

# NASD

National Association of Securities Dealers, Inc.  
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

## **notice to members 85-33**

May 7, 1985

TO: All NASD Members

RE: Coastal Securities Corporation  
1888 Century Park E., Suite 1606  
Los Angeles, California 90067

ATTN: Operations Officer, Cashier, Fail-Control Department

On May 3, 1985, the United States District Court for the Central District of California appointed a SIPC Trustee for the above-captioned firm.

Members may use the "immediate close-out" procedures as provided in Section 59(i)(2) of the NASD's Uniform Practice Code to close out open OTC contracts. Also, MSRB Rule G-12 (h)(iii) provides that members may use the above procedures to close out transactions in municipal securities.

Questions regarding the firm should be directed to:

SIPC Trustee

Gavin Miller, Esquire  
Hufstedler, Miller, Carlson & Beardsley  
Sixteenth Floor, 700 South Flower Street  
Los Angeles, California 90017  
Telephone: (213) 629-4200

# NASD

National Association of Securities Dealers, Inc.  
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

## notice to members 85-34

May 8, 1985

TO: All NASD Members and Municipal Securities Bank Dealers

ATTN: All Operations Personnel

RE: Memorial Day Trade Date-Settlement Date Schedule

Securities markets and the NASDAQ System will be closed on Monday, May 27, 1985, in observance of Memorial Day. "Regular Way" transactions made on the business days noted below will be subject to the following schedule.

Trade Date-Settlement Date Schedule  
For "Regular-Way" Transactions

<u>Trade Date</u>		<u>Settlement Date</u>		<u>Regulation T Date *</u>	
May	17	May	24	May	29
	20		28		30
	21		29		31
	22		30	June	3
	23		31		4
	24	June	3		5
	27	Markets Closed			—
	28	June	4		6

The foregoing settlement dates should be used by brokers, dealers and municipal securities dealers for purposes of clearing and settling transactions pursuant to the NASD's Uniform Practice Code and Municipal Securities Rulemaking Board Rule G-12 on Uniform Practice.

Questions regarding the application of these settlement dates to a particular situation may be directed to the Uniform Practice Department of the NASD at (212) 839-6256.

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\* Pursuant to Sections 22.8(b)(1) and (4) of Regulation T of the Federal Reserve Board, a broker-dealer must promptly cancel or otherwise liquidate a customer purchase transaction in a cash account if full payment is not received within seven (7) business days of the date of purchase or, pursuant to Section 220.8(d)(1), make application to extend the time period specified. The date by which members must take such action is shown in the column entitled "Regulation T Date."

# NASD

National Association of Securities Dealers, Inc.  
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

## **notice to members 85-35**

May 10, 1985

**TO:** All NASD Members

**RE:** Bevill, Bresler & Schulman Incorporated  
301 South Livingston Avenue  
Livingston, New Jersey 07039

**ATTN:** Operations Officer, Cashier, Fail-Control Department

On May 8, 1985, the United States District Court for the District of New Jersey appointed a SIPC Trustee for the above-captioned firm.

Please refer to Notice to Members 85-25 regarding the previous appointment of a Temporary Receiver.

Questions regarding the firm should be directed to:

SIPC Trustee

Richard W. Hill, Esquire  
McCarter & English  
550 Broad Street  
Newark, New Jersey 07102  
Telephone: (201) 622-4444

  
**NASD**National Association of Securities Dealers, Inc.  
1735 K St., N.W. • Washington, D.C. 20006 • (202) 726-8000**notice to members 85-36**

May 10, 1985

**TO:** All NASD Members and Level 2 and Level 3 Subscribers

**RE:** NASDAQ National Market System Grows to 1,976 Securities With 42 Voluntary Additions on May 21, 1985

On Tuesday, May 21, 1985, 42 issues are scheduled to join the NASDAQ National Market System bringing the total number of issues in NASDAQ/NMS to 1,976. These 42 issues, which will begin trading under real-time trade reporting, are entering the NASDAQ/NMS pursuant to the Securities and Exchange Commission's criteria for voluntary designation.

The 42 issues scheduled to join NASDAQ/NMS on Tuesday, May 21, 1985, are:

<b>Symbol</b>	<b>Company Name</b>	<b>Location</b>
ACTP	Advanced Computer Techniques Corporation	New York, NY
ARCE	Air Cargo Equipment Corporation	Rancho Dominguez, CA
ARAI	Allied Research Associates, Inc.	Severna Park, MD
AIC	American Integrity Corporation	Philadelphia, PA
APER	Atlantic Permanent Federal Savings & Loan Association	Norfolk, VA
BYOU	Bayou Resources, Inc.	Houston, TX
CCOA	Comcoa, Inc.	Wichita, KS
CFCN	Commercial Federal Corporation	Omaha, NE
CRST	Crestek, Inc.	Trenton, NJ
DION	Dionics, Inc.	Westbury, NY
ELSE	Electro-Sensors, Inc.	Minneapolis, MN
FAMF	First American Federal Savings & Loan Association	Huntsville, AL
FFBN	First Federal Bank, FSB	Nashua, NH

<b>Symbol</b>	<b>Company Name</b>	<b>Location</b>
FFBV	First Federal Savings & Loan Association of Brooksville	Brooksville, FL
FEXP	Frozen Food Express Industries, Inc.	Dallas, TX
GNIC	Guaranty National Corporation	Englewood, CO
HPOC	High Plains Oil Corporation	Denver, CO
NMED	Inmed Corporation	Norcross, GA
IPIPF	Interprovincial Pipe Line Limited	Ontario, Canada
JNSV	Jones & Vining, Incorporated	Braintree, MA
KAPA	Kappa Networks, Inc.	Rahway, NJ
LYTS	LSI Lighting Systems Inc.	Cincinnati, OH
LAFC	Loan America Financial Corporation	St. Petersburg, FL
MIKE	Michaels Stores, Inc.	Irving, TX
NATH	Nathan's Famous, Inc.	New York, NY
NFEXF	New Frontier Petroleum Corporation	Vancouver, BC
NEWE	Newport Electronics, Inc.	Santa Ana, CA
NICO	NICO, Inc.	New York, NY
NBIC	Northeast Bancorp, Inc.	New Haven, CT
PACFE	Pasadena Energy Corporation	Dallas, TX
PEXPO	People Express Airlines, Inc. (Pfd)	Newark, NJ
PEOP	Peoples Ban Corporation	Seattle, WA
PMAN	Piedmont Management Company Inc.	New York, NY
PRCLS	Property Investors of Colorado	Englewood, CO
REITS	Real Estate Investment Trust of California	Santa Monica, CA
ROPK	Ropak West Inc.	Fullerton, CA
SVRS	Saver's Bancorp, Inc.	Littleton, NH
SSMC	Silver State Mining Corporation	Denver, CO
USTB	UST Corp.	Boston, MA
UMSB	United Missouri Bancshares Inc.	Kansas City, MO
VBAN	V Band Systems, Inc.	Yonkers, NY
VIDE	Video Display Corporation	Stone Mountain, GA

**Interim Additions**

<b>Symbol</b>	<b>Company Name</b>	<b>Date of Entry</b>
HIGH	Highland Superstores, Inc.	5/09/85

The following changes to the list of NASDAQ/NMS securities occurred since April 29, 1985:

**NASDAQ/NMS Symbol And/Or Name Changes**

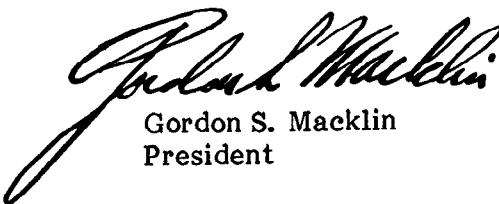
<u>New/Old Symbol</u>	<u>New/Old Security Name</u>	<u>Date of Change</u>
CANLZ/CANZV	Canal-Randolph Limited Partnership - Units/ Canal-Randolph Limited Partnership - WI	5/03/85
PROT/PROT	Protective Life Corporation/ Protective Corporation	5/07/85
PBSB/PBSB	Prudential Bancorporation/ Prudential Bank, FSB	5/10/85

**NASDAQ/NMS Deletions**

<u>Symbol</u>	<u>Security Name</u>	<u>Date</u>
HRTG	Heritage Bancorporation of New Jersey	5/01/85
BHSL	Beverly Hills Savings & Loan	5/02/85
GLEN	Glendale Federal Savings & Loan Association	5/07/85
IHPI	Independence Health Plan, Inc.	5/08/85
PABT	Pabst Brewing Company	5/09/85
FOXM	Foxmeyer Corporation	5/10/85

Any questions regarding this notice should be directed to Donald Botic, Assistant Director, NASDAQ Operations, at (202) 728-8043. Questions pertaining to trade reporting rules should be directed to Steve Hickman, Market Surveillance, at (202) 728-8202.

Sincerely,



Gordon S. Macklin  
President

# NASD

National Association of Securities Dealers, Inc.  
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

## **notice to members 85-37**

May 15, 1985

TO: All NASD Members

RE: Parr Securities Corp.  
68 William Street  
New York, New York 10005

ATTN: Operations Officer, Cashier, Fail-Control Department

On May 7, 1985, the United States District Court for the Southern District of New York appointed a Temporary Receiver for the above-captioned firm.

Members may use the "immediate close-out" procedures as provided in Section 59(i)(2) of the NASD's Uniform Practice Code to close out open OTC contracts. Also, MSRB Rule G-12(h)(iii) provides that members may use the above procedures to close out transactions in municipal securities.

Questions regarding the firm should be directed to:

Temporary Receiver

Mitchell A. Lowenthal, Esquire  
Cleary, Gottlieb, Steen & Hamilton  
One State Street Plaza  
New York, New York 10004  
Telephone: (212) 344-0600

# NASD

National Association of Securities Dealers, Inc.  
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## **notice to members 85-38**

May 20, 1985

**TO:** All NASD Members

**RE:** Parr Securities Corp.  
68 William Street  
New York, New York 10005

**ATTN:** Operations Officer, Cashier, Fail-Control Department

On May 17, 1985, the United States District Court for the Southern District of New York appointed a SIPC Trustee for the above-captioned firm. Previously, a Temporary Receiver had been appointed for the firm on May 7, 1985.

Members may use the "immediate close-out" procedures as provided in Section 59(i)(2) of the NASD's Uniform Practice Code to close out open OTC contracts. Also, MSRB Rule G-12(h)(iii) provides that members may use the above procedures to close out transactions in municipal securities.

Questions regarding the firm should be directed to:

SIPC Trustee

Edwin B. Mishkin, Esquire  
Cleary, Gottlieb, Steen & Hamilton  
One State Street Plaza  
New York, New York 10004  
Telephone: (212) 344-0600





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1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

# notice to members 85-39

May 28, 1985

TO: All NASD Members and Level 2 and Level 3 Subscribers

RE: NASDAQ National Market System Grows to 1,998 Securities With 23  
Voluntary Additions on June 4, 1985

On Tuesday, June 4, 1985, 23 issues are scheduled to join the NASDAQ National Market System bringing the total number of issues in NASDAQ/NMS to 1,998. These issues, which will begin trading under real-time trade reporting, are entering the NASDAQ/NMS pursuant to the Securities and Exchange Commission's criteria for voluntary designation.

The issues scheduled to join NASDAQ/NMS on Tuesday, June 4, 1985, are:

Symbol	Company	Location
ABPI	American Businessphones, Inc.	Irvine, CA
BPHC	Bay Pacific Health Corporation	San Bruno, CA
BRLYS	Bradley Real Estate Trust	Boston, MA
CHAR	Chaparral Resources, Inc.	Denver, CO
CSTP	Congress Street Properties, Inc.	Jackson, MS
CSCS	Continental Steel Corp.	Kokomo, IN
DIVHF	Divi Hotels, N.V.	Netherlands Antilles
ETCC	Environmental Testing and Certification Corporation	Edison, NJ
AJGC	Gallagher (Arthur J.) & Co.	Rolling Meadows, IL
HHHC	Hanover Companies, Incorporated	Glen Oaks, NY
MKCO	Kamenstein (M.), Inc.	White Plains, NY
KING	King World Productions, Inc.	Summit, NJ

<b>Symbol</b>	<b>Company</b>	<b>Location</b>
LIBAV	Liberty Homes, Inc. Class A	Goshen, IN
LIBBV	Liberty Homes, Inc. Class B	Goshen, IN
MMIM	MMI Medical, Inc.	Pomona, CA
MCCS	Medco Containment Services, Inc.	Elmwood Park, NJ
MCRS	Micros Systems, Inc.	Beltsville, MD
MILT	Miltope Group, Inc.	New York, NY
OLGR	Oilgear Company (The)	Milwaukee, WI
RANG	Rangaire Corporation	Cleburne, TX
RESM	Restaurant Management Services, Inc.	Macon, GA
USBP	USABANCORP, Inc.	Johnstown, PA
UNNB	University National Bank & Trust Company	Palo Alto, CA

The following issues may be included in the NASDAQ/NMS prior to the next regularly scheduled phase-in date:

**Pending Additions**

<b>Symbol</b>	<b>Company</b>	<b>Location</b>
CYPMV	Cyprus Minerals Company	Englewood, CO
MDIN	Medalist Industries, Inc.	Mequon, WI

The following changes to the list of NASDAQ/NMS securities occurred since May 10, 1985:

**NASDAQ/NMS Symbol And/Or Name Changes**

<u>New/Old Symbol</u>	<u>New/Old Security Name</u>	<u>Date of Change</u>
ALGI/AVMC	American Locker Group, Inc./ AVM Corporation	5/15/85
OGIL/OGIL	The Ogilvey Group, Inc./ Ogilvey & Mather International, Inc.	5/15/85
VUBN/UTBN	Valley Utah Bancorporation/ Utah Bancorporation	5/17/85

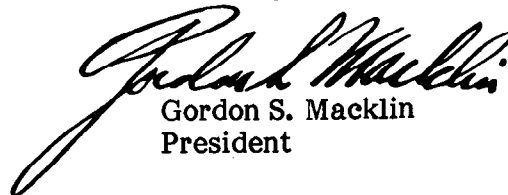
<u>New/Old Symbol</u>	<u>New/Old Security Name</u>	<u>Date of Change</u>
CNRD/CNRD	Canrad, Inc./Canrad-Hanover, Inc.	5/20/85
JIFY/AVEC	Jiffy Industries, Inc./ Advanced Energy Corporation	5/24/85

**NASDAQ/NMS Deletions**

<b>Symbol</b>	<b>Security Name</b>	<b>Date</b>
CCUPC	Compucorp	5/16/85
CSYN	Computer Synergy	5/20/85
MECCQ	Miller Technology & Communications Corporation	5/22/85
UDCO	Universal Development Corporation	5/23/85

Any questions regarding this notice should be directed to Donald Bosc, Assistant Director, NASDAQ Operations, at (202) 728-8043. Questions pertaining to trade reporting rules should be directed to Steve Hickman, Market Surveillance, at (202) 728-8202.

Sincerely,



Gordon S. Macklin  
President



DIVISION OF  
MARKET REGULATION

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

May 3, 1985

Mr. David Marcus  
Executive Vice President  
New York Stock Exchange, Inc.  
55 Water Street  
New York, NY 10041

Mr. John E. Pinto, Jr.  
Senior Vice President  
National Association of Securities  
Dealers, Inc.  
1735 K Street, N.W.  
Washington, D.C. 20006

Dear Messrs. Marcus and Pinto:

It has come to our attention that certain broker-dealers have entered into agreements with their clearing entities that may be in violation of the Commission's hypothecation rules, Securities Exchange Act Rules 8c-1 and 15c2-1 (17 CFR §§240.8c-1 and 15c2-1).

Paragraph (a)(2) of each rule prohibits "...the direct or indirect hypothecation by a broker or dealer, or his arranging for or permitting, directly, or indirectly, the continued hypothecation of any securities carried for the account of any customer under circumstances... that will permit such securities to be commingled with securities carried for the account of any person other than a bona fide customer of such broker or dealer under a lien for a loan made to such broker or dealer...." This provision is, of course, primarily designed to prevent a broker-dealer from pledging his customers' securities and his own securities to secure the same loan.

Broker-dealers that do business with clearing banks or other entities normally maintain two borrowings with the same lender. The customer loan is used to finance the extension of credit by the broker-dealer to its customers. Customer securities are pledged under the customer bank loan. The firm bank loan is used to finance firm activities and is collateralized by firm securities.

While most broker-dealers provide separate collateral for each loan, we understand that some broker-dealers have entered into clearing agreements whereby the clearing organization has recourse to all securities and other property within that organization's possession or control. This "cross-lien" language makes customer securities available to the clearing entity if the broker-dealer defaults on the firm loan and thus constitutes a violation of the hypothecation rules.

The Commission specifically prohibited this practice when it adopted the hypothecation rules. In Securities Exchange Act Release No. 2690 the Commission noted that in order to avoid such violations of Rules 8c-1 and 15c2-1, "brokers who pledge customers' securities with any pledgee from whom they are also borrowing on their own securities must see to it that the pledgee, whether it be a bank, another broker or any other lender, does not obtain a general or so-called "cross-lien" on customers' securities as additional collateral for other loans which it has made to the broker on his own securities or those of his partners or other broker-dealers. In other words, where a broker pledges customers' securities as well as his own securities with a single pledgee to secure several loans, one or more of which are made against the broker's own securities, it will be necessary that the pledgee does not have a lien upon customers' securities for any loan except other loans also made against securities carried for the account of customers of the same broker."

Any lien of a clearing corporation or other department of a national securities exchange or a registered national securities association for a loan made and to be repaid on the same calendar day which is incidental to the clearing of transactions in securities or loans through the entity is not subject to these restrictions. See, paragraph (e) of the Rule relating to so-called one-way liens.

Furthermore, the lender, unless he is a broker-dealer subject to these Rules, does not have a right to rehypothecate customers' securities.

It should also be noted that where a bank has access to securities carried for the account of customers, the broker-dealer must ensure that the bank may assert no lien against these securities by virtue of a loan to the broker-dealer which is purportedly unsecured or is secured by firm assets other than firm securities.

Please bring these matters to the attention of your members and your examination staff. If you have any questions, please feel free to call.

Sincerely,



Michael A. Macchiaroli  
Assistant Director