to assume managerial or selling functions until they have passed the Examination for Principals. In the event an applicant fails the test but his capital is needed by his firm, the applicant may request "limited partner" status. Under such circumstances, however, the "limited partner" may not participate in the managerial or selling activities of his firm until he has passed the Examination for Principals and becomes a "full partner."

WARNING AGAINST USING TRUST FORMS

Certain dealers—and some underwriters—specializing in the sale of investment company shares continue indiscriminately to offer customers "free advice" on the establishment of various types of testamentary trusts, "living trusts," and other means of disposition of property. Such practice may subject all concerned to serious—and unnecessary — risks, the NASD investment Companies Committee warns.

A serious consequence to the dealer may be his unknowing acceptance of legal liability for misuse of the forms. The dealer who offers estate planning services must insist that the customer's attorney be called in before any program involving disposition of property is undertaken.

Such instruments are sometimes distributed by underwriters of investments which may be available to customers. The form should be clearly labeled "Specimen" on its face so as to be unusable. Underwriters distributing them should caution dealers that they are intended only as examples, and should not be copied and executed by dealers or salesmen without the advice of the customer's attorney.

$75,000 CHECK PAID ON INSURANCE PLAN

A check for $75,000, the first claim under the Association's new Accidental Death and Dismemberment insurance plan, has been paid to the widow of a Florida investment banker. Total premiums paid into the plan by the insured individual amounted to $21.75.

The accidental death occurred when an 800 pound bale of paper fell on the policyholder as he was supervising the unloading of a boxcar in connection with a separate business of which he was part owner.

90-DAY GRACE PERIOD ALLOWED INVESTORS TO SIGN LETTERS OF INTENT FOR FUND SHARES

Investment company underwriters henceforth may allow investors a 90-day grace period after an original purchase of shares within which to execute a letter of intention to buy additional shares.

The letter, enabling the investor to buy additional shares at reduced sales charges, would be executed to run for 13 months from the date of the original purchase.

This move is authorized by a favorable reaction by the SEC's Division of Corporate Regulation to a request from the NASD's Investment Companies Committee.

The Committee had advised the Commission staff that experience in recent years had shown many instances where purchasers of investment company shares, for one reason or another, failed to sign a letter of intention when making their initial purchase. Shortly thereafter, they wished to buy more shares but were unable to have the new purchases apply to the original acquisition so as to be eligible for a quantity discount. SEC's favorable position will make such combinations possible if investors sign a letter of intention within 90 days of their first purchase.

Letters of intention are documents stating that an investor intends to buy a certain dollar amount of X shares of an investment company during the next 13 months. The total dollar amount of shares purchased by the investor during those months is eligible for the appropriate quantity discount listed by the underwriter in the prospectus of the investment company.

A substantial saving in sales charges is possible under letters of intent, and the NASD's Investment Companies Committee said it believed making them available without limitation during a 90-day grace period is in the public interest. The SEC staff agreed.

GOVERNORS CHOSEN IN SIX DISTRICTS

Six NASD Districts have nominated new Governors for the Board to take office in January, 1964.

These new governors are as follows:

District 2—Robert C. Hill, Exexutive Vice-President of Hill Richards & Co., Incorporated, Los Angeles
To replace Merl McHenry of J. Barth & Co., San Francisco

District 4—Julian L. Gumbiner, Executive Vice-President of Stern Brothers & Co., Kansas City
To replace John W. Bunn of Stifel, Nicolaus & Company, Incorporated, St. Louis

District 6—William C. Porter, President of Dittmar & Company, Inc., San Antonio
To replace Earl G. Fridley of Fridley & Frederking, Houston

District 8—Gordon Bent, a partner of Bacon, Whipple & Co., Chicago
To replace A. Jackson Goodwin. Jr. of Lee Higginson Corporation, Chicago
Julian A. Kiser, Chairman of Kiser, Cohn & Shumaker, Inc., Indianapolis
To replace James M. Howe of Chapman, Howe & Co., Chicago

District 10—W. James Price, IV, a partner of Alex. Brown & Sons, Baltimore
To replace Robert W. Fleming of Folger, Nolan, Fleming & Co., Incorporated, Washington, D. C.

District 12—Allan C. Eustis, Jr., a partner of Spencer Trask & Co., New York
To replace Hudson B. Lemkau of Morgan Stanley & Co., New York

MERRILL M. COHEN NASD CHAIRMAN DIES IN NEW YORK

Merrill M. Cohen, 60, Chairman of the NASD's Board of Governors and President of the Minneapolis securities firm of J. M. Dain & Co., Inc., died suddenly on Thursday, June 20, in New York after being hospitalized there for a heart attack on June 17.

Wallace H. Fulton, Executive Director, said, "Merrill Cohen's untimely death will be a great loss to the entire financial community and particularly this Association, since his leadership and wisdom would have made a significant contribution to our future. He died as he lived, giving his time and energy to attending an Executive and Finance Committee meeting of the Association in New York."

Mr. Cohen was elected NASD Chairman in January, 1963, after having served first as a member of various Association Committees, District Committee Chairman and then Governor in 1961. He was also a Vice-Chairman of the Midwest Stock Exchange.

Mr. Cohen was born in Minneapolis where he attended public schools. He began his career in the securities business in 1918 with the Minnesota Loan & Trust Company. He went with the Forman State National Bank of Chicago in 1929 and returned to Minneapolis in 1931 to work for the securities firm of Piper, Jaffray & Hopwood. Mr. Cohen joined J. M. Dain & Co., Inc., in 1935 and became President in 1958. He has been a leader in the financial community and a respected authority on the over-the-counter market for more than 25 years.

Mr. Cohen was a Director of American Life Companies, Inc., American Premier Insurance Company, Buttrey Foods, Inc., Northwest Growth Fund, Inc., and Red Owl Stores, Inc. He was also a past Director of the National Association for Mental Health and a member of the Executive Committee of the Minneapolis Chapter of the American Jewish Committee.

Mr. Cohen is survived by his wife, Sylvia and a son, Daniel W. Cohen.