

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

July 1, 1969

To All NASD Members:

The New York Stock Transfer Tax has been amended effective July 1, 1969, in two important areas.

First, customers who qualify as non-residents of the state of New York will be entitled to a reduced rate of tax per share on sales effected within the state. The reduced rates that will be effective from July 1, 1969 to June 30, 1970, are as follows:

<u>Selling Price Per Share</u>	<u>Rate in Cents</u>
Less than \$5	1.1875
\$5 to less than \$10	2.375
\$10 to less than \$20	3.5625
\$20 or more	4.75

If the tax computation results in a fraction of a cent, the fraction should be disregarded unless it amounts to 1/2 cent or more.

NASD member firms within the state of New York should obtain from customers a signed Declaration of Nonresidence, if such is the case, in order to show that they have reasonably determined that the customer is entitled to a reduced tax rate. The reduced non-resident rate applies only to individual persons. Corporations, trusts, estates, etc. are not included and will be taxed at the full rate. Partnerships, investment clubs and other joint owner arrangements can qualify for the reduced rates if, in fact, all participants are non-residents of New York state.

It should be noted that in order to obtain non-resident status certain conditions (as defined by the law) must be met and each customer must file with his broker/dealer a specific declaration attesting to his eligibility. If the conditions of the law cannot be met by the customer, he will be considered a resident and the transfer tax will apply at the full rate in effect prior to July 1, 1969.

Specimens of the Declaration of Nonresidence and copies of the amended legislation are available through the NASD's Uniform Practice Department,

17 Battery Place, New York, New York, 10004. Inquiries concerning this material should be addressed to Mr. Jaakson or Mr. Yore (212) 269-6393.

A second important amendment to the New York Stock Transfer Tax is the application of a maximum tax (\$2,500) to single sales of large blocks of stock by the same seller. This provision applies to all sellers whether or not they are resident or non-resident. The amended law now provides for a maximum amount of transfer tax of \$2,500 for the period July 1, 1969 to June 30, 1970 on a single taxable sale made within New York. A lesser maximum tax is provided in the law in subsequent taxable periods. The maximum tax can be used by resident or non-resident sellers and is applicable to any seller not just individual persons.

Sincerely,

A handwritten signature in black ink that reads "Richard B. Walbert". The signature is written in a cursive style with a large, prominent initial "R".

Richard B. Walbert
President

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

July 1, 1969

To All NASD Members and Branch Offices:

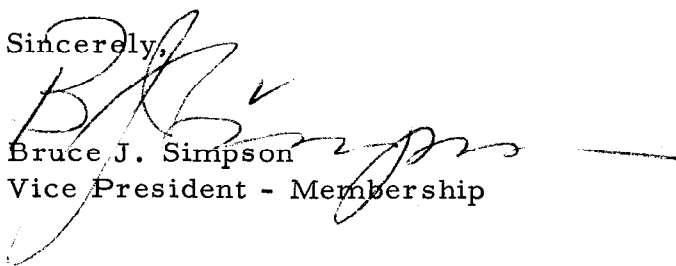
In an effort to reduce the reporting requirements of members, effective immediately it will no longer be necessary for members to notify the NASD Executive Office of the transfer of registered personnel from one branch office to another within the member's organization.

Members will continue to be required to maintain at the member's main office a listing of registered personnel assigned to each of its offices, whether or not the office is a registered branch office. In addition, the member should furnish each of its offices with a list or roster of registered personnel assigned to that office. This list should then be maintained in a current form and be available at the office of the member.

In summary, each member is required to:

1. Maintain at its home office a list of all registered personnel indicating the office to which each registrant is assigned.
2. Maintain at each office a current roster of registrants assigned to that office.

Sincerely,


Bruce J. Simpson
Vice President - Membership

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

July 1, 1969

To All NASD Members:

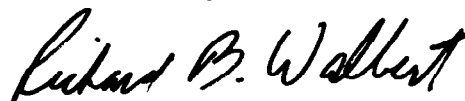
On Monday, July 7, 1969, trading hours for over-the-counter securities will be extended by a half an hour under the provisions of Emergency Rule 69-10.

Beginning July 7, all NASD members in the Eastern Time Zone will be required to close their OTC operations each day at 2:30 p.m. EDST. Those Association members in the Central Time Zone will also follow this schedule and close their OTC operations each day at 1:30 p.m. CDST, thus conforming their hours of business to the eastern firms and the Midwest Stock Exchange.

Association firms in the Pacific Coast Time Zone will be required to close their OTC operations at 1:30 p.m. PDST which parallels the hours of the Pacific Coast Stock Exchange. All NASD firms in the Rocky Mountain Time Zone will be required to conform to the Pacific Coast business hours and close their OTC activities at 2:30 p.m. RMDST.

Because the state of Michigan has remained on standard time, the trading period for NASD members in Michigan will conform to the trading hours in effect in New York City and other eastern markets. Therefore, the OTC trading hours for NASD members in Michigan will extend from 9:00 a.m. to 1:30 p.m. Eastern Standard time, which is in keeping with the hours in effect at the Detroit Stock Exchange.

Sincerely,



Richard B. Walbert
President

IMPORTANT NOTICE TO BROKERS AND BANKERS LOST OR STOLEN SECURITIES

Wertheim & Co.
One Chase Manhattan Plaza
New York, New York 10005

July 5, 1969

Dear Sir:

Please take notice that the following securities are believed to have been stolen:

U.S. Treasury Bills Due September 4, 1969

Serial Numbers

72821	\$500,000
667269	100,000
667270	100,000

The U.S. Treasury Department has been notified.

We are advising you of this fact so that you may alert your staff against purchasing these securities or accepting them as collateral for loans.

Should any of these U.S. Treasury Bills be presented to you, please notify Messrs. Howard D. Taylor, Area Code 212 - 558-3376 or Robert Emanuel, Area Code 212 - 558-3360.

Wertheim & Co.

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

July 8, 1969

To All NASD Members:

NOTICE OF MISSING NEGOTIABLE BONDS

Wiley N. Jackson Company, Box 1371, Roanoke, Virginia, has asked the NASD to advise members that bonds in the amount of \$344,000 were allegedly stolen from Mr. Wiley Jackson in Roanoke, Virginia, on June 24, 1969. All the bonds carry coupons due either May 1 or July 1, 1969.

The matter has been reported by Wiley N. Jackson Company to the appropriate police department and to the FBI. Any information concerning the bonds should be reported immediately to the FBI, the Wiley N. Jackson Company or the NASD.

A full description of the bonds is listed below:

<u>FLORIDA STATE TURNPIKE</u> (\$1,000 each)	\$ 10,000.00
Certificates #11095-11099 both inclusive	
11100-11104 both inclusive	

<u>FLORIDA STATE TURNPIKE</u> (\$1,000 each)	\$ 24,000.00
(Original purchase 25M - 1M recalled)	
(11-67 #132157)	
Offered for sale 12-1-61, first coupon payable	
on 5-1-62. Mr. Bohn at the Atlantic National	
Bank, Jacksonville, says coupon 15 now valid	
dated 5-1-69.	

<u>ILLINOIS TOLL HIGHWAY</u> (\$1,000 each)	\$ 25,000.00
Certificates #12934	
41259-41263 both inclusive	
45555	
61943	
70316-70320 both inclusive	
73731	
76908	
144218-144220 both inclusive	
163419	
240445	
250824	
259980-259983 both inclusive	

Offered 10-25-55, first coupon 1-1-56
Coupon #28 valid 7-1-69
Possibly 5 additional certificates - numbers
unknown.

KENTUCKY TURNPIKE AUTHORITY (\$5,000 each) \$ 100,000.00

Certificates #10918-10927 both inclusive
14638-14639
14643-14644
15091-15093 both inclusive
15096-15098 both inclusive
Issued 2-18-69, first coupon valid 7-1-69

NEW JERSEY TURNPIKE (\$5,000 each) \$ 50,000.00

Certificate #9779-9788 both inclusive
Issued 1-1-69, first coupon valid 7-1-69

RICHMOND PETERSBURG TURNPIKE (\$1,000 each) \$ 100,000.00

Certificates #5231-5234 both inclusive
5291-5294 both inclusive
6211-6220 both inclusive
7318-7320 both inclusive
12347-12356 both inclusive
25221-25222
35041-35050 both inclusive
40384, 41989
18018-18027 both inclusive
44485-44488 both inclusive
45831-45840 both inclusive
45985
46632-46641 both inclusive
47235-47239 both inclusive
69086-69100 both inclusive
Issued 7-1-55, first coupon 1-1-56.
Coupon #28 due 7-1-69

SALEM INDUSTRIAL DEVELOPMENT (\$1,000 each) \$ 10,000.00

Certificates #M431-M440 inclusive
(\$1,000 each)
Issued 5-1-67, first coupon 11-1-67
Coupon #4 due 5-1-69

VIRGINIA TOLL #A320 \$ 10,000.00

Issued 7-1-65, first coupon 1-1-66
Coupon #8 valid 7-1-69

INDIANA TOLL (\$1,000 each) \$ 15,000.00

Certificate numbers unknown, but believed to
be contiguous with Nos. 68432, 68433, 105208
or 105209. Probably issued in 1954. Coupon
#31 valid 7-1-69.

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

July 8, 1969

TO: NASD Members

On June 8, 1969, the Federal Reserve Board (FRB) announced its adoption of amendments to Regulations G, T, and U designed principally to implement legislation passed last year which broadens its authority to control credit on OTC securities. Subsequent to the passage of the legislation, your Association worked closely with the FRB and the SEC in developing appropriate standards in this area.

Regulation G covers credit by persons other than banks, brokers, or dealers; Regulation T applies to credit by brokers and dealers; and Regulation U covers credit by banks. The amendments to these regulations became effective on July 8, 1969.

Under the new regulations certain OTC stocks and debt securities convertible into such stocks will be subject to margin requirements, which requirements will apply equally to credit extended by broker-dealers, banks and other lenders to purchase or carry these securities. The provisions of Section 4(c) of Regulation T, applying to special cash accounts, have not been changed.

The initial list of OTC stocks covered by the requirements is presently being distributed to registered broker-dealers by the FRB through its District banks. Copies of the amended regulations should also be available from the Federal Reserve banks.

In addition to establishing criteria for selecting OTC securities for margin coverage the amendments also:

1. Exempt from margin regulations bank loans to broker-dealers to purchase or carry securities in which they are bona fide market-makers.
2. Broaden the definition of "creditor" in Regulation T to cover all brokers and dealers.
3. Limit the exemption from margin regulations available through a special omnibus account to members of national securities exchanges and broker-dealers registered with the SEC.

4. Clarify the application of Regulations G and U to loans on mutual funds. Such loans are prohibited under Regulation T.

In a related action, the SEC adopted Rule 17a-12 which will require market-makers in OTC securities subject to margin regulations to register with the Commission and to file periodic reports in order to obtain the aforementioned exemption on bank loans. This rule, which has been distributed to broker-dealers by the Commission, also became effective on July 8, 1969. However market-makers initially will have thirty days from that date within which to file for an exemption. During the thirty-day period, margin requirements will not apply to bank credit extended on OTC margin stocks to registered broker-dealers.

Market-makers should review immediately the list of OTC margin stocks to ascertain the necessity for meeting this filing requirement. Copies of SEC form X-17A-12(1), which will be used for this purpose, are available from the SEC Regional Offices.

Since these developments will, for the first time, enable broker-dealers to extend credit on a selected list of OTC securities, it is anticipated that some members who have not carried customers' margin accounts will begin engaging in this type of business. Before doing so, you are urged to consider carefully certain factors in order to assure proper handling of the accounts in the interest of the customers and the firm.

Among these factors are:

1. The necessity for an adequate number of qualified personnel to handle margin accounts and related operational activities, including the proper segregation of securities required by Section 19 of Article III of the Rules of Fair Practice.
2. The importance of customers' understanding of the nature of margin accounts, including a proper margin agreement executed by the customer.
3. The desirability of firm policies designed to maintain adequate levels of equity in customers' accounts subsequent to the initial margin deposited. This so-called "maintenance margin" will be the subject of an Association rule which will be submitted to a membership vote later this year, but meanwhile members should consider adopting their own house rules for this purpose.
4. The firm's general operational condition, currency of records, adequacy of net capital, and prompt processing of present business.

To assist the Association in keeping informed on a current basis concerning members' margin activities, you are requested to advise this office promptly if you open margin accounts for customers. This notification need be made only the first time any

such accounts are opened. Those members who presently carry margin accounts should notify us by July 21st, indicating the number carried. This information should be supplied whether the accounts include listed or OTC securities, and should be directed to the attention of Edward R. Gilleran.

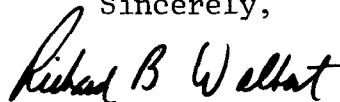
Firms which belong to the following exchanges, whose members traditionally have carried margin accounts subject to exchange rules and standards, are presently exempt from the request for filing the above noted information:

American
Midwest
New York

Pacific Coast
Philadelphia-Baltimore-Washington

Your prompt attention to this matter will be appreciated.

Sincerely,



Richard B. Walbert
President

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

July 15, 1969

To All NASD Members:

To reduce the number of inaccurate or incomplete filings of Internal Revenue Form 1087, which is used by broker/dealers to report interest and dividends received on behalf of their customers, the IRS has asked us to distribute the following guidelines and procedures for preparing this form:

Format of Form 1087

Returns should be filed on the latest revision of official Internal Revenue Service Forms 1087, or on privately printed stock conforming to all specifications given in Revenue Procedure 68-42, IRB 1968-48. Please note that forms not meeting these standards need to be approved in advance as stated in the Revenue Procedure. Copies of Form 1087 are available at all IRS offices.

Owner's Name and Address

Please be sure to furnish the account owner's complete name and address, including street name and number (or Post Office box number), city, state and ZIP Code. Account numbers aren't acceptable in place of names.

Owner's Identifying Numbers

The correct identifying numbers are very important in processing returns. Please furnish the correct identifying number for each account owner, as explained below:

Show the employer identification number for corporations, partnerships, estates and trusts.

Show the social security number for individuals.

Show a child's social security number for custodial accounts, such as those set up under the Uniform Gift to Minors Act.

Show only one person's identifying number if the account is in the names of more than one person, and indicate on the return (by asterisk,

underscoring, or other understandable means) the name of the person whose number is shown.

The Internal Revenue Code requires brokerage firms to request identifying numbers needed on returns, and the customers are required to furnish them upon request. Penalties are provided for failure to furnish identifying numbers upon request.

One Return a Year for Each Account

Only one return each year for each account should be filed. All interest and dividends are to be totaled and included in the annual return. Filing for separate payments during the year and for separate shares is no longer permissible.

Sincerely,

A handwritten signature in black ink that reads "Richard B. Walbert". The signature is written in a cursive style with a large initial 'R'.

Richard B. Walbert
President

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

July 15, 1969

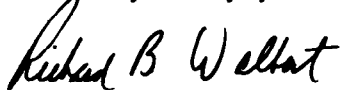
To All NASD Members:

MEMBERS CANNOT UNDERWRITE OWN SECURITIES

Recently there have been a number of instances where members of the Association have registered their own securities with the Securities and Exchange Commission or State Securities Commissions for the purpose of distributing them in the public market. Many times the member-issuer indicates that it intends to underwrite the issue or act to distribute the securities in some other manner through its own firm.

It is the policy of the Association's Committee on Underwriting Arrangements, which reviews underwriting terms & arrangements prior to the registration statement being declared effective, that the underwriting or participation by a member of a distribution of its own equity securities is improper and constitutes an unfair underwriting arrangement in view of the obvious conflict of interest and lack of arms-length bargaining. This position has recently been affirmed by the Board of Governors of the Association and adopted as the Association's policy. Members therefore should be mindful that they may not, directly or indirectly, underwrite or participate in the distribution to the public of shares of its own securities nor act in any capacity in connection with the distribution of such.

Very truly yours,



Richard B. Walbert
President

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NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

July 17, 1969

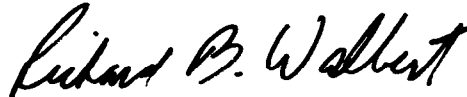
To All NASD Members:

To honor and commemorate man's first attempt to set foot on another celestial body, the moon, President Nixon has declared Monday, July 21 as a National holiday. All NASD offices will be closed on this date, and it is requested that all members cooperate by closing their offices on July 21 in honor of this historic event and achievement for the United States.

Trade and settlement dates will be as follows:

<u>Trade</u>	<u>Settlement</u>
July 14th	July 22nd
July 15th	July 23rd
July 16th	July 24th
July 17th	July 25th
July 18th	July 28th
July 21st	No Trades
July 22nd	July 29th

Sincerely,



Richard B. Walbert
President

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

July 18, 1969

CORRECTION

To All NASD Members:

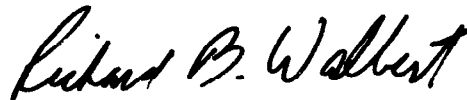
The trade and settlement dates were incorrect in the July 17 Notice to Members concerning the closing of offices on Monday, July 21 in honor of the moon landing attempt.

The correct trade and settlement dates should be as follows:

<u>Trade Date</u>	<u>Settlement Date</u>
July 14th and 15th	July 22nd
July 16th	July 23rd
July 17th	July 24th
July 18th	July 25th
July 21st	No Trades
July 22nd	July 29th

Stocks record for dividend on the 25th, 26th or 28th will be ex dividend on the 22nd, i. e. "ex dates" set for the 21st will move to the 22nd. There will be no change in the compilation of bond interest.

Sincerely,



Richard B. Walbert
President

The original text of this rule was sent to all members on January 31, 1969. The reenactment will run from July 31, 1969 to September 28, 1969, inclusive.

Sincerely,

A handwritten signature in black ink that reads "Richard B. Walbert". The signature is written in a cursive style with a large, prominent initial 'R'.

Richard B. Walbert
President

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

July 28, 1969

To All NASD Members:

The Board of Governors has voted to reinstitute Emergency Rule 69-9, concerning the restriction of trading in high fail issues, which was due to expire on July 29, 1969.

Emergency Rule 69-12 will continue the provisions of Rule 69-9 which in sum provides that:

- I. No member, or person associated with a member, shall
 - (a) Sell a security for his own account, or
 - (b) Buy a security as broker for a customer, if
 - (1) he has a fail to deliver in that security 60 days old or older and one of the following conditions exist:
 - (i) his total dollar volume of fails to deliver over 30 days are 30% or more of his total dollar volume of fails to deliver; or
 - (ii) his total dollar volume of fails to deliver over 30 days in that security are 7% or more of his total dollar volume of fails to deliver over 30 days;
 - (2) he has any fail to deliver in that security 120 days old or older.
- II. Each member, or person associated with a member, who at the end of any month, had any fail to receive or deliver 120 days old or older, shall file, with the District Secretary of the District in which its principal office is located, within 10 days after the end of such month, a list of such securities.

By
Cham
file

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

July 29, 1969 #4

NOTICE

To Members of the National Association of Securities Dealers, Inc.
Your attention is directed to the following actions:

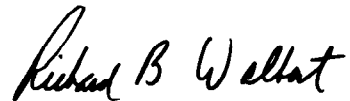
Guardian Securities, Incorporated
San Leandro, California

Your attention is directed to page 333 of the Manual "Changes to List of Members - Disciplinary Actions" regarding the above firm. The suspension of Guardian Securities, Incorporated was lifted on July 17, 1969, upon receipt of the requested information.

Roberts, Scott & Co., Inc.
San Diego, California

On July 10, 1969, the Securities and Exchange Commission suspended the over-the-counter department of Roberts, Scott & Co., Inc. for ten (10) business days and suspended the over-the-counter activities of its Laguna Beach, California office for thirty (30) calendar days; the San Diego, California office for fifteen (15) calendar days; and the Los Angeles, California office for fifteen (15) calendar days; and suspended Jack Alexander from association with any broker-dealer for sixty (60) calendar days (see Securities Exchange Act Release #8647). The suspensions are subject to limited exceptions with respect to certain unsolicited transactions for existing customers and in other respects. The Commission's order was based on offers of settlement submitted by the respondents who consented to the sanctions imposed and to the Commission's findings without admitting the allegations against them. The Commission found that the firm and Alexander sold a security in violation of the registration and anti-fraud provisions of the federal securities laws; violated the requirements regarding the extension of credit; and through Alexander participated in the unlawful distributions of unregistered shares of two securities; and all failed reasonably to exercise supervision to prevent the violations. The suspensions of the firm's offices commenced July 21, 1969, and the suspension of Jack Alexander commenced July 14, 1969.

The attention of members is directed to Section 25 of Article III of the Rules of Fair Practice and to an interpretive memorandum beginning on page 2099 of the Association's Manual relating to the manner in which the Rules of Fair Practice apply to transactions between members and a member who has been suspended or expelled.

A handwritten signature in cursive script that reads "Richard B. Walbert". The signature is written in black ink and is centered on the page.

Richard B. Walbert
President

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

July 30, 1969

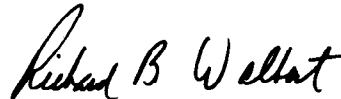
To All NASD Members

The National Association of Securities Dealers has, during the past several months, participated in the work of The Joint Committee on Securities Protection for the Financial Industry. Along with the Association, other groups active in this effort are the Stock Exchanges and the banks; the general purpose being to establish security measures to safeguard cash and securities handled by firms in the securities business.

Enclosed herewith is a notice which has been prepared by the Committee and it is brought to your attention so that you and your administrative and management departments may be made aware of the efforts being made in this important area.

The first paragraph of the notice refers to recent action taken in the State of New York calling for the fingerprinting of all persons employed in New York State by member organizations of national securities exchanges and the clearing corporations affiliated with those exchanges. The law does not call for the fingerprinting of persons employed by NASD members who are not members of national securities exchanges or clearing corporations affiliated with those exchanges. The remainder of the notice is, we feel, applicable to the operation of all members of the NASD.

Sincerely yours,



Richard B. Walbert
President

Enclosure

The Joint Committee on
Securities Protection for
the Financial Industry

11 WALL STREET, NEW YORK, N.Y. 10005

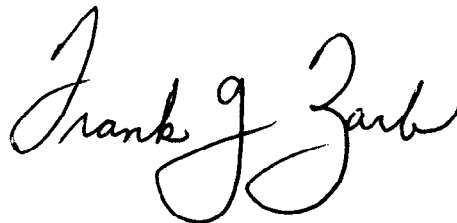
Frank G. Zarb
Chairman

TO: Chief Executive Officers—Financial Institutions

1. Governor Rockefeller of New York has signed into law a bill requiring the fingerprinting of all persons employed in New York State by member organizations of national securities exchanges and the clearing corporations affiliated with those exchanges. This law becomes effective as of September 1, 1969. The forms and procedures for uniform implementation of this regulation are now being prepared. Managements of securities firms will be provided with details related to this program shortly.
2. There is much that can be done now, by you and your employees, to limit actual thefts and to restrict the ease with which stolen securities can be sold, used for collateral, or otherwise be of benefit to thieves.
3. In the handling of securities throughout your organization, continue to stress the need for tighter internal security measures.
4. Recognize that prompt notification to law enforcement and recognized regulatory agencies of the loss of securities is an absolute "must".
5. The underlying rule to remember in receiving securities is to "Know Your Customer". Reiterate to account executives and other applicable personnel that the burden of investigation of new accounts is theirs.
6. *The Joint Committee was formed for your use and protection, to work out uniform procedures for all financial institutions with regard to the handling of all types of securities. The legislation just passed in New York is representative of the type of protective procedures which are being pursued to restrict industry losses from theft.*

We are now at work developing additional techniques to aid in the fight against actual thefts and the aftermath of such activity—the passing of stolen securities into legitimate channels. These may include the use of sophisticated data processing equipment, uniform standard attachments to negotiable instruments, training program guidelines to assist in the orientation of personnel to security procedures, and others. As these programs and procedures move to final evaluation and adoption by the industry, we will inform all members of the financial communities.

7. We request that this information be made available to account executives, administrative and management personnel throughout your organization through reproduction of this and subsequent releases.



Frank G. Zarb

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

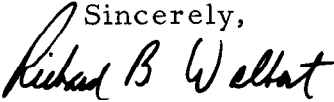
August 6, 1969

To All NASD Members:

A major responsibility of the Association lies in the establishment and maintenance of standards for the entry of broker/dealers and their registrants into the securities business. These standards are, in large part, maintained through the Qualification Examination Program. This program is continually under review and from time to time has been expanded and upgraded to meet the needs of an industry which grows more complex and sophisticated with each passing year.

The examination requirement is designed to assure that all members devote adequate effort and time to the training of their applicants. Certain recent developments indicate that an upward revision in the standards required of sales personnel is essential to the good health of our industry. In order to meet this need, the Association has recently introduced new forms of the Qualification Examination for Registered Representatives which are designed to better measure the extent of the preparedness of applicants and to disqualify those applicants whose training or understanding of the subject matter heretofore could have been characterized as marginal. These examinations, with the exception of some slight emphasis on Federal Law, are unchanged in total subject matter coverage.

I welcome any comments or questions that you may have in this regard.

Sincerely,

Richard B. Walbert
President

Orin

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

*as file a
No to, to hold*

To All NASD Members:

You will find enclosed two NASD questionnaires which should both be considered official requests for information.

The first is the Information Department's "NASD Mailing Questionnaire," designed to elicit up-to-date data for the newly computerized mailing list. The NASD is developing completely new information distribution procedures. In the future, NASD literature may be sent directly not only to the authorized NASD Executive Representative, but also to key officers and department heads. In addition, such bulk mailings as the NASD NEWS, Annual Report and Special Reports will be distributed directly to branch offices in appropriate quantities. Heretofore, as you know, we have had to trouble the main offices to distribute mailings to branch office registered representatives.

The second, the "Federal Broker-Dealer Insurance" questionnaire, should be routed to the firm's treasurer or accountant. The questions on this questionnaire have been designed to assist the NASD in evaluating the provisions of bills presently pending in the United States Congress and to enable it to take an intelligent position in respect thereto in testimony before the appropriate congressional committees.

These bills provide for the creation of a "Federal Broker-Dealer Insurance Corporation" which would insure customers' accounts and other broker-dealers' accounts against business failure. This "FBDIC" would be similar in concept to the existing "Federal Deposit Insurance Corporation" (FDIC) which insures customers' deposit accounts at banks, and to the "Federal Savings and Loan Insurance Corporation" (FSLIC) which insures accounts at savings and loan associations.

Both of these questionnaires are designed to help us serve our members better, and in this effort to meet our responsibilities, we solicit and anticipate your cooperation.

Sincerely yours,

Richard B. Walbert
President

Enclosures: (1) NASD Mailing Questionnaire
(2) "Federal Broker-Dealer Insurance" Questionnaire

Member Firms To Which Net Capital Question
Does Not Apply

.To Be Pulled Before Mailing

- Connecticut Mutual
 - * Equitable Life Assurance Society
 - General American
 - Massachusetts Mutual
 - * Metropolitan
 - * Mutual of New York
 - Prudential of America
 - Southwestern Life
 - * Home Life
- } Broker-Dealers
Without Equity
Subsidiaries
- * Will probably form equity subsidiary and register is as a broker-dealer.

-
- American United
 - Californian-Western States Life
 - Guardian Life
 - Lincoln National
 - Minnesota Mutual
 - Travelers
- } With Equity
Subsidiaries

Attention: Treasurer

NASD QUESTIONNAIRE: Federal Broker-Dealer Insurance

To be returned NOT LATER THAN October 31, 1969

To:

National Association of Securities Dealers, Inc.
888-17th Street, N.W., Washington, D. C. 20006

Attention: Economics Department
Questions Should be Referred in Writing to
Mr. Ralph E. Burgess, Chief Economist

Please print or type.

Full name of member firm: _____

Address of principal place of business (Please do not use P.O. box number):

(No. and Street) (City) (State) (Zip Code)

Name, title, and telephone number of person to contact with respect to this report:

(Name) (Title) (Phone number and Extension)

Dated the _____ day of _____, 19__.

(Manual Signature of a Principal Officer)

(Title)

NASD QUESTIONNAIRE: Federal Broker-Dealer Insurance

Purpose of This Questionnaire

The answers to the following questions will help the NASD to evaluate the terms of certain bills now pending before the United States Congress which provide for the creation of a "Federal Broker-Dealer Insurance Corporation" (FBDIC). This FBDIC would insure customers' and other broker-dealers' accounts against business failure and would be similar in concept to the existing Federal Deposit Insurance Corporation (FDIC) which insures customers' deposits at banks and to the Federal Savings and Loan Insurance Corporation (FSLIC) which insures accounts at savings and loan institutions.

The NASD anticipates being asked officially to define its position on this legislation and this questionnaire is designed to assist it in doing so.

* * * * *

I. Would you favor the establishment of a "Federal Broker-Dealer Insurance Corporation" assuming the diversity of the securities industry were reflected in the assessment rate schedule: →

If "NO," why? _____

(check one)

YES

NO

II. Were such a corporation established, would you prefer it were operated . . . (please check one only . . .

A. . . . as part of, and as a function of, the Securities and Exchange Commission, with the SEC Commissioners acting as its board of directors? →

B. . . . as an independent federally-chartered corporate body with a board of directors drawn from the securities industry? →

C. . . . (other) _____
_____ ? →

(check one only)

YES

YES

YES

NASD QUESTIONNAIRE: Federal Broker-Dealer Insurance

Purpose of This Questionnaire

The answers to the following questions will help the NASD to evaluate the terms of certain bills now pending before the United States Congress which provide for the creation of a "Federal Broker-Dealer Insurance Corporation" (FBDIC). This FBDIC would insure customers' and other broker-dealers' accounts against business failure and would be similar in concept to the existing Federal Deposit Insurance Corporation (FDIC) which insures customers' deposits at banks and to the Federal Savings and Loan Insurance Corporation (FSLIC) which insures accounts at savings and loan institutions.

The NASD anticipates being asked officially to define its position on this legislation and this questionnaire is designed to assist it in doing so.

* * * * *

I. Would you favor the establishment of a "Federal Broker-Dealer Insurance Corporation" assuming the diversity of the securities industry were reflected in the assessment rate schedule: _____

If "NO," why? _____

(check one)

YES

NO

II. Were such a corporation established, would you prefer it were operated . . . (please check one only . . .

A. . . . as part of, and as a function of, the Securities and Exchange Commission, with the SEC Commissioners acting as its board of directors? _____

B. . . . as an independent federally-chartered corporate body with a board of directors drawn from the securities industry? _____

C. . . . (other) _____
_____?

(check one only)

YES

YES

YES

V. (continued)

C. Net Credit Balance Distribution

Please indicate the number of accounts you held as of September 30, 1969 which show a "net credit balance" (i.e., total cash, securities, or other assets held for the customer/dealer in excess of debit balance) that falls in each of the dollar (\$) ranges specified below:

	No. of Customer Accts.	No. of Dealer Accts.
\$0 - \$500		
\$501 - \$1,000		
\$1,001 - \$2,000		
\$2,001 - \$3,000		
\$3,001 - \$5,000		
\$5,001 - \$10,000		
\$10,001 - \$25,000		
\$25,001 - \$50,000		
\$50,001 - \$100,000		
Over \$100,000		

Total No. of Accts for which funds/securities are held:

--	--

D. Estimated total dollar (\$) value of all the above "net credit balances" as of September 30, 1969.

CUSTOMER
DEALER

\$ _____
\$ _____

VI. Net Capital-(Computed According to provisions of the pending Bill)

A. Please enter here the firm's "net worth" (the excess of total assets over total liabilities) as of September 30, 1969: _____ →

\$ _____
(A)

B. Add to this figure unrealized profits (or deduct unrealized losses) in the accounts of the broker or dealer;

-and-

if the broker or dealer is a partnership, add equities (or deduct deficits) in accounts of partners. Please enter this adjusted figure here: _____ →

\$ _____
(B)

C. Then please deduct from this figure fixed assets and assets which cannot readily be converted into cash (less any indebtedness secured thereby) including, among other things, real estate; furniture and fixtures; exchange memberships; prepaid rent; insurance and expenses; good will; and organization expenses.

After these deductions have been made, please enter the adjusted net worth figure here: _____ →

\$ _____
(C)

Thank you.

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

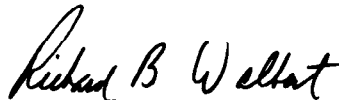
August 12, 1969

To All NASD Members:

Emergency Rule 69-11, which requires all members to clear up or settle within 30 days "fails to deliver" or "fails to receive" that are 90 days old, has been reinstated by vote of the Board of Governors. The rule, which expires on August 14, provides that when a fail has not been settled within the stated period a per se violation of the Association's Rules of Fair Practice results. This Emergency Rule, which is now Emergency Rule of Fair Practice No. 69-14, will be in effect from August 15, 1969 to October 13, 1969, both dates inclusive.

The Board has also voted to reinstitute Emergency Rule of Fair Practice No. 69-10, which expired on August 11, 1969. The rule authorizes the Executive Committee of the Board of Governors to regulate the trading hours for the over-the-counter market. The hours as stated in our notice to members dated July 1, 1969, as a result of Executive Committee action, will remain in effect. The rule will be designated as Emergency Rule of Fair Practice No. 69-13 and will be in effect from August 12 to October 10, 1969, inclusive.

Sincerely,



Richard B. Walbert
President

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

August 28, 1969

To All NASD Members:

On September 1, 1969, several amendments to the Uniform Practice Code will become effective. These changes, accompanied by brief explanations, follow:

Sections 51 and 52. Reclamations and Rejections of Securities: The amendment provides for a standard, mandatory form to be used when a delivery of securities is reclaimed or rejected by a member. "Reclamation" implies the securities have been accepted and paid for while "rejection" implies they have been returned and no payment has been made.

The new form, the NASD RECLAMATION or REJECTION FORM #801, can be ordered through the NASD Uniform Practice Department, 17 Battery Place, Room 1325, New York, New York 10004, Attn: E. Meltzer, according to the following schedule: 2,000 (minimum order shipped) -- \$28; 4,000 -- \$54; 6,000 -- \$80.

Orders will be entered on receipt of payment and all shipments will be made collect for shipping charges only. Forms may also be obtained directly from the Uniform Practice Department.

Section 59. Buy-In Procedure: The following revisions have been made to the buy-in procedure:

Time limitations on buy-ins have been extended in two ways. First, buy-ins with execution dates after September 1, 1969, will be in force for 15 calendar days including the day indicated as the execution date. Second, buy-ins can be executed after 11:30 a.m. on the execution date specified on the notice of buy-in or any time in the following 14 calendar days during normal trading hours in the buying member's community.

Section 59 is also amended so that no duplicate buy-in confirmations or telegrams need be sent to the NASD after September 1, 1969. This procedure has been viewed as a duplication of effort and has been dropped. However, members should obtain stamped receipts on delivery of the original confirmation of buy-ins to the other member.

Section 60. Selling Out: For the same reason, no sell-out confirmation need be sent to the NASD after September 1st.

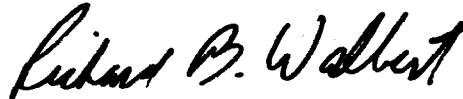
Section 61. The Basis and Unit of Trading Warrants: The new rule states that trades made in warrants should, unless otherwise agreed, be on the basis of one warrant evidencing the right of the purchaser to receive one warrant in settlement of such transactions disregarding the number of underlying shares represented by the warrants traded. In other words, deliveries of warrants between members should always be the amount called for by the trade. The unit of trading is 100 warrants.

This change allows for more consistency in transactions in warrants, especially since warrants may evidence the holder's right to purchase more or less than one share of the underlying stock. Members must be aware of the purchase privilege to trade fairly and avoid misunderstandings.

Members should note that information regarding the "Basis and Unit of Trading Warrants" is requested by the SEC when a registration statement involving warrants is filed. New information based on the above should be used when necessary.

The full text of the rule changes will be available in the next mailing supplement to the NASD Manual.

Sincerely,



Richard B. Walbert
President

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

September 24, 1969

To All NASD Members:

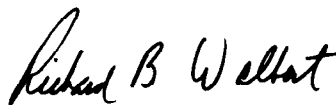
Because the "fails" situation has continued to improve with the total amount of "fails" steadily declining since the trading hours were last extended in July, the Association working with the exchanges and the SEC has determined that trading hours for the securities markets should again be lengthened. Therefore, on Monday, September 29, 1969, trading hours for over-the-counter securities will be extended by a half an hour under the provisions of Emergency Rule 69-16.

Beginning September 29, all NASD members in the Eastern Time Zone will be required to close their OTC operations each day at 3:00 p.m. EDST. Those Association members in the Central Time Zone will also follow this schedule and close their OTC operations each day at 2:00 p.m. CDST, thus conforming their hours of business to the eastern firms and the Midwest Stock Exchange.

Association firms in the Pacific Coast Time Zone will be required to close their OTC operations at 2:00 p.m. PDST which parallels the hours of the Pacific Coast Stock Exchange. All NASD firms in the Rocky Mountain Time Zone will be required to conform to the Pacific Coast business hours and close their OTC activities at 3:00 p.m. RMDST.

Because the state of Michigan has remained on standard time, the trading period for NASD members in Michigan will conform to the trading hours in effect in New York City and other eastern markets. Therefore, the OTC trading hours for NASD members in Michigan will extend from 9:00 a.m. to 2:00 p.m. Eastern Standard Time, which is in keeping with the hours in effect at the Detroit Stock Exchange.

Sincerely,



Richard B. Walbert
President

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

September 24, 1969

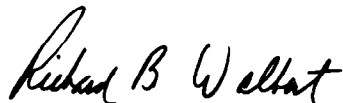
To All NASD Members:

Attached are re-enactments of Emergency Rules 69-12, 69-13 and 69-14 which were recently reinstated by vote of the Board of Governors. The reinstated rules will be in effect for 180 days from September 29, 1969, to March 27, 1970, both dates inclusive.

The six-month period is a reflection of the recent amendments to the By-Laws of the Association, approved by the membership and the SEC, which authorize the Board to adopt Emergency Rules of Fair Practice for periods of six months instead of the former period of 60 days.

The reinstated rules are identical to Emergency Rules of Fair Practice Nos. 69-12, 69-13 and 69-14 presently in effect except for the change in Emergency Rule 69-15, Paragraph I(2) and II where the time has been reduced from 120 days to 90 days. In addition, the second and third full paragraphs appearing on page 3 of the attachment have been added for the purpose of making absolutely clear that the new rules, during the period of their effectiveness, supersede and replace the present rules in all respects.

Sincerely,



Richard B. Walbert
President

Attachments

RESOLUTION ADOPTING EMERGENCY RULES OF FAIR PRACTICE

NOS. 69-15, 69-16 and 69-17

WHEREAS, the Board of Governors has previously on June 10, 1968, and from time to time thereafter, declared an emergency to exist as a result of the large number and dollar amounts of "fails to deliver" securities to a buyer and/or "fails to receive" securities from a seller and because of the lack of currency of books and records of many members of the Association, each of which factors has a potential adverse effect on a member's net capital position; and

WHEREAS, the conditions which gave rise to the previously declared emergency have not abated sufficiently to warrant a change in procedures at this time; and

WHEREAS, the Ad Hoc Committee on Office Operations composed of representatives of the New York Stock Exchange, the American Stock Exchange, the Association of Stock Exchange Firms, the National Association of Securities Dealers, Inc. and other representatives of broker/dealer members of those organizations recognizes that there still exists a serious situation in respect to the large number and dollar amount of "fails to deliver" securities to a buyer and/or "fails to receive" securities from a seller and in respect to the currency of books and records of broker-dealers and recommends continued restrictions on listed and over-the-counter markets; and

WHEREAS, the Board of Governors of the Corporation has been informed of and/or has knowledge, and/or is aware of information which is indicative of the continuation of the previously declared emergency situation; and

WHEREAS, the Board of Governors believes that the said emergency condition continues to exist; and

WHEREAS, the National Association of Securities Dealers, Inc. is charged with the responsibility and function of carrying out the purposes of the Maloney Act, codified as Section 15A of the Securities Exchange Act of 1934, as amended, 15 U.S.C. 78o-3, et seq; and

WHEREAS, the aforesaid Act authorizes and requires rules of the Corporation to be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade and, in general, to protect investors and the public interest and to remove impediments to and

perfect the mechanism of a free and open market and that they are not designed to permit unfair discrimination between customers, or issuers, or brokers or dealers; and

WHEREAS, pursuant to the provisions of Article VII of the By-Laws of the Corporation the Board of Governors is authorized to adopt for submission to the members of the Corporation such rules of fair practice for the members and persons associated with members as it may from time to time deem necessary or appropriate; and

WHEREAS, pursuant to the provisions of the said Article VII, notwithstanding the requirement that proposed rules of fair practice must be submitted to the membership for a vote, the Board has the authority, when it finds an emergency to exist, to enact by a two-thirds vote of the Board necessary rules of fair practice to meet the emergency without submission of such emergency rules to the membership for vote, and to declare them to become effective for a period of not in excess of six months, if not disapproved by the Securities and Exchange Commission, upon a date fixed by it; and

WHEREAS, the Board believes that appropriate emergency rules of fair practice are essential and should be enacted by it, pursuant to the authority granted by Article VII of the By-Laws, and within the scope of authority granted by the said Section 15A of the Securities Exchange Act of 1934 to assist in alleviating the emergency condition which has previously been found to exist and which it believes continues to exist; and

WHEREAS, the Board is of the belief that restrictions should continue to be placed on the activities of members in connection with the hours of doing business; in connection with securities in which they have excessive amounts of "fails to deliver" and "fails to receive"; and for other reasons which reflect a deficiency in the operations of members; and

WHEREAS, the Board is aware that action by the New York Stock Exchange and American Stock Exchange and the various regional exchanges has been taken which will continue to impose restrictions on their members' activities;

NOW, THEREFORE, BE IT RESOLVED, that based upon information which has been supplied to and is before the Board, an emergency condition is hereby found to continue to exist; that the said emergency condition is caused by the excessively high "fails to receive" and "fails to deliver" balances carried on the books and records of members and because of the great difficulty some members are experiencing in maintaining current books and records; that such

has resulted, at least in part, from the high volume of transactions in the market in recent months; that the said emergency exists within the scope of the provisions of Article VII of the By-Laws of the Corporation and that to assist in alleviating this emergency condition appropriate emergency rules of fair practice should be adopted pursuant to the provisions of Article VII of the By-Laws; and

BE IT FURTHER RESOLVED, that the following Emergency Rules of Fair Practice Nos. 69-15, 69-16 and 69-17 are hereby adopted, pursuant to authority established by Section 15A of the Securities Exchange Act of 1934, as amended, and granted by Article VII of the By-Laws of the Corporation, to take effect on the date specified therein and to be continued in effect for a period of 180 days, unless the Board, by resolution, determines prior to the expiration thereof that the emergency condition has ceased to exist; and

BE IT FURTHER RESOLVED, that the following Emergency Rules of Fair Practice Nos. 69-15, 69-16 and 69-17 shall, and they hereby do, supersede and replace Emergency Rules of Fair Practice Nos. 69-12, 69-13 and 69-14, due to expire as previously adopted, on September 28, 1969, October 10, 1969 and October 13, 1969; and

BE IT FURTHER RESOLVED, that in case of inconsistency with Emergency Rules of Fair Practice Nos. 69-12, 69-13 and 69-14 the following Emergency Rules of Fair Practice Nos. 69-15, 69-16 and 69-17 shall, and they hereby do, on and after their effective date govern and control in all respects:

EMERGENCY RULE OF FAIR PRACTICE NO. 69-15

- I. No member, or person associated with a member shall
 - (a) Sell a security for his own account, or
 - (b) Buy a security as broker for a customer, if
 - (1) he has a fail to deliver in that security 60 days old or older and one of the following conditions exist:
 - (i) his total dollar volume of fails to deliver over 30 days are 30% or more of his total dollar volume of fails to deliver; or
 - (ii) his total dollar volume of fails to deliver over 30 days in that security are 7% or more of his total dollar volume of fails to deliver over 30 days;
 - (2) he has any fail to deliver in that security 90 days old or older.
- II. Members should review their fail positions once a month at the

time they prepare their monthly trial balances pursuant to Commission Rule 17a-11 in order to determine compliance with the above provisions unless the circumstances indicate that a more frequent review is appropriate. These circumstances would include prior reviews of fail positions. Each member, or person associated with a member, who at the end of any month, had any fail to receive or deliver 90 days old or older, shall file, with the District Secretary of the District in which its principal office is located, within 10 days after the end of such month, a list of such securities. Such list shall include the name of the security, trade date, number of shares, unit price, dollar amount and from whom bought or to whom sold, reason for non-delivery, including location of the security, if known, and actions taken to effect delivery.

- III. In the case of foreign securities, excepting American Depository Receipts and Canadian securities, the periods of time applicable in Section I(1) is extended from 60 to 90 days and the periods of time applicable in Section I(2) and Section II is extended from 90 to 180 days.
- IV. For good cause shown and in exceptional circumstances, in situations where it can be demonstrated that the member has taken all necessary and reasonable steps to process the clearance of transactions and delay has not been occasioned on his account, and where application of the rule would work hardship upon public customers and/or the member, and/or where it would interfere with ordinary and necessary market making or trading activity, and where the failure to meet the standards set forth above results from an occasional transaction and its peculiar nature such as a dispute arising from legal transfer, a member may request exemption from the provisions of Section I hereof by written request to the District Secretary of his District in which his principal office is located. The District Secretary shall have the authority to grant exceptions when the above criteria have been met. There shall be no exceptions to the filing requirements of this emergency rule.
- V. This rule has been promulgated as an emergency rule of fair practice pursuant to the provisions of Article VII of the By-Laws of the Corporation, an emergency having been found to exist by resolution of the Board of Governors of the Corporation

because of the excessively high "fails to deliver" and "fails to receive" balances carried on the books of members and because of the great difficulty which members have been experiencing in maintaining current books and records pursuant to the provisions of Rule 17a-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, 17 C.F.R. 240.17a-3 as a result of the high volume of securities transactions, and it shall be effective for the period from September 29, 1969 to March 27, 1970 (both dates inclusive) or until the expiration of the emergency is declared by resolution of the Board of Governors if prior to March 27, 1970.

- VI. It shall be deemed contrary to high standards of commercial honor and just and equitable principles of trade and a violation of Article III, Section 1 of the Rules of Fair Practice for any member to engage in conduct inconsistent with this rule.

EMERGENCY RULE OF FAIR PRACTICE NO. 69-16

(a) No member, or person associated with a member, shall effect any transaction, or do any act designed to induce or effect a transaction, in any security on any day and/or during any time of day specified by the President of the Corporation, with the consent of the Executive Committee of the Board of Governors, during the effective period of this rule; provided, however, that such shall not prohibit the receipt or delivery of securities or the payment or receipt of payment for securities previously purchased or sold during permissible periods, or the taking of any action by a member, or person associated with a member, necessary to the settling of balances created by transactions in securities previously effected during permissible periods, or the taking of any other action necessary to the proper settlement or completion of transactions previously executed.

(b) During the effective period of this rule the President of the Corporation, with the consent of the Executive Committee of the Board, shall have authority to provide for exceptions to Section (a) to the extent that such are not inconsistent with the purposes of this

rule. The President of the Corporation, with the consent of the Executive Committee of the Board shall also have authority to take any other action deemed necessary to properly meet, and to assist in alleviating the exigencies of, the emergency condition which necessitated this rule as noted in Section (d) hereof.

(c) During the effective period of this rule and during those periods of time during which the execution of transactions are proscribed by Section (a) all members shall at least during normal business hours be required to have their offices fully staffed with all personnel necessary to reduce their outstanding "fails to receive" and/or "fails to deliver" or to perform any and all functions related thereto or to any other aspect of their business created by the excessive market volume in the past several months. Such full staffing would require specifically that all "back office" and trading room personnel, and all other personnel necessary, be on duty.

(d) This rule has been promulgated as an emergency rule of fair practice pursuant to the provisions of Article VII of the By-Laws of the Corporation, an emergency having been found to exist by resolution of the Board of Governors of the Corporation because of the excessively high "fails to deliver" and "fails to receive" balances carried on the books of members and because of the great difficulty which members have been experiencing in maintaining current books and records pursuant to the provisions of Rule 17a-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, 17 C.F.R. 240.17a-3 as a result of the high volume of securities transactions, and it shall be effective for the period from September 29, 1969 to March 27, 1970, (both dates inclusive) or until the termination of the emergency is declared by resolution of the Board of Governors if prior to March 27, 1970.

(e) It shall be deemed contrary to high standards of commercial honor and just and equitable principles of trade and a violation of Article III, Section 1 of the Rules of Fair Practice for any member to engage in conduct inconsistent with this rule.

EMERGENCY RULE OF FAIR PRACTICE NO. 69-17

(a) In all cases where a member has a "fail to deliver" or a "fail

to receive" on its books which is not cleared by it within thirty days after it reaches 90 days in age (180 days in the case of foreign securities except American Depository Receipts and Canadian securities), such shall constitute per se a violation of Article III, Section 1 of the Rules of Fair Practice and of this emergency rule.

(b) This rule has been promulgated as an emergency rule of fair practice pursuant to the provisions of Article VII of the By-Laws of the Corporation, an emergency having been found to exist by resolution of the Board of Governors of the Corporation because of the excessively high "fails to deliver" and "fails to receive" balances carried on the books of members and because of the great difficulty which members have been experiencing in maintaining current books and records pursuant to the provisions of Rule 17a-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, 17 C.F.R. 240.17a-3 as a result of the high volume of securities transactions, and it shall be effective for the period from September 29, 1969 to March 27, 1970, (both dates inclusive) or until the expiration of the emergency is declared by resolution of the Board of Governors if prior to March 27, 1970.

NASD EMERGENCY RULES OF FAIR PRACTICE

Since June 12, 1968, the National Association of Securities Dealers, Inc. has instituted a series of 16 Emergency Rules. These rules can be divided into three categories:

1. Those relating to closings and limitations on hours which total seven and are numbered, 68-1, 2, 3, 5; 69-3, 8, 10;
2. Those relating to the DK Rule which total two and are numbered, 69-1 & 6. These permit the DK form #101, described in Section 9(b) of the Uniform Practice Code, to be used to establish the status of transactions executed prior to December 30, 1968. This enables the member to substantiate that the trade exists, or if it does not, it can be canceled without further liability;
3. The remaining seven relate to "fail" contracts and fall into two groups which can be outlined as follows:

GROUP ONE

RULE NOS.: 68-4, 69-2, 69-5, 69-9 PERIOD COVERED: 12/12/68 - 7/29/69

This group restricts (1) the sale of a security for the member's account, or (2) a purchase of a security as broker for the account of a customer, if the member has a fail to deliver in that security 60 days old or older, and, any one of the following conditions exists:

- a) the member's total money value of fails to deliver over 30 days is 30% or more of the total money value of all open fails to deliver contracts; or
- b) the member's total money value of fails to deliver in that security is 7% or more of the total money value of all open fails to deliver contracts; or
- c) the member has any fail to deliver in that security 120 days old or older.

In addition, the member is required to report all open fails to receive and deliver contracts 120 days old or older to the District Secretary within 10 days after the end of each month. It should be noted, that members have been asked to make negative reports, if applicable. Express reference should be made to the rules themselves for exceptions covering foreign securities and the like.

GROUP TWO

RULE NOS.: 69-4, 69-7, 69-11 PERIOD COVERED: 2/15/69 - 8/4/69

This group requires members to clear up by way of buy-in or other settlement all old fails. The first rule fixed the allowable clear up time at 120 days and the last two reduced this to 90 days. Failure to do so within 30 days after the allowable 90 days constitutes a per se violation of the rule.

As this only serves as an outline, for further information please refer directly to the actual text of the rules. Requests for copies or questions pertaining to these rules may be directed to the NASD, District No. 12 office (344-7690).

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

September 24, 1969

To All NASD Members:

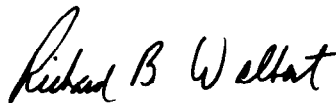
Because the "fails" situation has continued to improve with the total amount of "fails" steadily declining since the trading hours were last extended in July, the Association working with the exchanges and the SEC has determined that trading hours for the securities markets should again be lengthened. Therefore, on Monday, September 29, 1969, trading hours for over-the-counter securities will be extended by a half an hour under the provisions of Emergency Rule 69-16.

Beginning September 29, all NASD members in the Eastern Time Zone will be required to close their OTC operations each day at 3:00 p.m. EDST. Those Association members in the Central Time Zone will also follow this schedule and close their OTC operations each day at 2:00 p.m. CDST, thus conforming their hours of business to the eastern firms and the Midwest Stock Exchange.

Association firms in the Pacific Coast Time Zone will be required to close their OTC operations at 2:00 p.m. PDST which parallels the hours of the Pacific Coast Stock Exchange. All NASD firms in the Rocky Mountain Time Zone will be required to conform to the Pacific Coast business hours and close their OTC activities at 3:00 p.m. RMDST.

Because the state of Michigan has remained on standard time, the trading period for NASD members in Michigan will conform to the trading hours in effect in New York City and other eastern markets. Therefore, the OTC trading hours for NASD members in Michigan will extend from 9:00 a.m. to 2:00 p.m. Eastern Standard Time, which is in keeping with the hours in effect at the Detroit Stock Exchange.

Sincerely,



Richard B. Walbert
President

Delivery dates for "regular way" contracts

"Ex-dividend" Dates

<u>Trade Date</u>		<u>Delivery Date</u>		<u>Record Date</u>		<u>"Ex" Date</u>	
Oct.	6	Oct.	14	Oct.	10 and 13	Oct.	6
	7		15		14		7
	8		16		15		8
	9		17		16		9
	10 and 13		20		17		10
	28	Nov.	5	Nov.	3 and 4		28
	29		6		5		29
	30		7		6		30
	31		10		7		31
Nov.	3 and 4		12		10 and 11	Nov.	3
	5		13		12		5
	6		14		13		6
	7		17		14		7
	10 and 11		18		17		10

Sincerely,



Richard B. Walbert
President

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

October 6, 1969

To All NASD Members:

Since the banks in New York City will be closed on Monday, October 13, in observance of Columbus Day; Tuesday, November 4, Election Day; and on Tuesday, November 11, Veterans Day, there will be no settlements made on these dates. The NASD executive and field offices will remain open on these days and it is requested that all NASD members also keep their OTC operations open on the above dates.

Deliveries of securities or payments of funds ordinarily due on October 13, November 4 and November 11 (except with respect to "cash" transactions) shall be due on the first business day following these dates and transactions executed on these days will be combined for settlement with transactions on the preceding business day.

October 13, November 4 and November 11 are not to be considered as business days in determining the day for settlement of a contract or the day on which stock shall be quoted ex-dividend or ex-rights or in computing interest on contracts in bonds or premiums on loans.

Firms should not mark to the market, make reclamation or close contracts (other than "cash" contracts) on these days.

A schedule of delivery and ex-dividend dates is listed on the reverse side.

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

October 24, 1969

To All NASD Members:

The number of stolen securities has been increasing at an alarming rate. In connection with this problem, the NASD would like to draw member attention to the Security Control Conference to be held on November 24, 25 and 26 at the New York Hilton. The conference is being sponsored by the Conference Institute in cooperation with Investment Bankers Association, the Joint Bank-Securities Industry Committee on Securities Protection, the Stock Transfer Association and several divisions of the Association of Stock Exchange Firms. David H. Morgan, president of the National Securities Clearing Corporation, an NASD subsidiary, will be one of the over forty executives speaking at the conference. His subject will be "New Dimension in Clearing Securities for the Over-the-Counter Market." A program for the conference is enclosed with this notice. For further information contact: The Security Control Conference, 300 Madison Avenue, 9th Floor, New York, New York, 10017, or call (212) 687-5523.

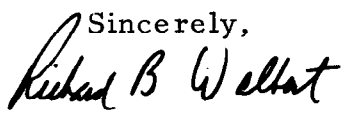
In addition, Leonard Brothers, Inc., 50 Broadway, New York, New York, 10004, has asked the NASD to notify its members that securities valued at approximately \$50,000 allegedly were stolen from Miss Dorothy Gulick in Bridgewater, New Jersey. The matter was reported to the appropriate police department and to the FBI. Any information regarding these securities should be reported to the NASD, the FBI or to Leonard Brothers, Inc.

A full description of the securities follows:

	<u>Date</u>	<u>Cert. No.</u>	<u>No. of Shares</u>
Loyal Protective Life Ins. Co.			
Boston, Massachusetts:	5/18/60	C 00834	30
	5/21/65	C 07458	20
Nat'l Bankers Life Ins. Co.			
Dallas, Texas:	2/18/59	100	20
	3/25/60	1009	10
	6/14/52	1802	65
	4/2/65	4890	130
	9/24/65	7100	100
	9/30/65	7122	100

	<u>Date</u>	<u>Cert. No.</u>	<u>No. of Shares</u>
Kentucky Central Life & Accident Co., Anchorage, Kentucky:	3/2/60	10182	10-Voting
	3/2/60	10235A	90-Non-Voting
	10/30/63	6389404A	3
	9/15/64	125634A	5
	10/9/64	154697A	1
	9/15/65	185922A	3
	10/11/65	210831A	1
	9/30/66	242334A	3
	10/19/66	266331A	1
	9/30/67	292782A	3
	10/24/67	312902A	1
Continental Fidelity Life Ins. Co. Phoenix, Arizona:	8/7/61	1778	100
	10/2/61	2184	100
	8/19/63	5831	30
	9/9/63	6500	100
	9/9/63	6501	100
	4/25/65	14006	59
	12/7/65	15840	30
	3/14/66	17333	51
Franklin Life Ins. Co. Springfield, Illinois:	3/17/58	123450	20
	7/1/58	132359	1
	3/6/59	163472	20
	7/1/59	174815	4
	7/20/59	192866	1
	7/1/60	215603	2
	7/8/60	225702	100
	7/15/60	229722	1
	8/1/61	265828	37
	8/15/61	289152	1
	7/2/62	324638	9
	7/24/62	348110	1
	3/6/63	386904	197
	7/1/63	439452	19
	7/1/64	C 010641	20
	7/16/64	C 038034	1
	7/1/65	C 14378	100
	7/1/65	C 0105108	8
	7/9/65	C 0136092	1
	7/19/65	C 10945	100
7/19/65	C 089662	50	
7/19/66	C 0204280	34	

	<u>Date</u>	<u>Cert. No.</u>	<u>No. of Shares</u>
Franklin Life Ins. Co. - cont.	7/25/66	C 0244302	1
	6/30/67	C 0297406	36
	7/11/67	C 0339109	1
	7/1/68	C 0395176	76
	7/10/68	C 0437363	1
Hunter Manufacturing Co.:	5/16/69	C 1162	100
Franchised Food Systems, Inc.:	6/10/69	C 1271	100
J. D. Gramm, Inc., Florida:	3/13/69	A 1138	100
Herley Industries, Inc. New York, New York:	7/31/68	NY 1166	100
Trans-East Airlines, Inc. New York, New York:	5/21/68	N 3995	100
Ozonator Corp. New York, New York:	10/3/68	NU 1259	100
Gulf Life Holding Co. Jacksonville, Florida:	8/27/68	4157	47
	12/18/68	48935	98
Globe Life Corp. (Exchanged for 100 Loyal American - part of 1 Share): Stock Held:	3/5/69	G 3472	100
	3/5/69	G 3473	70
American Mayflower Life Ins. Co. New York, New York:	12/11/67	NH-4572 to NH-4581	1,000
	12/12/67	NH-4597 to NH-4606	1,000
National Old Line Ins. Co.	1/9/68	BB-747353 to 747357	480
	4/15/69	BB-776515	48

Sincerely,

 Richard B. Walbert
 President

PROGRAM

Monday, November 24

9:00 a.m. to 10 a.m. **OPENING SESSION** 9:00 a.m.
IMPERATIVES FOR SECURITY IN THE INVESTMENT INDUSTRY AND THE HAZARD OF MINIMIZING POTENTIAL DANGERS
Frank G. Zarb, *Chairman*, Joint Bank-Securities Industry Committee on Securities Protection
Senior Vice President, Cogan, Berlind, Weill & Levitt, Inc. **SESSION**

10:15 a.m. to 12:30 p.m. **CONCURRENT SESSIONS**
Registrants will select one among the concurrent sessions 1-5 to attend.

SESSION 1. INDUSTRY-WIDE PLANS TO REDUCE FIRM EXPOSURE TO LOSS

Talk A. The CUSIP Directory—A Universal Identification Program for All Securities
Reese H. Harris, Jr., *Chairman*, Committee on Uniform Security Identification Procedures
Executive Vice President, Manufacturers Hanover Trust Company

Talk B. New Dimension in Clearing Securities for the Over-the-Counter Market
David H. Morgan, *President*, National Securities Clearing Corporation,
subsidiary of the National Association of Securities Dealers, Inc.

Talk C. The Central Certificate Service—Changes to Improve Procedures for
Transferring Securities Among Brokers **SESSION**
Lee D. Arning, *Vice President*, New York Stock Exchange

SESSION 2. SCREENING OUT POTENTIAL PERSONNEL RISKS

Talk A. Reassessing Personnel Approaches with Security in Mind—Use of Employment
Agencies, Application Forms, Interviews
J. Mitchell Graybard, *Director, Personnel and Training*, Smith, Barney & Co., Inc.

Talk B. Getting Greater Value From the Employee Reference Check and Investigative Report
William R. Donigar, *Director of Personnel & Administration*, Thomson & McKinnon, Inc.

Talk C. How the New York Fingerprinting Law Can (and Cannot) Help Screen Personnel Risks **SESSION**
Dr. Robert R. J. Gallati, *Director*, New York State Identification & Intelligence System

SESSION 3. SURVEILLANCE OF PEOPLE IN AN OFFICE

Talk A. The Use of Guards as a Security Measure—Need and Cost
Alexander C. Laubach, *Industrial Security Manager*, Western Electric Company, Inc.

Talk B. The Cost and Value of Electronic Systems for Security Control
Richard J. Healy, *Head, Security Department*, The Aerospace Corporation

Talk C. Special Identification Systems—Controlling Access to Sensitive Areas
Charles L. Glazer, *Manager of Security*, Hayden, Stone Incorporated

SESSION 4. AUDITING TO PREVENT AND DETECT SECURITIES LOSS **SESSION**

Talk A. The Surprise Audit—When, How Often, and How Should Inventory of Vault
Contents Be Taken
Joseph Herbst, *Partner*, Oppenheim, Appel, Dixon & Co.

Talk B. The Role of the Internal Auditing Firm in Preventing and Detecting Losses
Harold V. Pettillo, *Partner*, Haskins & Sells

Talk C. The Prevention and Detection Responsibilities of the Internal Auditing Department
Jerry Schwartzman, *Vice President—Wall Street Association of Internal Auditors*
Vice President, Hayden, Stone Incorporated

SESSION 5. ESTABLISHING PROCEDURES FOR SAFER HANDLING OF REGISTERED AND BEARER CERTIFICATES IN THE CAGE AND FOR COMBATING FORGERIES **SESSION**

Talk A. Safeguarding the Physical Handling of Registered Certificates In the Cage
and In the Vault
Thomas E. Loeb, *Vice President*, Kuhn, Loeb & Company

Talk B. Establishing A Chain of Accountability for Bearer Certificates for Closer Protection
Vincent J. Fullerton, *Operations Manager*, Lehman Brothers

Talk C. Setting Procedures to Combat Forged Checks, Endorsements or Securities
Murray Gross, *Assistant District Attorney*, New York County

12:45 p.m. to 2:30 p.m. **LUNCH** 12:30

Tuesday, November 25

12:15 p.m. **CONCURRENT SESSIONS**

Registrants will select one among the concurrent sessions 6-10 to attend.

9:00 a.m. to 11:15 a.m.

SESSION 11.

MANAGEMENT REQUIREMENTS FOR AN EFFECTIVE INTERNAL SECURITY PROGRAM

- Talk A. The Support, Understanding and Policies Required By Top Management to Make Program Effective
Alfred J. Coyle, *Chairman of the Board and President*, Hayden, Stone Incorporated
- Talk B. Growing Importance and Role of the Specialized Protection Responsibility in a Firm
Junius W. Peake, *Partner in Charge of Administration and Operation*, Shields and Company
- Talk C. Assigning Responsibilities and Authority Among Departments to Provide Security Checks and Balances
Edward I. O'Brien, *Senior Vice President*, Bache & Company, Incorporated

Talk A.

Talk B.

Talk C.

SESSION 12.

SAFEGUARDING THE MOVEMENT OF SECURITIES IN A FIRM

- Talk A. Setting Controls on Incoming and Outgoing Mail as a Protection Measure
Walter Palmer, *Inspector*, The United States Post Office
- Talk B. Operating and Controlling the Work of Messengers
Daniel E. Hunter, *Security Officer*, Chemical Bank
- Talk C. Control Procedures for Protecting Movement of Securities Within an Office
Mario Joseph Nigro, *General Partner, Assistant Director of Operations*, Goodbody & Co.
- Talk D. How Microfilm Can Expedite and Control Movement of Securities
Irving Samuels, *Vice President Operations*, Oppenheimer & Company

Talk A.

Talk B.

SESSION 13.

PROCEDURES TO FOLLOW WHEN A LOSS IS DISCOVERED

- Talk A. Guidelines for Notification of Key Agencies
Edward W. Buckley, *Director of Security*, Francis I. du Pont & Company
- Talk B. How to Conduct an Investigation to Find Out When and Where Loss Occurred
Sergeant Tom Dolan, *Head of Stock & Bond Unit*, First Precinct
- Talk C. Handling the Apprehension of an Employee Suspected of Theft
Vincent Gillen, *President*, Fidelifacts of Greater New York
- Talk D. Deciding on the Public Relations Approach for Revealing Security Loss
David Hill, *Executive Vice President*, Wall Street Consultants, Inc.

Talk B.

Talk A.

Talk B.

SESSION 14.

REGISTERED THEFT AND SABOTAGE PROTECTING THE COMPUTER FROM TAMPERING

- Talk A. Methods of Checking the Computer to Detect Fraudulent Tampering and Manipulation
Philip L. Schiedermayer, *President*, The Security Engineering Co.
- Talk E. Avoiding Security Protection of Computer Files
Robert V. Jacobson, *President*, Bradford Associates, Inc.
- Talk C. Controlling Access to and Surveillance of the EDP Operation
Joseph F. Doherty, *Manager—Corporate Security*, American Telephone and Telegraph Company

11:30 a.m. to 12:30 p.m.

ESTABLISHING GREATER EFFICIENCY BETWEEN TRANSFER AGENTS AND BROKERS

- Talk A. Tightening the Window Ticket System and Other Delivery and Receiving Procedures from Transfer Agents
Arthur O. Simon, *2nd Vice President*, Chase Manhattan Bank
- Talk B. Approaches to Avoid Rejected Transfers, Mismatching of Returns and Unidentified Receipts
Joseph F. Morley, *Director*, Regional Services, Association of Stock Exchange Firms
- Talk C. Accountability Audit of Securities Outstanding in Transfer
S. Leland Dill, *Partner*, Peat, Marwick, Mitchel & Co.

2:30 p.m. **LUNCH**

The Infiltration of White Collar Crime into the Financial Industry
Robert M. Morgenthau, *United States Attorney*, Southern District of New York

A Security Control Program for the Securities Industry

...addressed to management by management. Increased security and modernization of operations in the securities industry are current top priority problems.

During this Management Conference over forty executives will address you. Each of them is a professional actively dealing with the problem of security as his daily concern and responsibility in broker firms, in banks, as outside auditors, insurance company specialists and as independent security professionals. These experienced managers and specialists will point out different methods for combatting existing dangers; they also will examine, in detail, organization and manpower, operations and physical security techniques as well as every other security measure to protect the assets and earning power of brokerage firms.

*The principal program subjects of this
"How To" conference are:*

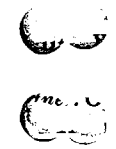
1. Top management planning for immediate results in security protection.
2. Personnel screening, hiring, training and supervision for higher security standards.
3. Safeguards to combat losses in operations and data processing systems.
4. The types and costs of various devices for effective physical security.

The Schedule

The schedule has been arranged to permit attendees to return to their offices the latter part of each afternoon or to permit registrants from out of town to spend a portion of each day in their New York offices.

The Security Control
*An Advisory Business Briefing For Securities
Insurance Companies, Accounting Firms*

Conference ties Firms, Banks, and Corporations



The Conference Institute is an organization that utilizes the conference technique to generate and transmit information. Its fields of interests relate to every facet of business. The Institute does not engage in the dissemination of propaganda. The Conference Institute is a Division of James O. Rice Associates, Inc.

The Conference Institute

The Security Control Conference

Preventing Fraud and Loss of Securities in the Investment Industry
SPEAKER and SUBJECT PROGRAM
November 24, 25, 26, 1969
(SESSIONS from 9:00 AM—12:30 PM Daily)
The New York Hilton—New York, New York

Sponsored by The Conference Institute in cooperation with:

- Investment Bankers Association,
- The New York Group
- Joint Bank-Securities Industry
- Committee on Securities Protection
- The Stock Transfer Association
- and the Following Divisions
- of the Association of Stock Exchange Firms:
- Accounting Division
- Cashiers Division
- Compliance and Legal Division
- Credit Division

Procedural Information

ADVANCE REGISTRATIONS

The enclosed registration card can be used to register for the Conference. The cost is \$175.00 per person for the three day program. The fee includes luncheons and all work materials. The check for \$175.00 per person should accompany registration. The check should be made out to The Security Control Conference. Mail to *The Security Control Conference, 300 Madison Avenue, 9th Floor, New York, N.Y. 10017*. You can also register on your company letterhead, giving name, title, address of every person attending. Each person will receive an acknowledgment with further procedural information.

MULTIPLE REGISTRATIONS

Because of the wide range of individuals within one firm concerned with security and the multiple session coverage of subjects, many organizations will want to register several people. They are welcome to do so.

HOTEL RESERVATIONS

The New York Hilton Hotel is holding a block of rooms especially for Conference registrants. They will be held until November 1. Upon receiving your registration, a special reservation card will be sent to you. If you prefer to write the hotel directly, please state date and time of arrival and departure, the type of accommodations desired, and mention that you are attending the Security Control Conference. You can, of course, stay at any other hotel of your choice.

CANCELLATIONS

Your entire registration will be returned if a cancellation is made before November 10. After that time, a \$40.00 cancellation charge will be made.

FOR FURTHER INFORMATION

If you would like any additional information, you can write to The Security Control Conference, 300 Madison Avenue, 9th Floor, New York, N.Y. 10017 or call 212-687-5523.

Wednesday, November 26

CONCURRENT SESSIONS

9:00 a.m. to 11:15 a.m. Registrants will select one among the concurrent sessions 11-14 to attend.

SESSION 11.

WHAT THE INDIVIDUAL FIRM MUST KNOW ABOUT CHANGING INSURANCE AND BONDING PRACTICES

Talk A. Identifying Key Areas of Loss Experience That Pose Serious Insurance Problems for Brokers—An Industry Study

Philip J. Hoblin, Jr., *First Vice President, Secretary and General Counsel*
Hearson, Hammill & Co., Incorporated

Talk B. New Guidelines to Improve Insurance Company-Stockbroker Relationships and Coverage

Eugene P. Dougherty, *Secretary*, Continental Insurance Company

Talk C. Losses Covered and Losses Not Covered Under a Blanket Bond Today

Richard D. Hynes, *Vice President*, Denis M. Hynes & Co., Inc.

SESSION 12.

CONTROLS IN THE DIVIDEND AND CREDIT DEPARTMENTS

Talk A. Procedures for Checking Non-Current Receipts of Cash Dividends, Stock Dividends, Rights and Customer Payments

Raymond C. Smith, *Manager of Dividend Department*, Eastman Dillon, Union Securities & Co.

Talk B. Control of Clerks' Accounts, Clerk Rotation, Other Personnel Protection Measures in the Credit Department

Norman Drubin, *Manager of Margin Department*, Ernst & Company

SESSION 13.

MAKING EMPLOYEES SECURITY CONSCIOUS

Talk A. Reducing Fraud Through Instructing Registered Reps on Methods Customers Use to Defraud

John A. Deignan, *Assistant Director*, New York Stock Exchange

Talk B. Making Supervisors Aware of Security Importance and Procedures for Combating Theft

William J. Fitzpatrick, *President*, Compliance and Legal Division, Association of Stock Exchange Firms,
Vice President, Loeb, Rhoades & Co.

SESSION 14.

SECURITY PROTECTION IN THE SMALLER FIRM

Talk A. How a Small Firm Can Establish Safeguards Within a Limited Budget

W. R. Moseley, *National Director of Investigations*

The William J. Burns International Detective Agency, Inc.

Talk B. New Vistas in Cooperative Operations and Protection for the Smaller Firms

Michael G. Mastrangelo, *Managing Partner*, Devon Securities

11:30 a.m. to 12:30 p.m.

CLOSING SESSION

THE ENFORCEMENT SUPPORT FROM WASHINGTON TO HELP INVESTMENT INDUSTRY REDUCE RISK OF SECURITIES

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

To All NASD Members:

Notice of Missing Negotiable Bonds

Roberts, Scott & Co., Inc., San Diego, California, has asked the NASD to notify its members that bearer bonds in the amount of \$425,000 were allegedly taken from one of their clients sometime between November 12 and November 25, 1969.

The matter has been reported by Roberts, Scott & Co. to the appropriate authorities including the FBI. Any information concerning the bonds should be reported immediately to the FBI; Roberts, Scott & Co. or the NASD.

A full description of the bonds is listed below:

<u>Total</u>	<u>Face Denomination</u>	<u>Description</u>	<u>Numbers</u>
100M	5,000	Los Angeles Dept. of Water & Power 4.90% - 93	4825-44
40M	1,000	Los Angeles City Junior College Series B, 3 $\frac{1}{4}$ % - 80	8366-90
45M	1,000	Los Angeles Unified School District Series B, 3 $\frac{1}{2}$ % - June, 1981	23113-57
25M	1,000	City of Los Angeles High School District, Series A, 3 $\frac{1}{2}$ % - 72	14678-92 & 14658-67
30M	1,000	Los Angeles City School District Series C, 3 $\frac{1}{2}$ % - 80	10016-25 & 9926-45
25M	1,000	L. A. Juvenile Detention Facilities Bond 4% - 76	14270-94

<u>Total</u>	<u>Face Denomination</u>	<u>Description</u>	<u>Numbers</u>
25M	1,000	Riverside Junior College District Series B, 3% - 79	B3506-30
100M	5,000	San Francisco Bay Area Rapid Transit District, Series L, 5.80% - 90	L13751-70
10M	1,000	State of California, 3% - 76	P62386-95
25M	1,000	State of California, 3.7% - 86	F93916-40

Sincerely,



Richard B. Walbert

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

888 SEVENTEENTH STREET N. W. WASHINGTON, D. C. 20006

December 10, 1969

To the NASD Staff

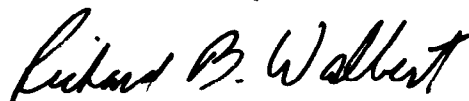
The Association has shown considerable progress this year in working to solve the increasingly great and complex problems of the securities industry. Each of you has played an important part in helping to make the Association a more viable and responsive entity and I want to express my appreciation to you for your dedicated efforts.

Our goal internally is to make this a good place to work where, by giving of ourselves, we may each achieve a sense of fulfillment. Our goal externally continues to be to help the securities industry become a model of quality and integrity in service to the public. Thus, it gives me great pleasure to inform you that a Christmas bonus has been authorized by the Executive and Finance Committees on behalf of the Board of Governors. The amount of each employee's bonus has been determined on the basis of length of employment in accordance with the following schedule, less withholding of appropriate taxes:

<u>Employed</u>	<u>Amount</u>
Prior to 1966	Three weeks' salary
During 1966 and 1967	One half month's salary
January 1, 1968 to June 30, 1969	One week's salary
July 1, 1969 to October 31, 1969	\$50.00
During November 1969	\$25.00

On behalf of the Governors, I wish you and your families a Very Merry Christmas.

Sincerely,



Richard B. Walbert
President