

NASD

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

notice to members 85-59

September 4, 1985

TO: All NASD Members and Other Interested Persons

ATTN: Syndicate Department

RE: Effectiveness of Amendment to the Uniform Practice Code to Require Prompt Settlement of Syndicate Accounts

The NASD has adopted an amendment to its Uniform Practice Code to require syndicate managers to settle syndicate accounts within 120 days of the syndicate settlement date. The text of the amendment, which will be effective October 1, 1985, is attached.

Explanation Of Proposed Amendment

As a result of industry concerns about delays in settling syndicate accounts, the NASD's Corporate Financing Committee considered the need for more prompt settlement of syndicate accounts in the distribution of corporate securities. Syndicate accounts are ordinarily established by underwriting groups to process the income and expenses of the syndicate. Delays in settling these accounts can result in unnecessary outlays of time and money by syndicate participants.

After consideration of the matter, the NASD concluded that the problem of delays in the settlement of syndicate accounts which the industry has been experiencing should be addressed by establishing a period within which syndicate accounts must be settled.

The NASD has, therefore, amended the Uniform Practice Code to add new Section 66, which requires the final settlement of syndicate accounts by the syndicate manager within 120 days of the date securities are delivered by the issuer to or for the account of syndicate members.

After one year, the NASD will review the experience under the 120-day requirement with a view to reducing the time period to 90 days.

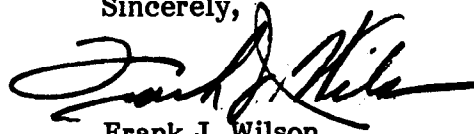
Effective Date

New Section 66 will become effective October 1, 1985 but will not apply to offerings which became effective before that date. Therefore, syndicate accounts are required to be settled within 120 days with respect to all corporate securities offerings effective on or after October 1, 1985.

* * * * *

All comments or questions pertaining to these new requirements may be directed to the NASD's Corporate Financing Department, at (202) 728-8258.

Sincerely,



Frank J. Wilson
Executive Vice President
Legal and Compliance

Attachment

NEW SECTION 66
UNIFORM PRACTICE CODE

Section 66 **Settlement of Syndicate Accounts**

(a) Definitions:

- (1) "selling syndicate" means any syndicate formed in connection with a public offering to distribute all or part of an issue of corporate securities by sales made directly to the public by or through participants in such syndicate.**
- (2) "syndicate account" means an account formed by members of the selling syndicate for the purpose of purchasing and distributing the corporate securities of a public offering.**
- (3) "syndicate manager" means the member of the selling syndicate that is responsible for maintenance of syndicate account records.**
- (4) "syndicate settlement date" means the date upon which corporate securities of a public offering are delivered by the issuer to or for the account of the syndicate members.**

(b) Final settlement of syndicate accounts shall be effected by the syndicate manager within 120 days following the syndicate settlement date.

NASD

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

notice to members 85-60

September 9, 1985

TO: All NASD Members

RE: Collins Securities Corporation
400 Tower Building
Fourth & Center Streets
Little Rock, Arkansas 72201

ATTN: Operations Officer, Cashier, Fail-Control Department

On September 4, 1985, the Federal District Court for the Eastern District of Arkansas appointed a SIPC Trustee for the above captioned firm.

Please refer to Notice to Members 85-28 regarding the previous appointment of a Temporary Receiver.

Questions regarding the firm should be directed to:

SIPC Trustee

Harvey L. Bell, Esquire
Bell, Bilheimer & Associates, P. A.
902 West Second Street
Little Rock, Arkansas 72201
Telephone: (501) 376-1600

NASD

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

notice to members 85-61

September 9, 1985

TO: All NASD Members and Other Interested Persons

RE: Cross-Lien Agreements with Clearing Entities

In a recent letter to the NASD (see the enclosure), the Securities and Exchange Commission's Division of Market Regulation expressed concern that certain brokers and dealers may have entered into agreements with their clearing entities that violate the provisions of the Commission's hypothecation rules (8c-1 and 15c2-1). These rules are designed, among other things, to prevent brokers or dealers from commingling customers' and firm securities to collateralize the same loan.

The relevant portions of these rules prohibit "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"

Members that do business with clearing banks or other entities frequently maintain two separate borrowings with the same lender, one for the firm and the other for customers. A customer loan is used to finance the extension of credit to its customers by the broker-dealer with customers' securities pledged under said loan. A firm bank loan is collateralized by firm securities used to finance firm activities.

However, some broker-dealers apparently have entered into clearing agreements that give the clearing organization recourse to all securities and other property within that clearing firm's possession or control. This "cross-lien" language makes customers' securities susceptible to the clearing entity if the broker-dealer defaults on the firm loan. This constitutes a violation of the hypothecation rules.

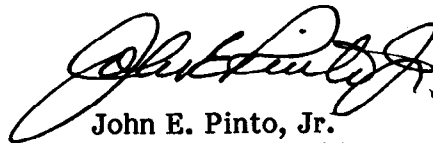
Consequently, where a broker-dealer has several loans that are collateralized by customers' securities and firm inventory with a single lender, the

lender may not have a lien on customers' securities for any loan except other loans also made against securities carried for the account of customers of the same broker-dealer. Members should review existing agreements with their clearing entities and take immediate steps to amend them where appropriate.

When a "cross-lien" agreement does exist between customers' and firm securities that are utilized as collateral for loans between broker-dealers and their clearing banks or other entities, the Reserve Formula Computation under SEC Rule 15c3-3 is impacted. In those instances, Item 2 of the Reserve Formula must include in the credits the lesser of the total amount of all monies borrowed (including any other borrowing from the same entity not collateralized by securities) or the market value of customer collateral, provided however, that if the market value of the collateral in the customer loan is insufficient to adequately collateralize said loan, the dollar amount of the loan should be used.

Questions concerning this notice should be directed to your local NASD District Office or to I. William Fishkind, Assistant Director, Financial Responsibility, at (202) 728-8405.

Sincerely,



John E. Pinto, Jr.
Senior Vice President
Compliance

Enclosure

NASD

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

notice to members 85-62

September 9, 1985

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

RE: NASDAQ National Market System Grows to 2,118 Securities With 21
Voluntary Additions on September 17, 1985

On Tuesday, September 17, 1985, 21 issues are scheduled to join the NASDAQ National Market System, bringing the total number of issues in NASDAQ/NMS to 2,118. These 21 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 21 issues scheduled to join NASDAQ/NMS on Tuesday, September 17, 1985, are:

Symbol	Company	Location
APPL	Apple Bank for Savings	New York, NY
BECR	Bercor, Inc.	La Mirada, CA
BOHM	Bohemia, Inc.	Eugene, OR
CFIP	CF&I Steel Corporation	Pueblo, CO
CHFS	Chief Automotive Systems, Inc.	Grand Island, NE
DKJC	DICKEY-john Corporation	Auburn, IL
UNTD	First United Bancshares, Inc.	El Dorado, AR
ICSI	International Container Systems, Inc.	Tampa, FL
KNAP	Knape & Vogt Manufacturing Company	Grand Rapids, MI

Symbol	Company	Location
LDGX	Lodgistix, Inc.	Wichita, KS
METHA	Methode Electronics, Inc. (C1 A)	Chicago, IL
METHB	Methode Electronics, Inc. (C1 B)	Chicago, IL
QTNT	QT&T, Inc.	Brentwood, NY
SPILF	S.P.I.-Suspension and Parts Industries Limited	Carmiel, Israel
JSCC	Scott Cable Communications, Inc.	Irving, TX
SWHI	Sound Warehouse, Inc.	Dallas, TX
SOME	State-O-Maine, Inc.	New York, NY
STGM	Status Game Corporation	West Hartford, CT
STRM	Sturm, Ruger & Company, Inc.	Southport, CT
TRVMF	T.R.V. Minerals Corporation	Vancouver, Canada
WCOM	Warner Computer Systems, Inc.	Teaneck, NJ

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

Pending Additions

Symbol	Company	Location
NDOCV	Noble Drilling Corporation	Ardmore, OK

The following changes to the list of NASDAQ/NMS securities occurred since August 22, 1985:

NASDAQ/NMS Symbol And/Or Name Changes

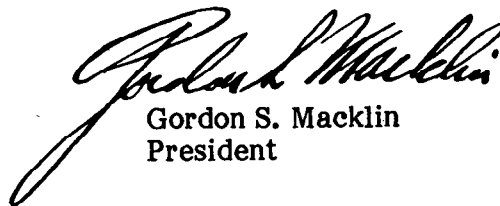
New/Old Symbol	New/Old Security Name	Date of Change
PTMEF/ NFEXF	Petro Mac Energy, Inc./New Frontier Petroleum Corporation	8/29/85
PEXP/ PEXP	People Express, Inc./People Express Airlines, Inc.	8/29/85
PEXPP/ PEXPP	People Express, Inc. (Ser A, Pfd)/ People Express Airlines, Inc. (Ser A, Pfd)	8/29/85
PEXPO/ PEXPO	People Express, Inc. (Ser B, Pfd)/ People Express Airlines, Inc. (Ser B, Pfd)	8/29/85
EWAT/ EWAT	E'Town Corporation/Elizabethtown Water Company	9/03/85

NASDAQ/NMS Deletions

Symbol	Security Name	Date
BIEN	Billings Corporation	8/22/85
FSAW	First Savings of Wisconsin	8/23/85
MCOR	Moncor, Inc.	8/26/85
KIDS	LJN Toys, Inc.	8/27/85
NYAL	New York Airlines, Inc.	8/29/85
NYALW	New York Airlines, Inc. (Wts)	8/29/85
LBKF	Landmark Banking Corporation of Florida	8/30/85
CENB	Centran Corporation	9/03/85
CMTLC	Comtech, Inc.	9/03/85

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



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

notice to members 85-63

September 23, 1985

TO: All NASD Members and Municipal Securities Bank Dealers
 FROM: All Operations Personnel
 RE: Trade Date-Settlement Date Schedule for October and Early November

Transactions made on Monday, October 14, Columbus Day; Tuesday, November 5, Election Day; and Monday, November 11, Veterans Day, and the days immediately preceding these days, will be subject to the schedule below. The purpose of this schedule is to provide uniformity since, while the NASDAQ System and other securities markets will be open on these days, many banking institutions will be closed.

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

<u>Trade Date</u>		<u>Settlement Date</u>		<u>Regulation T Date*</u>	
October	4	October	11	October	15
	7		15		16
	8		16		17
	9		17		18
	10		18		21
	11		21		22
	14		21		23
October	28	November	4	November	6
	29		6		7
	30		7		8
	31		8		11

(Continued)

* Pursuant to Sections 220.8(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."

<u>Trade Date</u>	<u>Settlement Date</u>	<u>Regulation T Date*</u>
November 1	12	12
4	13	13
5	13	14
6	14	15
7	15	18
8	18	19
11	18	20

October 14, November 5, and November 11 will not be considered business days for determining the day for settlement of a trade. Securities will not be quoted ex-dividend and, marks-to-the-market, reclamations, and close-outs will not be made on these days.

It should be noted that October 14, November 5, and November 11 will be considered business days for receiving customers' payments under Regulation T of the Federal Reserve Board.

The foregoing settlement dates should be used by brokers, dealers and municipal securities dealers for purposes of clearing and settling transactions pursuant to the Association'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.

* * * *

NASD

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

notice to members 85-64

September 24, 1985

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

RE: NASDAQ National Market System Grows to 2,143 Securities With 31 Voluntary Additions on October 1, 1985

On Tuesday, October 1, 1985, 31 issues are scheduled to join the NASDAQ National Market System, bringing the total number of issues in NASDAQ/NMS to 2,143. These 31 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 31 issues scheduled to join NASDAQ/NMS on Tuesday, October 1, 1985, are:

Symbol	Company	Location
AMBJ	American City Business Journals, Inc.	Kansas City, MO
ALCRW	American Land Cruisers, Inc. (Wts)	Miami, FL
AMRS	American Restaurants Corporation	Ventura, CA
BTFC	BT Financial Corporation	Johnstown, PA
BBAHF	Basic Resources International (Bahamas) (Ltd)	Nassau, Bahamas
BEBA	Beeba's Creations, Inc.	San Diego, CA
BNKF	Bankers First Corporation	Augusta, GA
CBIO	California Biotechnology, Inc.	Mountain View, CA
COMX	Comtrex Systems Corporation	Mt. Laurel, NJ
CCOTW	Consolidated Capital Opportunity Trust (Wts)	Emeryville, CA
CRIX	Control Resource Industries, Inc.	Michigan City, IN
DCOR	Decor Corporation	Columbus, OH
DSIW	Decom Systems, Inc. (Wts)	San Marcos, CA
DIVWF	Divi Hotels, N.V. (Wts)	Ithaca, NY

Symbol	Company	Location
EPICW	Environmental Processing, Inc. (Wts)	Richardson, TX
EXPDW	Expeditors International of Washington, Inc. (Wts)	Seattle, WA
EXPO	Exposaic Industries, Inc.	Mount Airy, NC
JCOR	Jacor Communications, Inc.	Cincinnati, OH
KHGI	Keystone Heritage Group, Inc.	Lebanon, PA
LXBK	LSB Bancshares, Inc.	Lexington, NC
MHFS	Mutual Home Federal Savings Bank	Grand Rapids, MI
NUMR	Numerex Corporation	Minneapolis, MN
TIRE	One Liberty Firestone Properties, Inc.	New York, NY
PNFC	Pennsylvania National Finance Corp.	Harrisburg, PA
PHNX	Phoenix Medical Technology, Inc.	Andrews, SC
PAMC	Provident American Corporation	Norristown, PA
RGEQ	Regency Equities Corp.	New York, NY
STGA	Saratoga Standardbreds, Inc.	North Salem, NY
TFLX	Termiflex Corporation	Merrimack, NH
MORW	II Morrow, Inc.	Salem, OR
VISC	Visual Electronics Corporation	Newark, NJ

The following changes to the list of NASDAQ/NMS securities occurred since September 6, 1985:

NASDAQ/NMS Symbol And/Or Name Changes

New/Old Symbol	New/Old Security Name	Date of Change
MCBK/MCBK	Merchants Bank of Boston, A Co-Operative Bank/Merchants Co-Operative Bank	9/20/85

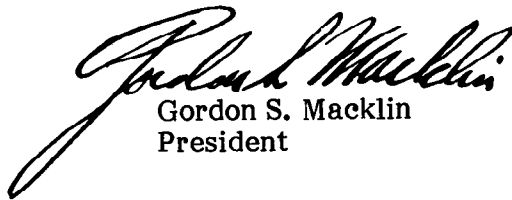
NASDAQ/NMS Deletions

Symbol	Security Name	Date
AVEC	Advanced Energy Corporation	9/09/85
CDTX	Chad Therapeutics, Inc.	9/09/85
FHSY	Family Health Systems, Inc.	9/09/85

Symbol	Security Location	Date
PEPLQ	Peoples Restaurants, Inc.	9/09/85
SPER	Sperti Drug Products, Inc.	9/09/85
DFDI	Diversifoods, Inc.	9/12/85
FOOD	First National Supermarkets, Inc.	9/16/85
FSTW	Firstar Corporation	9/17/85

Any questions regarding this notice should be directed to Donald Bosic, 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 85-65

October 1, 1985

TO: All NASD Members

RE: R. H. Stewart & Co., Inc.
1975 E. Sunrise Blvd., #817
Fort Lauderdale, Florida 33304

ATTN: Operations Officer, Cashier, Fail-Control Department

On September 30, 1985, the United States District Court for the Southern District of Florida, Miami Division, appointed a SIPC Trustee for the above-captioned firm.

Members may use the "immediate close-out" procedures as provided in Section 59(i) 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

John R. Camp, Jr., Esquire
Blackwell Walker Gray Powers
Flick and Hoehl
2400 Amerifirst Building
One Southeast Third Avenue
Miami, Florida 33131
Telephone: (305) 358-8880



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

notice to members 85-66

October 4, 1985

TO: All NASD Members and Other Interested Persons

RE: Quarterly Checklist of Notices to Members

The following is a list of NASD Notices to Members issued during the second and third quarters of 1985. Requests for copies of any notice should be accompanied by a self-addressed mailing label and directed to: NASD Administrative Services, 1735 K Street, N.W., Washington, D. C. 20006.

Notice Number	Date	Topic
85-22	April 8, 1985	NASDAQ National Market System Grows to 1,861 Securities With 100 Voluntary Additions on April 16, 1985
85-23	April 10, 1985	Quarterly Checklist of Notices to Members
85-24	April 12, 1985	NASDAQ Equity Audit Trail
85-25	April 11, 1985	Temporary Receiver Appointed Bevill, Bresler & Schulman, Incorporated Bevill, Bresler & Schulman Securities, Inc. Austin Investment Planning, Inc. 301 South Livingston Avenue Livingston, New Jersey
85-26	April 15, 1985	Adoption of an Amendment to the Interpretation of the Board of Governors on "Forwarding of Proxy and Other Materials"

Notice Number	Date	Topic
85-27	April 15, 1985	Approval of Recodified By-Laws and New Code of Procedure
85-28	April 18, 1985	Temporary Receiver Appointed Collins Securities Corporation 400 Tower Building Fourth & Center Streets Little Rock, Arkansas
85-29	April 19, 1985	Compensation Received in Connection With Direct Participation Programs
85-30	April 22, 1985	Securities and Exchange Commission Release Announcing Shareholder Communication Proposals
85-31	April 29, 1985	NASDAQ National Market System Grows to 1,940 Securities With 82 Voluntary Additions on May 7, 1985, and Six Mandatory Inclusions on May 14, 1985
85-32	April 30, 1985	Payment for Order Flow
85-33	May 7, 1985	SIPC Trustee Appointed Coastal Securities Corporation 1888 Century Park E., Suite 1606 Los Angeles, California 90067
85-34	May 8, 1985	Memorial Day: Trade Date-Settlement Date Schedule
85-35	May 10, 1985	SIPC Trustee Appointed Bevill, Bresler & Schulman Incorporated 301 South Livingston Avenue Livingston, New Jersey 07039
85-36	May 10, 1985	NASDAQ National Market System Grows to 1,976 Securities With 42 Voluntary Additions on May 21, 1985
85-37	May 15, 1985	Temporary Receiver Appointed Parr Securities Corp. 68 William Street New York, New York 10005

Notice Number	Date	Topic
85-38	May 20, 1985	SIPC Trustee Appointed Parr Securities Corp. 68 William Street New York, New York 10005
85-39	May 28, 1985	NASDAQ National Market System Grows to 1,998 Securities With 23 Voluntary Additions on June 4, 1985
85-40	June 3, 1985	Implementation of Revised Forms U-4 and U-5
85-41	June 10, 1985	Request for Comments on Amendment Concerning Asso- ciated Persons' Accounts With Investment Advisers, Banks, and Other Financial Institutions
85-42	June 10, 1985	Independence Day Trade Date- Settlement Date Schedule
85-43	June 12, 1985	Proposed New Rule of Fair Prac- tice Relating to Permission for Members to Alter Their Methods of Operation Under SEC Rule 15c3-3 (the "Customer Protection Rule")
85-44	June 11, 1985	NASDAQ National Market System Grows to 2,012 Securities With 22 Voluntary Additions on June 18, 1985
85-45	June 24, 1985	NASDAQ National Market System Grows to 2,045 Securities With 40 Voluntary Additions on July 2, 1985
85-46	June 27, 1985	Offshore Shell Bank Licenses Registered in Majuro, Marshall Islands — Update
85-47	July 8, 1985	NASDAQ National Market System Grows to 2,057 Securities With 21 Voluntary Additions on July 16, 1985
85-48	July 17, 1985	Qualification and Registration Requirements of Schedule C

Notice Number	Date	Topic
85-49	July 19, 1985	Request for Comment on Shareholder Voting Rights for NASDAQ National Market System Companies
85-50	July 29, 1985	NASDAQ National Market System Grows to 2,077 Securities With 32 Voluntary Additions on August 6, 1985
85-51	August 2, 1985	Temporary Receiver Appointed Donald E. Sheldon & Co., Inc. One Wall Street New York, New York 10005
85-52	August 5, 1985	SEC Request for Comment on Issues Relating to the Designation of NASDAQ/NMS Securities
85-53	August 12, 1985	NASDAQ National Market System Grows to 2,091 Securities With 22 Voluntary Additions on August 20, 1985
85-54	August 13, 1985	Proposed New Rule of Fair Practice Relating to Private Securities Transactions
85-55	August 16, 1985	Labor Day: Trade Date-Settlement Date Schedule
85-56	August 19, 1985	SIPC Trustee Appointed Donald E. Sheldon & Co., Inc. One Wall Street New York, New York 10005
85-57	August 28, 1985	NASDAQ National Market System Grows to 2,111 Securities With 24 Voluntary Additions on September 3, 1985
85-58	August 30, 1985	Request for Comments on a Proposed New Rule Governing the Prompt Payment for Investment Company Shares Sold to Customers by NASD Members
85-59	September 4, 1985	Effectiveness of Amendment to the Uniform Practice Code to Require Prompt Settlement of Syndicate Accounts

Notice Number	Date	Topic
85-60	September 9, 1985	SIPC Trustee Appointed Collins Securities Corporation 400 Tower Building Fourth & Center Streets Little Rock, Arkansas 72201
85-61	September 9, 1985	Cross-Lien Agreements With Clearing Entities
85-62	September 9, 1985	NASDAQ National Market System Grows to 2,118 Securities With 21 Voluntary Additions on September 17, 1985
85-63	September 23, 1985	Trade Date - Settlement Date Schedule for October and Early November
85-64	September 24, 1985	NASDAQ National Market System Grows to 2,143 Securities With 31 Voluntary Additions on October 1, 1985

NASD

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

notice to members 85-67

October 7, 1985

TO: All NASD Members

RE: TK Securities, Inc.
1450 North Dixie Highway
Fort Lauderdale, Florida 33304

ATTN: Operations Officer, Cashier Fail-Control Department

On October 4, 1985, the United States District Court for the Southern District of Florida, Miami Division, 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

Samuel A. Brodnax, Jr., Esquire
Smathers & Thompson
Alfred I. DuPont Building
169 E. Flagler Street
Miami, Florida 33131
Telephone: (305) 379-6523

NASD

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

notice to members 85-68

October 8, 1985

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

RE: NASDAQ National Market System Grows to 2,149 Securities With 14
Voluntary Additions on October 15, 1985

On Tuesday, October 15, 1985, 14 issues are scheduled to join the NASDAQ National Market System, bringing the total number of issues in NASDAQ/NMS to 2,149. These 14 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 14 issues scheduled to join NASDAQ/NMS on Tuesday, October 15, 1985, are:

Symbol	Company	Location
BBUY	Best Buy Co., Inc.	Bloomington, MN
CTYFP	CityFed Financial Corporation (CI A) (Pfd)	Palm Beach, FL
CTYFN	CityFed Financial Corporation (CI B) (Pfd)	Palm Beach, FL
CTYFO	CityFed Financial Corporation (CI C) (Pfd)	Palm Beach, FL
GOOD	Goody Products, Inc.	Kearny, NJ
IDCS	IDC Services, Inc.	Chicago, IL
INFC	Infotech Management, Inc.	Long Island City, NY
IVAC	Inland Vacuum Industries, Inc.	Churchville, NY
LACR	Lancer Corporation	San Antonio, TX
MAGN	Magnetics International, Inc.	Maple Heights, OH
MBVT	Merchants Bancshares, Inc.	Burlington, VT

OTRKB	Oshkosh Truck Corporation (Cl B)	Oshkosh, WI
WNSI	WNS, Inc.	Houston, TX
WING	Wings West Airlines, Inc.	Santa Monica, CA

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

Pending Additions

Symbol	Company	Location
HLCO	Healthco International, Inc.	Boston, MA
NREC	NAC RE Corp.	New York, NY

The following changes to the list of NASDAQ/NMS securities occurred since September 20, 1985:

NASDAQ/NMS Symbol And/Or Name Changes

New/Old Symbol	New/Old Security Name	Date of Change
CNET/CNET	COMNET Corporation/Computer Network Corporation	9/23/85
SBPS/SBPS	Savings Bank of Puget Sound, FSB/Savings Bank of Puget Sound	9/24/85
OLSN/OLSN	Olson Industries, Inc./Olson Farms, Inc.	9/25/85
OEQU/ATBL	Omni Equities, Inc./A.T. Bliss & Co., Inc.	10/01/85
CSTIF/ CSTIF	Challenger International, Ltd./ Coastal International, Ltd.	10/01/85

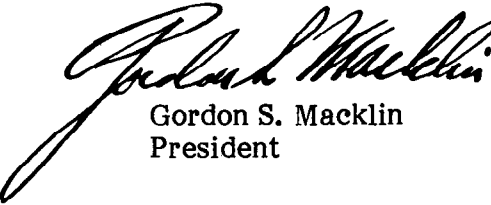
NASDAQ/NMS Deletions

Symbol	Security Name	Date
TBCM	Triboro Communications, Inc.	9/20/85
IDYNC	Interdyne Company	9/25/85
SYKEQ	Sykes Datronics, Inc.	9/25/85
EMTH	EMCOR Petroleum, Inc.	9/26/85

DUCK	Duckwall-Alco Stores, Inc.	10/01/85
SYSG	Systematics General Corp.	10/01/85
WEDGS	Wedgestone Realty Investors Trust - SBI	10/01/85
AQASC	American Quasar Petroleum Company	10/02/85
PLEY	Pauley Petroleum, Inc.	10/02/85
PHSI	Pearle Health Services, Inc.	10/04/85

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

NASD

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

notice to members 85-69

October 21, 1985

TO: All NASD Members and Other Interested Persons

ATTN: Direct Participation Programs Department

RE: Request for Comments on Proposed Amendment to Article III, Section 35 of the NASD's Rules of Fair Practice Concerning Advertising and Sales Literature for Direct Participation Programs

LAST DATE FOR COMMENT: NOVEMBER 21, 1985

The NASD's Direct Participation Programs and Real Estate Committees are concerned that abuses exist in the content of advertising and sales literature used for public direct participation programs. The Committees and the NASD's Board of Governors have approved a proposed amendment to Article III, Section 35 of the Rules of Fair Practice that would require advertising and sales literature concerning publicly offered direct participation programs to be filed with and reviewed by the NASD's Advertising Department within 10 days of first use or publication by an NASD member.

The NASD requests comments on the proposed amendment prior to final consideration by the Board of Governors. The text of the proposed amendment is attached.

Background and Explanation of Proposed Amendment

Article III, Section 35 of the Rules of Fair Practice regulates members' communications with the public. It requires that all such communications be based on principles of fair dealing and good faith, and that they provide a sound basis for evaluating the facts regarding any securities offered by members. Material facts and qualifications may not be omitted if, in the context of the material presented, the omission would make the advertising or sales literature misleading. Exaggerated or misleading statements are prohibited, and members may not publish or distribute any public communication that the member knows or has reason to know contains any untrue statements of material facts or is otherwise false or misleading.

Article III, Section 35 currently requires a member to file all advertisements with the Advertising Department for review prior to use for one year commencing with the member's initial advertisement. In addition, an NASD District Business Conduct Committee may, under certain circumstances, require a member to file advertising and/or sales literature with the Advertising Department at least 10 days prior to use. All members are also subject to routine spot-checks of their advertising and sales literature.

The NASD believes that abuses exist in the content of advertising and sales literature used in connection with public direct participation programs. The abuses involve misleading illustrations of past performance, the inclusion of information on projected performance, and the unbalanced presentation of programs by not including a statement of significant risks. The NASD considered whether specific guidelines should be developed and applied to sales literature and advertising used in connection with public direct participation program offerings but concluded that current guidelines contained in Article III, Section 35 are adequate to regulate the content of member communications with the public. However, the NASD preliminarily believes that a filing requirement for public direct participation program advertising and sales literature is necessary.

Therefore, the proposed amendment would require that advertising and sales literature utilized in connection with public direct participation programs be filed with the NASD's Advertising Department within 10 days of first use or publication by an NASD member. The responsibility of members to comply with the filing requirement would apply regardless of whether the advertising and sales literature is prepared by a sponsor, general partner or member. However, the member need not file advertising and/or sales literature that was previously filed by the sponsor, general partner or underwriter.

Request for Comments

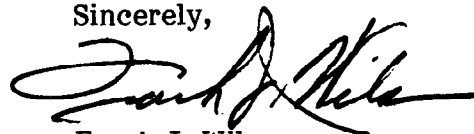
All comments on the proposed amendment received by November 21, 1985 will be reviewed by the Direct Participation Programs and Real Estate Committees and the Board of Governors. If the Board of Governors approves the proposal, or an amended version resulting from comments received, it must be filed with and approved by the Securities and Exchange Commission. All comments received will be available for public inspection.

Written comments should be addressed to:

James M. Cangiano, Secretary
National Association of Securities Dealers, Inc.
1735 K Street, N.W.
Washington, D. C. 20006

Questions regarding this notice should be directed to R. Clark Hooper, NASD Advertising Department, at (202) 728-8330, or Richard J. Fortwengler, NASD Corporate Financing Department, at (202) 728-8258.

Sincerely,



Frank J. Wilson
Executive Vice President
Legal and Compliance

Attachment

**PROPOSED AMENDMENT TO ARTICLE III, SECTION 35
OF THE
NASD RULES OF FAIR PRACTICE**

New language underscored.

Section 35. Communications with the Public

(e) Filing Requirements and Review Procedures

- (3)* Advertisements and sales literature concerning public direct participation programs as defined in Article III, Section 34 of the Rules of Fair Practice shall be filed with the Association's Advertising Department for review within 10 days of first use or publication. Filing in advance of use is optional. Members need not file for review advertising and sales literature which has been filed by the sponsor, general partner or underwriter of the program.

* Current subsections (3) through (7) will be renumbered as (4) through (8), respectively.



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

notice to members 85-70

October 23, 1985

TO: All NASD Members and Municipal Securities Bank Dealers
 RE: REVISED Trade Date-Settlement Date Schedule for Early November

In Notice to Members 85-63, dated September 23, 1985, members were advised that Tuesday, November 5, Election Day, and Monday, November 11, Veterans Day, would not be considered business days since many banking institutions would be closed.

The NASD has been advised that most banking institutions will be open on Election Day but will remain closed on Veterans Day. Therefore, November 5, 1985, will be considered a business day for determining settlement of trades, ex-dividends, marks to the market, reclamations and close-outs.

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

Trade Date	Settlement Date	Regulation T Date ^{1/}
October 28	November 4	November 6
29	* 5	7
30	* 6	8
31	* 7	11
November 1	* 8	12
4	* 12	13
5	13	14
6	14	15
7	15	18
8	18	19
11	18	20

***Revised Dates**

^{1/} Pursuant to Sections 220.8(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."

November 11 will not be considered a business day for determining the settlement of trades. Securities will not be quoted ex-dividend and marks to the market, reclamations and close-outs will not be made on these days.

It should be noted that November 11 will be considered a business day for receiving customers' payments under Regulation T of the Federal Reserve Board.

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 Rule-making 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.

* * * * *

NASD

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

notice to members 85-71

October 28, 1985

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

RE: NASDAQ National Market System Grows to 2,163 Securities With 19 Voluntary Additions on November 5, 1985, and 1 Mandatory Inclusion on November 12, 1985

On Tuesday, November 5, 1985, 19 issues are scheduled to join the NASDAQ National Market System, bringing the total number of issues in NASDAQ/NMS to 2,162. These 19 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 19 issues scheduled to join NASDAQ/NMS on Tuesday, November 5, 1985, are:

Symbol	Company	Location
AIMAZ	American Insured Mortgage Investors	New York, NY
AIND	Arnold Industries, Inc.	Lebanon, PA
CMCO	C.O.M.B. Company	Plymouth, MN
CCSI	Custom Creamery Systems, Inc.	New York, NY
HSAI	Healthcare Services of America, Inc.	Birmingham, AL
MDCH	Med-Chem Products, Inc.	Woburn, MA
OSWI	Old Spaghetti Warehouse, Inc.	Dallas, TX
OPTO	Opto Mechanik, Inc.	Melbourne, FL
PANC	Pasta & Cheese, Inc.	Long Island City, NY
PFSL	Prudential Financial Services Corporation	Salt Lake City, UT
RECT	Rectisel Corporation	Yonkers, NY

Symbol	Company	Location
SHKIF	SHL Systemhouse, Inc.	Ottawa, Canada
SHCI	Salick Health Care, Inc.	Beverly Hills, CA
SETC	Sierra Real Estate Equity Trust '84	San Francisco, CA
SETBS	Sierra Real Estate Equity Trust '83	San Francisco, CA
SVRL	Silvar-Lisco	Menlo Park, CA
SNAT	Southern National Corporation	Lumberton, NC
SUSQ	Susquehanna Bancshares, Inc.	Lititz, PA
TAVI	Thorn Apple Valley, Inc.	Southfield, MI

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

Pending Additions

Symbol	Company	Location
MGAN	Morgan Products, Ltd.	Oshkosh, WI

Additionally, the following security will enter NASDAQ/NMS under the mandatory Tier 1 criteria on November 12, 1985:

Symbol	Company	Location
ROST	Ross Stores, Inc.	Newark, CA

NASDAQ/NMS Interim Additions

Symbol	Company	Date of Entry
NREC	NAC RE Corporation	10/11/85

The following changes to the list of NASDAQ/NMS securities occurred since October 4, 1985:

NASDAQ/NMS Symbol And/Or Name Changes

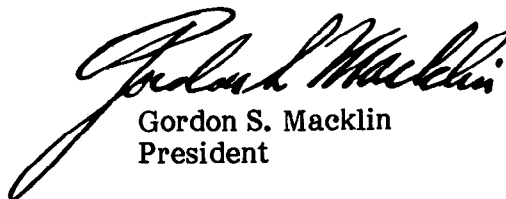
New/Old Symbol	New/Old Security Name	Date of Change
NUME/NUME	Numerica Financial Corporation/Numerica Savings Bank, F.S.B.	10/07/85
DCOR/DCOR	Decor Corporation/Decor Corp.	10/10/85

NASDAQ/NMS Deletions

Symbol	Security Name	Date
HLMI	Robert Halmi, Inc.	10/07/85
CLBR	Calibre Corporation	10/08/85
NOGCQ	Nicklos Oil and Gas Company	10/08/85
WINNS	Winn Enterprises, Inc.	10/08/85
EDCC	Educational Computer Corporation	10/11/85
LORI	The Lori Corporation	10/22/85
PULL	Pullman Company	10/25/85

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 Sharon Bellanger, Market Surveillance, at (202) 728-8206.

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 85-72

October 30, 1985

TO: All NASD Members and Other Interested Persons

ATTN: Trading and Operations Personnel

RE: Trade Reporting Rule Changes for NASDAQ Equity Audit Trail — Phase II

The Securities and Exchange Commission recently approved amendments to Schedules D and G of the NASD By-Laws that will require real-time trade reports in NASDAQ National Market System securities and listed securities traded off-board to include a buy, sell or cross indicator. To report this information, firms will use an additional keystroke in the trade reporting sequence. The text of the amendments is attached.

Background

At its July 1984 meeting, the NASD Board of Governors approved the development of a NASDAQ equity audit trail, which will be implemented in seven stages. Phase I became effective July 1, 1985. It requires clearing corporations to collect and provide to the NASD information pertaining to the time of the trade and the capacity of the executing broker-dealer (as principal or agent). If your firm does not currently comply with Phase I, you should take immediate steps to do so.

Phase II, which will be implemented on November 29, 1985, will require members to indicate in trade reports for transactions in NASDAQ/NMS securities and off-board trades in listed securities whether the transaction is a buy, sell or cross trade. A purchase by a reporting member should be indicated as a buy (B); a sale by a reporting member should be indicated as a sell (S). A riskless principal transaction or a dual agency transaction should be indicated as a cross (X).

Reporting Instructions

Include the buy/sell/cross indicator in trade reports for NASDAQ/NMS securities and listed securities traded off-board immediately following the T in the trade reporting sequence. The indicator should precede the number of shares reported, as demonstrated.

Current Method

New Method

For a buy execution:

T 400 ABCD 24 1/4

T B 400 ABCD 24 1/4

For a sell execution:

T 400 ABCD 24 1/4

T S 400 ABCD 24 1/4

For a cross execution:

T 400 ABCD 24 1/4

T X 400 ABCD 24 1/4

Errors, cancellations and "No/Was" corrections should similarly include the buy/sell/cross indicator. The following examples demonstrate corrective entries to a trade report of security ABCD executed at 24 1/4 and reported to the NASDAQ System at 10:40 a.m. E.T.

Current Method

New Method

Error report:

T E 10.40. 400 ABCD 24 1/4

T E 10.40. B 400 ABCD 24 1/4

Cancel report:

T C 10.40. 400 ABCD 24 1/4

T C 10.40. B 400 ABCD 24 1/4

"No/Was" report:

T N 10.40. 400 ABCD 24 1/4
W 400 ABCD 24 1/8

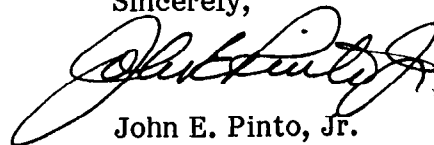
T N 10.40. B 400 ABCD 24 1/4
W B 400 ABCD 24 1/8

Firms using a computer-to-computer interface (CTCI) for reporting trades should refer to their computer interface specification for the proper formatting of the buy/sell/cross indicator. Executions through the Small Order Execution System (SOES) and the Computer Assisted Execution System (CAES) already include the buy/sell/cross indicator.

You are encouraged to utilize the buy/sell/cross indicator voluntarily until November 27, 1985. After November 27, 1985, use of the buy/sell/cross indicator will be mandatory and trade reports that do not include the indicator will be rejected by the system. The NASD will review members' compliance with these Phase II requirements through its automated Market Surveillance program as well as on-site examinations.

Questions concerning reporting requirements should be directed to Christopher R. Franke, Director, Market Surveillance, at (202) 728-8186. Questions concerning the computer-to-computer interface should be directed to Jack Donlon, Systems Development, at (212) 839-6375.

Sincerely,



John E. Pinto, Jr.
Senior Vice President
Compliance

Attachment

AMENDMENTS TO SCHEDULES D AND G*

NASD BY-LAWS

Effective November 29, 1985

Schedule D, Part X, Section 2(c):

(c) Information To Be Reported

Each last sale report shall contain the following information:

- (1) NASDAQ symbol of the designated security;
- (2) Number of shares (odd lots shall not be reported);
- (3) Price of the transaction as required by paragraph (d) below;
- (4) A symbol indicating whether the transaction is a buy, sell, or cross.

Schedule G, Section 2(c):

(c) Information To Be Reported

Each last sale report shall contain the following information:

- (1) Stock symbol of the eligible security;
- (2) Number of shares (odd lots shall not be reported);
- (3) Price of the transaction as required by paragraph (d) below;
- (4) A symbol indicating whether the transaction is a buy, sell, or cross.

* New language is underlined.