

Notice To Members

National Association of Securities Dealers, Inc.

October 1989

Number 89 - 64

Suggested Routing:*

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|---|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Senior Management | <input type="checkbox"/> Internal Audit | <input checked="" type="checkbox"/> Operations | <input type="checkbox"/> Syndicate |
| <input type="checkbox"/> Corporate Finance | <input checked="" type="checkbox"/> Legal & Compliance | <input checked="" type="checkbox"/> Options | <input type="checkbox"/> Systems |
| <input type="checkbox"/> Government Securities | <input type="checkbox"/> Municipal | <input type="checkbox"/> Registration | <input type="checkbox"/> Trading |
| <input type="checkbox"/> Institutional | <input type="checkbox"/> Mutual Fund | <input type="checkbox"/> Research | <input type="checkbox"/> Training |

*These are suggested departments only. Others may be appropriate for your firm.

Subject: SEC Approval of Rule of Fair Practice Amendment Re: The Conduct of Accounts Engaged in Uncovered Short Option Transactions

EXECUTIVE SUMMARY

The Securities and Exchange Commission recently approved amendments to Appendix E to Article III, Section 33, of the NASD Rules of Fair Practice. These amendments will require members to develop and maintain written procedures for the approval, review, and supervision of customer accounts engaged in uncovered short option transactions. The revised rules also require members to distribute to customers a risk disclosure document concerning uncovered option writing. Members must be in compliance with these rule changes no later than March 1, 1990.

BACKGROUND AND SUMMARY

The amendments to Appendix E of the NASD Rules of Fair Practice conform to rule changes also made by the American Stock Exchange, the Chicago Board Options Exchange, the Midwest Stock Exchange, the New York Stock Exchange, the Pacific Stock Exchange, and the Philadelphia Stock Exchange (the "exchanges"). The NASD and the exchanges (the "SROs") have prepared the

attached notice containing guidelines for compliance with the new rules for uncovered short option accounts.

The rule changes were promulgated by the SROs in consultation with industry representatives. The NASD supports these rule changes as a means of assuring that member firms that have public customers engaged in uncovered short option transactions focus increased attention on the suitability of such transactions for their customers and monitor activity in customer accounts on an ongoing basis.

In this regard, amendments to Section 16 of Appendix E will require firms to develop, implement, and maintain specific written procedures for the conduct of accounts engaged in short uncovered options transactions. Such procedures must include account approval, Senior Registered Options Principal (SROP) and/or Compliance Registered Options Principal (CROP) approval of exceptions to standards established by the member, minimum net equity requirements for such accounts, and delivery of a special disclosure statement to customers intended to increase awareness of the risks entailed in uncovered short option transactions.

Section 20 of Appendix E also has been amended. It will require that members develop and implement specific written procedures about supervision of customer accounts, maintaining un-

covered short option positions, including specific standards for frequent supervisory review of such accounts.

Questions concerning this notice can be directed to P. William Hotchkiss, Director, Surveillance, at (202) 728-8235.

AMENDMENTS TO APPENDIX E TO ARTICLE III, SECTION 33 OF THE NASD RULES OF FAIR PRACTICE.

(Note: New language is underlined.)

Appendix E Sec. 2

(y) Uncovered — The term "uncovered" in respect of a short position in an option contract means the short position is not covered. For purposes of Section 16 (Opening of Accounts), Section 20 (Supervision of Accounts) and Section 11 (delivery of Current Disclosure Document(s)), the term "writing uncovered short option positions" shall include combinations and any other transactions which involve uncovered writing.

Sec. 16

Opening of Accounts

(e) Uncovered Short Option Contracts — Each member transacting business with the public in writing uncovered short option contracts shall develop, implement and maintain specific written procedures governing the conduct of such business which shall include, at least, the following:

1. Specific criteria and standards to be used in evaluating the suitability of a customer for writing uncovered short option transactions;
2. Specific procedures for approval of accounts engaged in writing uncovered short option contracts, including written approval of such accounts by a Registered Options Principal;
3. Designation of the Senior Registered Options Principal and/or Compliance Registered Options Principal as the person responsible for approved customer accounts

that do not meet the specific criteria and standards for writing uncovered short option transactions and for maintaining written records of the reasons for every account so approved;

4. Establishment of specific minimum net equity requirements for initial approval and maintenance of customer accounts writing uncovered short option transactions; and
5. Requirements that customers approved for writing uncovered short option transactions be provided with a special statement for uncovered option writers approved by the Association that describes the risks inherent in writing uncovered short option transactions, at or prior to the initial writing of an uncovered short option transaction.

Sec. 20 Supervision of Accounts

(a) Duty to Supervise: Senior Registered Options Principal. Every member shall develop and implement a written program providing for the diligent supervision of all of its customer accounts, and all orders in such accounts, to the extent such accounts and orders relate to options contracts, by a general partner (in the case of a partnership) or officer (in the case of a corporation) of the member who is a Registered Options Principal and who has been specifically identified to the Corporation as the member's Senior Registered Options Principal. A Senior Registered Options Principal, in meeting his responsibilities for supervision of customer accounts and orders, may delegate to qualified employees (including other Registered Options Principals) responsibility and authority of supervision and control of each branch office handling transactions in option contracts, provided that the Senior Registered Options Principal shall have overall authority and responsibility for establishing appropriate procedures of supervision and control over such employees. Every such member shall also develop and implement specific written procedures concerning the manner of supervision of customer accounts maintaining uncovered short option positions and specifically providing for frequent supervisory review of such accounts.

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Subject: SEC Adoption of Rule 15c2-6 Re: Sales Practice and Suitability Requirements for Certain Low-Priced Securities

EXECUTIVE SUMMARY

The SEC recently adopted Rule 15c2-6, which is effective January 1, 1990. It imposes sales-practice requirements on broker-dealers that recommend transactions in certain low-priced, non-NASDAQ over-the-counter securities (designated securities) to persons who are not "established customers." Such broker-dealers involved in the "penny stock" market are required to make a documented suitability determination regarding a nonestablished customer, and to obtain such customer's written agreement to the first three purchases of these designated securities. The rule specifically excludes all NASDAQ and exchange-listed securities.

BACKGROUND

In February 1989, the SEC proposed Rule 15c2-6 (see Notice to Members 89-26) in response to the widespread incidence of misconduct by some broker-dealers in connection with high-pressure sales tactics in low-priced securities. In proposing this rule, the SEC "intended to prevent

the indiscriminate use by broker-dealers of fraudulent, high-pressure telephone sales campaigns to sell such securities to unsophisticated investors."

The Commission received letters from numerous commenters, including the NASD, about the proposed rule. Commenters, according to the SEC, generally agreed that serious problems existed in the market for low-priced, non-NASDAQ OTC securities, and overwhelmingly supported increased enforcement efforts against broker-dealers and individuals who engaged in such misconduct.

The final rule defines an "established customer" as a customer who has maintained an account for at least one year, or has had three purchases of designated securities on separate days involving different issuers.

It also establishes procedures that must be followed before designated securities are recommended to nonestablished customers. Included is the requirement to obtain oral or written information concerning a new customer's previous investment experience, investment objectives, and financial situation. With that information, the broker or dealer must reasonably determine whether transactions in designated securities are suitable for the particular customer.

If the designated securities are determined to be suitable, the firm's written suitability determina-

tion must be delivered to the customer, who is required to manually sign and return the statement, if it is accurate, as a condition for opening the account. Also, the firm must obtain from the customer a written agreement to enter into each of the first three transactions in designated securities. The objectives of these requirements, the SEC said, are to provide the customer with an opportunity to make an investment decision "outside of a pressured telephone conversation with a salesperson," and enable the customer to decide whether the broker-dealer has made a good-faith attempt at a suitability determination.

The rule's recordkeeping requirements are partly designed to provide the basis for "simple and direct enforcement actions against broker-dealers that fail to comply." In this regard, the NASD will be responsible for examining firms for their compliance with Rule 15c2-6.

NASD ACTIVITIES

The NASD supports increased enforcement efforts to eliminate fraudulent, deceptive, and manipulative acts and practices in the penny stock market. As a top priority of the NASD, the Association continues to commit significant resources to its enforcement efforts in order to reach this objective.

Working on its own cases, as well as in cooperation with the SEC, state securities administrators, and federal law-enforcement agencies, the NASD has concluded or filed well in excess of 200 disciplinary actions involving penny stocks, producing sanctions including expulsions of firms, bars of individuals, and fines in excess of \$500,000. More than 175 additional investigations are actively under way. Furthermore, certain of these cooperative efforts with federal law-enforcement agencies have resulted in criminal prosecution relating to securities fraud.

In its explanation of the rationale for the final adopted rule, the SEC noted that the NASD has implemented a program that requires broker-dealers to report to the NASD volume and price information concerning their principal transactions in non-NASDAQ OTC securities. "This program should provide assistance to regulators in monitoring the non-NASDAQ OTC market, and in identifying fraudulent or manipulative trading activities in that market," the Commission said. But it added that a comprehensive program to deter fraud in connection with transactions in low-priced securities must

address the sales practices of broker-dealers actively involved in selling such securities to new customers.

MAJOR RULE PROVISIONS

The Rule makes it unlawful for a broker-dealer to recommend a "designated security" (defined as a non-NASDAQ OTC equity security issued by a company with less than \$2 million in net tangible assets) unless:

1. The transaction is exempt under paragraph (c) of the Rule (as discussed below); or
2. Prior to the transaction, the broker-dealer has:

(a) approved and determined the customer's account to be suitable for transactions in designated securities;

(b) delivered to the customer the written suitability determination, which must be manually signed, dated, and returned by the customer; and

(c) received a written agreement for the recommended transaction from the customer.

The exempted transactions under paragraph (c) of the Rule are:

■ Transactions in which the price of the security is \$5 or more;¹

■ Transactions in which the purchaser is an accredited investor or an established customer of the broker-dealer;

■ Transactions that are not recommended by the broker-dealer; and

■ Transactions by a broker-dealer that has not been a market maker in the designated security in the 12 months preceding the transaction and which does not derive specified sales-related revenue from transactions in designated securities exceeding 5 percent of its total specified sales-related revenue from securities transactions.²

The text of the SEC rule follows. Members wishing to obtain the complete version of the Commission's Release No. 34-27160, File No. S7-3-89 should contact the Commission.

¹If a designated security is a unit comprised of one or more securities, the unit price divided by the components, exclusive of warrants, options, rights, or similar securities, must be \$5 or more. So, for example, a unit selling for \$10 comprised of 100 shares of common stock and 100 warrants would have an equivalent price of 10 cents (\$10 unit divided by 100 shares common) and thus is a designated security subject to the rule.

²Market makers, however, regardless of the percentage of sales-related revenue, are fully subject to the rule for transactions in those designated securities in which they make a market.

TEXT OF SEC RULE 15c2-6
CHAPTER II, TITLE 17 OF THE CODE
OF FEDERAL REGULATIONS

Part 240 - General Rules and Regulations,
Securities Exchange Act of 1934

1. The authority citation for Part 240 is amended by adding the following citation:

Authority: Sec. 23, 48 Stat. 901, as amended (15 U.S.C. 78w) . . . Section 240.15c2-6, also issued under secs. 3, 10, and 15, 15 U.S.C. 78c, 78j, and 78o;

2. By adding Section 240.15c2-6 as follows:

Section 240.15c2-6 Sales practice requirements for certain low-priced securities.

(a) As a means reasonably designed to prevent fraudulent, deceptive, or manipulative acts or practices, it shall be unlawful for a broker or dealer to sell a designated security to, or to effect the purchase of a designated security by, any person unless:

(1) The transaction is exempt under paragraph (c) of this section; or

(2) Prior to the transaction:

(i) The broker or dealer has approved the person's account for transactions in Designated Securities in accordance with the procedures set forth in paragraph (b) of this section; and

(ii) The broker or dealer has received from the person a written agreement to the transaction setting forth the identity and quantity of the designated security to be purchased.

(b) In order to approve a person's account for transactions in Designated Securities, the broker or dealer must:

(1) Obtain from the person information concerning the person's financial situation, investment experience, and investment objectives;

(2) Reasonably determine, based on the information required by paragraph (b)(1) of this section and any other information known by the broker-dealer, that transactions in Designated Securities are suitable for the person, and that the person (or the person's independent adviser in these transactions) has sufficient knowledge and experience in financial matters that the person (or the person's independent adviser in these transactions) reasonably may be expected to be capable of evaluating the risks of transactions in Designated Securities;

(3) Deliver to the person a written statement:

(i) Setting forth the basis on which the broker or dealer made the determination required by paragraph (b)(2) of this section;

(ii) Stating in a highlighted format that it is unlawful for the broker or dealer to effect a transaction in a designated security subject to the provisions of paragraph (a)(2) of this section unless the broker or dealer has received, prior to the transaction, a written agreement to the transaction from the person; and

(iii) Stating in a highlighted format immediately preceding the customer signature line that:

(A) The broker or dealer is required by this section to provide the person with the written statement; and

(B) The person should not sign and return the written statement to the broker or dealer if it does not accurately reflect the person's financial situation, investment experience, and investment objectives; and

(4) Obtain from the person a manually signed and dated copy of the written statement required by paragraph (b)(3) of this section.

(c) For the purposes of this section, the following shall be exempt transactions —

(1) Transactions in which the price of the Designated Security is five dollars or more; provided, however, that if the Designated Security is a unit composed of one or more securities, the unit price divided by the number of components of the unit other than warrants, options, rights, or similar securities, must be five dollars or more, and any component of the unit that is a warrant, option, right, or similar securities, or a convertible security must have an exercise price or conversion price of five dollars or more.

(2) Transactions in which the purchaser is an accredited investor or an established customer of the broker or dealer.

(3) Transactions that are not recommended by the broker or dealer.

(4) Transactions by a broker or dealer:

(i) Whose commissions, commission equivalents, and mark-ups from transactions in Designated Securities during each of the immediately preceding three months, and during eleven or more of the preceding twelve months, did not exceed five percent of its total commissions, commission-equivalents, and mark-ups from transactions in Securities during those months; and

(ii) Who has not been a market maker in the

Designated Security that is the subject of the transaction in the immediately preceding twelve months.

(5) Any transaction or transactions that, upon prior written request or upon its own motion, the Commission conditionally or unconditionally exempts as not encompassed within the purposes of this section.

(d) For the purpose of this section —

(1) The term "accredited investor" shall have the same meaning as in 17 CFR 230.501(a).

(2) The term "designated security" shall mean any equity security other than a security:

(i) Registered, or approved for registration upon notice of issuance, on a national securities exchange that makes transaction reports available pursuant to 17 CFR Part 11Aa3-1;

(ii) Authorized, or approved for authorization upon notice of issuance, for quotation in the NASDAQ system;

(iii) Issued by an investment company registered under the Investment Company Act of 1940;

(iv) That is a put option or call option issued by The Options Clearing Corporation; or

(v) Whose issuer has net tangible assets in excess of \$2,000,000, as demonstrated by financial statements dated less than fifteen months previously that the broker or dealer has reviewed and has a reasonable basis to believe are true and com-

plete in relation to the date of the transaction with the person, and

(A) In the event the issuer is other than a foreign private issuer, are the most recent financial statements for the issuer that have been audited and reported on by an independent public accountant in accordance with the provisions of 17 CFR 210.2-02; or

(B) In the event the issuer is a foreign private issuer, are the most recent financial statements for the issuer that have been filed with the Commission; furnished to the Commission pursuant to 17 CFR 240.12g3-2(b); or prepared in accordance with generally accepted accounting principles in the country of incorporation, audited in compliance with the requirements of that jurisdiction, and reported on by an accountant duly registered and in good standing in accordance with the regulations of that jurisdiction.

(3) The term "established customer" shall mean any person for whom the broker or dealer, or a clearing broker on behalf of such broker or dealer, carries an account, and who in such account:

(i) Has effected a securities transaction, or made a deposit of funds or securities, more than one year previously; or

(ii) Has made three purchases of designated securities that occurred on separate days and involved different issuers.

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Number 89 - 66**Suggested Routing:*** Senior Management Corporate Finance Government Securities Institutional Internal Audit Legal & Compliance Municipal Mutual Fund Operations Options Registration Research Syndicate Systems Trading Training

*These are suggested departments only. Others may be appropriate for your firm.

Subject: Size of "Normal" Unit of Trading for NASDAQ-Listed Debentures

The NASD Trading Committee, after a recent study, decided that a \$10,000 principal amount should continue to be considered the "normal" unit of trading for NASDAQ-listed convertible debentures.

The decision, confirming a ruling in an NASD letter sent to members July 18, 1972, means that a NASDAQ-registered market maker is expected to trade at least one such unit at its quotation appearing on NASDAQ terminals at the time it receives either a buy or sell order.

The committee based its new decision on

statistics showing that 95 of the 110 convertible debentures listed on NASDAQ had a minimum of \$20 million of bonds each outstanding and that the debentures were generally available for borrowing purposes. In addition, committee members said their bond traders regarded the \$10,000 principal as a reasonable, accepted standard for a unit of trading.

Questions concerning this notice can be directed to Glen R. Shipway, Senior Vice President, Market Operations, at (212) 858-4448.

Notice To Members

National Association of Securities Dealers, Inc.

October 1989

Number 89 - 67**Suggested Routing:*** Senior Management Corporate Finance Government Securities Institutional Internal Audit Legal & Compliance Municipal Mutual Fund Operations Options Registration Research Syndicate Systems Trading Training

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Subject: SOES Tier Levels to Change for 521 Issues on October 9, 1989

On June 30, 1988, the maximum SOES order size for all NASDAQ National Market securities was established as follows:

■ A 1,000-share maximum order size was applied to those NASDAQ National Market securities that had an average daily nonblock volume of 3,000 shares or more a day, a bid price that was less than or equal to \$100, and three or more market makers.

■ A 500-share maximum order size was applied to those NASDAQ National Market securities that had an average daily nonblock volume of 1,000 shares or more a day, a bid price that was less than or equal to \$150, and two or more market makers.

■ A 200-share maximum order size was applied to those NASDAQ National Market securities that had an average daily nonblock volume of less than 1,000 shares or more a day, a bid price that was less than or equal to \$250, and less than two market makers.

These order-size tiers were set by the NASD after extensive research and polling of all NASDAQ National Market market makers. The purpose of establishing these tiers was to provide public investors with the most efficient means of handling their small orders while ensuring that market makers were not required to assume unrealistic risks under the new mandatory SOES participation rules.

At the time of their establishment, the NASD Trading Committee and Board of Governors decided that the tier levels applicable to each security would be reviewed periodically to determine if the trading characteristics of the issue had changed so as to warrant a SOES tier-level move. Such a review was conducted as of June 30, 1989, using the aforementioned formula and second-quarter trading data. The results of this review were analyzed by the Mandatory SOES Subcommittee and the NASD Trading Committee, which recommended that changes in SOES tier levels should be implemented per the formula calculation with the exception that an issue would not be permitted to move more than one level.

To further explain, if an issue previously was categorized in the 200-share tier, it would not be permitted to move to the 1,000-share tier even if the formula calculated that such a move was warranted. The issue could move only one level to the 500-share tier as a result of any single review. Likewise, a security previously assigned to the 1,000-share tier could move only to 500 shares, regardless of the formula calculation. Only 23 issues were affected by this change. In adopting this policy, the committee was attempting to minimize market-maker exposure on issues for which the tier level increased and to maintain adequate public investor access on issues for which the tier level decreased.

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The committee also recognized that the formula used to assign the tier levels cannot always accurately reflect the trading characteristics for each issue. As such, market makers are reminded that the Mandatory SOES Subcommittee will review on a case-by-case basis suggested tier-level changes if a significant number of market makers

in that issue believe such a change is warranted. For more information regarding this process, please contact NASDAQ Company Operations at (202) 728-8039.

Following is a listing of the NASDAQ National Market issues that will require a SOES tier-level change on October 9, 1989.

NASDAQ NATIONAL MARKET SOES CHANGES
All Issues in Alphabetical Order by Name

Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
SRCE	1ST SOURCE CORP	500	1000	BLCC	BALCHEM CORP	500	200
A				BPAO	BALDWIN PIANO ORGAN	1000	500
ABSI	A B S INDS	500	1000	BMCC	BANDO MCGLOCKLIN CAP	1000	500
ALTI	A L T A I INC	500	200	BANKATLANTIC FED		500	200
ARIX	A R I X CORP	500	1000	BIOW	BANKS OF IOWA INC	500	1000
ACPT	ACCEPTANCE INS HLDGS	1000	500	BOMA	BANKS OF MID AMER	1000	500
AAST	ACTION AUTO STORES	500	1000	BARC	BARRETT RES CORP	500	1000
ANSL	ACTION SAV BK S L A	500	1000	BAYLC	BAYLY CORP	500	1000
JAIL	ADTEC INC	1000	500	BGAS	BERKSHIRE GAS CO	500	200
ACTP	ADVANCE COMP TECH	1000	500	BTHL	BETHEL BANCORP	200	500
AROS	ADVANCE ROSS CORP	500	1000	BFEN	BF ENTERPRISES INC	1000	500
ADMG	ADVANCED MAGNETICS	500	1000	BFSI	BFS BANKORP INC	500	1000
ADCOW	ADVANTAGE COS INC WT	200	500	BNGO	BINGO KING CO	1000	500
AIMT	AIM TELEPHONES INC	1000	500	BGENP	BIOGEN INC PFD	500	1000
AIRC	AIRCOA HOSPITALITY SV	500	200	BGENW	BIOGEN INC WTS	200	500
AKZOY	AKZO N V ADR	200	500	BLIS	BLISS LAUGHLIN INDS	1000	500
ATNG	ALATENN RESOURCES	1000	500	BOGO	BOGERT OIL CO	1000	500
ALCO	ALICO INC	500	1000	BOOL	BOOLE BABBAGE INC	500	1000
ALLPW	ALLIANCE PHARM WTS	200	500	BOSA	BOSTON ACOUSTICS INC	500	1000
ABGA	ALLIED BANKSHARES	500	200	BRLYS	BRADLEY RL EST SBI	500	1000
ALLC	ALLIED CAPITAL CORP	500	1000	BTSB	BRAINTREE SAV BK THE	1000	500
ALET	ALOETTE COSMETICS	500	1000	BSBC	BRANFORD SAVINGS BK	200	500
ALRN	ALTRON INC	500	1000	BRLN	BROOKLYN SAV BK THE	1000	500
AFGI	AMBASSADOR FIN GP	1000	500	BTCIE	BROWN TRANSPORT CO	500	1000
ACGI	AMER CAPACITY GP	500	200	BCKY	BUCKEYE FIN CORP	500	1000
AMJX	AMER FED SV BK DUVAL	500	1000	BNBGA	BULL BEAR GP INC A	1000	500
AMEI	AMER MED ELEC INC	1000	500	BANQ	BURRITT INTRFIN BNCP	1000	500
ARIG	AMER RELIANCE GP INC	1000	500	C			
ARBC	AMER REPUBLIC BNCP	200	500	CBTF	C B T FINANCIAL CORP	200	500
AMFLP	AMER S L FL PFD A	500	1000	CKSB	C K FED SAV BK	200	500
RODS	AMER STEEL WIRE CORP	500	1000	CPBI	C P B INC	200	500
ASBI	AMERIANA SAV BK FSB	500	1000	CCLPZ	CALLON CON LP UTS	500	1000
AMOS	AMOSKEAG CO	200	500	CCBT	CAPE COD BK TR CO	500	200
AMSR	AMSERV INC	500	1000	CATA	CAPITOL TRANSAMERICA	200	500
ANDR	ANDERSEN GROUP INC	200	500	CAFS	CARDINAL FED SAV BK	500	200
SOLR	APPLIED SOLAR	500	1000	CPLSZ	CARE PLUS WTS 90 A	500	1000
ARSD	ARABIAN SHIELD DEV	1000	500	FFCA	CAROLINA BNCP INC	500	1000
AIND	ARNOLD INDUSTRIES	500	1000	CAYB	CAYUGA SAVINGS BANK	200	500
ARTW	ARTS WAY MFG CO INC	500	1000	CNBL	CENTENNIAL BENEF CORP	200	500
AEZNS	ASIAMERICA EQUIT SBI	500	1000	CHOL	CENTRAL HOLDING CO	500	1000
ASBC	ASSOC BANCORP	500	1000	CPSA	CENTRAL PENN FIN CORP	1000	500
ASTE	ASTEC INDS INC	1000	500	CSBC	CENTRAL SOUTHERN HLD	200	500
AFED	ATLANFED BNCP INC	500	200	CHLN	CHALONE INC	500	1000
ATBC	ATLANTIC BANCORP	500	200	CHCR	CHANCELLOR CORP	200	500
ATTC	AUTO TROL TECH	500	1000	CFED	CHARTER FED SV BK NJ	500	1000
AUTR	AUTOTROL CORP	500	1000	CHTT	CHATTEM INC	500	200
B				CFIXW	CHEMFIX TECH WTS 89	500	200
BHAGB	B H A GP INC CL B	500	1000	CMFB	CHEMICAL FABRICS CORP	500	1000
BNHB	B N H BCSS INC	1000	500	CLEA	CHEMICAL LEAMAN INC	500	200
BPMI	BADGER PAPER MILLS	500	200	CHER	CHERRY CORP	1000	500
BAIB	BAILEY CORP	500	1000	CHPK	CHESAPEAKE UTIL CORP	200	500
				CDCRA	CHILDREN'S DISCOVER A	1000	500

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Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
CPCI	CIPRICO INC	1000	500	FFSD	FIRST FED SAV BK AL	1000	500
CINNA	CITIZENS INC CL A	500	1000	FSBG	FIRST FED SAV BK GA	200	500
CIZCF	CITY RESOURCE CANADA	1000	500	FGHC	FIRST GEORG HLDGS	500	200
CLSC	CLINICAL SCIENCES	500	1000	FISB	FIRST INDIANA CORP	500	1000
COBB	COBB RESOURCES CORP	500	1000	FLFC	FIRST LIBERTY FIN	1000	500
CODN	CODENOLL TECH CORP	1000	500	FRME	FIRST MERCHANTS CORP	500	200
CODNW	CODENOLL TECH WTS 89	500	200	MTCL	FIRST NATL BANK CORP	500	200
CACCB	COLONIAL LIFE ACC B	500	1000	FBAC	FIRST NATL BNCP GA	500	1000
CLRXXW	COLOROCS CORP WTS C 89	500	1000	FNPC	FIRST NATL PENN CORP	200	500
CMDT	COMDATA HOLDINGS CORP	500	1000	FIRO	FIRST OHIO BCSHS	500	1000
CTIA	COMMUN TRANSMISSION	500	1000	FLGLA	FLAGLER BANK CORP CL A	200	500
CBNH	COMMUNITY BANKSHARES	1000	500	FLAEF	FLORIDA EMP INS CO	500	1000
CBPA	COMMUNITY BNCP INC	200	500	FOOT	FOOTHILL INDEPENDENT	200	500
CMRE	COMSTOCK RESOURCE	500	1000	FSNR	FORSCHNER GROUP THE	200	500
CSTP	CONGRESS STREET PROP	500	200	FWNC	FORT WAYNE NATL CORP	500	1000
CTLC	CONS TOMOKA LAND	200	500	FRMBF	FORUM RE GP BERMUDA	500	200
CFINP	CONSUMERS FIN CORP PFD	500	200	DNNY	FRANCES DENNEY CO	1000	500
CGIC	CON'TL GENERAL CORP	200	500	PSAK	FRANKLIN SV GUAR STK	200	500
CORC	CORCOM INC	1000	500				
CNPGF	CORNUCOPIA RES LTD	200	500	G			
CRAN	CROWN ANDERSEN INC	1000	500	GBCB	G B C BANCORP	500	1000
COILP	CRYSTAL OIL CO PFD A	500	200	XRAY	G E N D E X CORP	200	500
				GMED	G M I GP INC THE	1000	500
D				GNUC	G N I GROUP INC THE	500	1000
DOCO	D O C OPTICS CORP	500	200	GWCC	G W C CORP	500	1000
DMCVB	DAIRY MART STORES B	500	1000	GBAN	GATEWAY BANCORP INC	200	500
DATX	DATA TRANSLATION INC	500	1000	GBLD	GEN BLDG PRODS CORP	1000	500
DSCC	DATASOUTH COMPUTER	500	200	GCCC	GEN COMPUTER CORP	1000	500
DTSI	DATRON SYSTEMS INC	1000	500	GGNS	GENUS INC	500	1000
DAVX	DAVOX CORP	1000	500	GDYN	GEODYNAMICS CORP	500	1000
DOCP	DELAWARE OTSEGO CORP	200	500	GMFD	GERMANIA BANK FSB	1000	500
DLTK	DELTA K CORP	200	500	GOOD	GOODY PRODUCTS INC	500	1000
DEVN	DEVON GROUP INC	500	1000	GSBI	GRANITE STATE BKSHS	500	1000
DEAL	DIAL REIT INC	500	1000	GBBS	GREAT BAY BANKSHARES	1000	500
DCPI	DICK CLARK PROD INC	500	1000	GFGC	GREAT FALLS GAS CO	200	500
TRBK	DOMINION FED SAV LN	1000	500	GREY	GREY ADVERTISING INC	200	500
DRTK	DURATEK CORP	1000	500				
				H			
E				HDRP	H D R POWER SYS INC	500	1000
EACO	E A ENGRG SCI TECH	500	1000	THCO	HAMMOND CO THE	200	500
EILI	E I L INSTRUMENTS	500	1000	HRLN	HARLYN PRODUCTS INC	500	200
EWAT	E TOWN CORP	500	200	HRMN	HARMON INDS INC	500	1000
EZEM	E Z EM INC	500	1000	HASR	HAUSERMAN INC	500	200
ETEX	EASTEX ENERGY INC	500	1000	HAVT	HAVERTY FURNITURE CO	500	1000
EASTS	EASTOVER CORP SBI	500	200	HWKN	HAWKINS CHEMICAL INC	200	500
EECN	ECOGEN INC	500	1000	HERS	HERITAGE FINL SVC IL	500	1000
EDCO	EDISON CONTROL CORP	200	500	HRLY	HERLEY MICROWAVE	1000	500
ELCN	ELCO INDS INC	1000	500	HIPT	HI PORT INDS INC	500	1000
EORR	EMPIRE ORR INC	1000	500	HSBK	HIBERNIA SAV BK THE	1000	500
EMCO	ENGINEERING MEASURE	1000	500	HIPC	HIGH PLAINS CORP	500	1000
ETRC	ENTREE CORP	1000	500	HIWDF	HIGHWOOD RESOURCES	1000	500
EPSI	EPSILON DATA MGMT	1000	500	RVEE	HOLIDAY RV SUPERSTRS	500	1000
EQICB	EQUITABLE OF IOWA B	500	1000	HFNO	HOME FED SAV BK OH	200	500
EVAN	EVANS INC	500	1000	HROK	HOME FED SAV ROCKIES	500	200
				HSLD	HOME SAVINGS LOAN	1000	500
F				HMSD	HOMESTEAD HOLDING CORP	200	500
FMFS	F AND M FINL SVC CORP	200	500	HFIN	HORIZON FIN SVC INC	500	1000
FBXC	F B X CORP	1000	500	HTEK	HYTEK MICROSYSTEMS	1000	500
FLSHP	F L S HLDGS A PFD	200	500				
FARA	FARADYNE ELECT CORP	500	1000	I			
FAHS	FARM AND HOME FIN CORP	500	1000	IEHC	I E H CORP	1000	500
FAHSP	FARM AND HOME PFD A	500	1000	IFRS	I F R SYSTEMS INC	500	1000
FARM	FARMER BROTHERS CO	500	200	IMRI	I M C O RECYCLING	500	1000
FBSI	FIRST BANC SEC INC	200	500	INVG	I N V G MTG SECS CORP	500	1000
FBNC	FIRST BANC P INC	200	500	IFEI	IMAGINE FILMS ENTER	500	1000
FRFD	FIRST COMM BNCP IL	200	500	IFEIW	IMAGINE FILMS WTS	500	1000
FCLR	FIRST COMMERCIAL L R	500	1000	INCRF	INCA RESOURCES	1000	500
FCRES	FIRST CONTL R E SBI	1000	500	IBCP	INDEP BK CORP MI	1000	500
FFAM	FIRST FAMILY GROUP	500	200	INRD	INRAD INC	500	200
FFAL	FIRST FED ALABAMA	500	200	IGLWF	INSITUFORM GP LTD WT	200	500
FCDA	FIRST FED S L COEUR	200	500	INSMA	INSITUFORM MIDAMER A	500	200
FFES	FIRST FED S L HRTFD	500	1000	ISEC	INSITUFORM SOUTHEAST	500	1000
FLAG	FIRST FED S L LAGRNG	200	500	IFED	INTER FED SAV BANK	200	500

Notice to Members 89-67

Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
INTP	INTERPOINT CORP	500	1000	MILT	MILTOPE GROUP INC	500	1000
ICSI	INTL CONTAINER SYS	500	1000	MNES	MINE SAFETY APPLS CO	1000	500
ISLH	INTL HOLDING CAP CORP	200	500	MVBC	MISSION VALLEY BNCP	200	500
INSH	INTL SHIPHOLDING CORP	500	1000	MTTL	MOBILE TELECOMM TECH	500	1000
IUTL	IOWA SOUTHERN INC	500	1000	MAHI	MONARCH AVALON INC	500	200
IYCOY	ITO YOKADO CO ADR	500	200	MNRTS	MONMOUTH REIT SBI	200	500
J				MOTOP	MOTO PHOTO INC PFD	500	200
JMBRS	J M B REALTY TR SBI	500	200	MOTOZ	MOTO PHOTO INC WTS	500	200
JKHY	JACK HENRY AND ASSOC	1000	500	MOTR	MOTOR CLUB OF AMER	500	1000
JACO	JACO ELECTRONICS INC	500	1000	MTNR	MOUNTAINEER BKSHS WV	200	500
JASN	JASON INC	500	1000	MUEL	MUELLER PAUL CO	200	500
JFFN	JEFFERSON BANK	200	500	LABL	MULTI COLOR CORP	500	1000
JBNK	JEFFERSON BKSHS VA	500	1000	MYCO	MYCOGEN CORP	500	1000
JHSN	JOHNSON ELECTRONICS	1000	500	N			
JSBK	JOHNSTOWN SAV BK FSB	500	200	NSCB	N B S C CORP	200	500
JMED	JONES MEDICAL INDS	500	1000	NHDI	N H D STORES INC	500	1000
JOSL	JOSLYN CORP	500	1000	NWGI	N W GROUP INC	500	1000
JUDY	JUDY'S INC	200	500	NVBC	NAPA VALLEY BNCP	500	1000
K				NHMO	NATL H M O CORP	500	1000
KEAN	KEANE INC	200	500	NPBC	NATL PENN BCSHS INC	500	200
KEQU	KEWAUNEE SCIENTIFIC	200	500	NETG	NETWORK GENERAL CORP	500	1000
KNAP	KNAPE AND VOGT MFG	1000	500	NWRK	NETWORKS ELECTRONICS	200	500
L				NEWE	NEWPORT ELECTRONICS	1000	500
LCSI	L C S INDS INC	500	200	NRES	NICHOLS RESEARCH CORP	500	1000
LSNB	LAKE SHORE BANCORP	500	200	NVCO	NODAWAY VALLEY CO	200	500
LMACE	LANDMARK AMERICAN CORP	500	200	NOLD	NOLAND CO	500	200
LDMK	LANDMARK BK FOR SAV	200	500	NRTI	NOONEY REALTY TRUST	200	500
LSER	LASER CORP	500	1000	NOHL	NORTH HILLS ELECTRON	500	1000
LEXP	LEXINGTON PRECISION	1000	500	CBRYA	NORTHLAND CRANBERR A	500	1000
LIBHA	LIBERTY HOMES INC A	200	500	NOWT	NORTHWEST TELECOMMUN	500	1000
LNBC	LIBERTY NATL BNCP	500	1000	NWTL	NORTHWEST TELEPROD	200	500
LIFE	LIFELINE SYSTEMS INC	1000	500	NSTS	NORTHWESTN ST PORT	500	200
LLOG	LINCOLN LOGS LTD	200	500	NOVXM	NOVA PHARM CORP WTS C	500	1000
LNDL	LINDAL CEDAR HOMES	500	1000	NOVXL	NOVA PHARM CORP WTS D	500	1000
LIQB	LIQUI BOX CORP	1000	500	NUCO	NUCORP INC DELAWARE	500	1000
LOCL	LOCAL FED SVGS LOAN	1000	500	NYCOP	NYCOR INC PFD	500	1000
LOGC	LOGIC DEVICES INC	200	500	O			
LUND	LUND ENTERPRISES INC	500	1000	OICO	O I CORP	500	1000
M				OILC	OIL DRI CORP OF AMER	500	1000
MKCO	M KAMENSTEIN INC	200	500	OLDB	OLD NATL BANCORP IND	500	1000
MMIM	M M I MEDICAL INC	500	1000	OSWI	OLD SPAGHETTI WHSE	500	1000
MMRH	M M R HOLDING CORP	500	1000	OSBW	OLYMPIC SAVING BK	200	500
MACD	MACDERMID INC	500	200	OCGI	OMNI CAP GP INC	500	1000
MLRC	MALLEN RESOURCES CORP	1000	500	OVWV	ONE VALLEY BNCP W VA	500	1000
MRGO	MARGO NURSERY FARMS	500	1000	OSBN	OSBORN COMMUN CORP	500	1000
MRTA	MARIETTA CORP	500	1000	OCOMA	OUTLET COMMUN CL A	500	1000
MCOR	MARINE CORP ILL	500	1000	P			
MTLI	MARINE TRANS LINES	500	1000	PHPH	P H P HEALTHCARE CORP	200	500
MAXE	MAX & ERMAS RESTR INC	500	1000	PABC	PACIFIC BANCOP	500	200
MAXC	MAXCO INC	500	1000	PHSY	PACIFICARE HEALTH	500	1000
MFLR	MAYFLOWER CO OP BK	1000	500	PALM	PALFED INC	1000	500
MFFC	MAYFLOWER FIN CORP	500	1000	PBFI	PARIS BUSINESS FORMS	200	500
MCCL	MCCLAIN INDUSTRIES	500	200	PVSA	PARKVALE FINL CORP	1000	500
MGLL	MCGILL MANUFACTURING	200	500	PRLX	PARLEX CORP	1000	500
MGRC	MCGRATH RENT CORP	500	1000	PATK	PATRICK INDS INC	1000	500
MDST	MEDSTAT SYSTEMS INC	500	1000	PENT	PENN ENTRPR INC	500	1000
MDTA	MEGADATA CORP	1000	500	PTAC	PENN TREATY AMER CORP	500	1000
MCBKB	MERCHANTS CAP CP B	500	200	PVIR	PENN VIRGINIA CORP	500	1000
MRET	MERET INC	1000	500	PTRL	PETROL INDS INC	500	1000
MRDNP	MERIDIAN BNCP PFD	200	500	PHXA	PHOENIX AMERICAN INC	1000	500
KITS	MERIDIAN DIAGNOSTICS	1000	500	PHMT	PHONEMATE INC	1000	500
METC	METCALF EDDY COS INC	500	1000	PLAB	PHOTRONIC LABS INC	500	1000
MTRO	METRO TEL CORP	1000	500	PMAN	PIEDMONT MGMT CO INC	500	1000
MFGR	METROBANK FIN GP INC	500	1000	PSBN	PIONEER BNCP INC NC	500	1000
MAJL	MICHAEL ANTHONY JEWL	1000	500	PLNSP	PLAINS RESOURCES PFD	500	1000
MWAV	MICROWAVE LABS INC	1000	500	PLXS	PLEXUS CORP	500	1000
MABC	MID AMERICA BNCP	500	1000	POLK	POLK AUDIO INC	500	1000
MHBK	MID HUDSON SAV FSB	500	200	POCI	PORTS OF CALL INC	1000	500
MIDS	MID SOUTH INS CO	1000	500	PSLA	PREFERRED SAVINGS BK	500	200
				PBKC	PREMIER BANKSHARES	200	500

Notice to Members 89-67

Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
PRCO	PRICOR INC	500	1000	SPAIB	STRATEGIC PLANNING B	1000	500
PENG	PRIMA ENERGY CORP	500	200	STRC	STRATFORD AMER CORP	200	500
PSAB	PRIME BANCORP INC	1000	500	STRM	STURM RUGER AND CO	200	500
PROF	PROFESSIONAL INV INS	500	1000	SUBBA	SUBURBAN BANCORP A	1000	500
PFNC	PROGRESS FIN CORP	500	200	SUMI	SUMITOMO BANK OF CA	200	500
PNET	PRONET INC	500	1000	SMMT	SUMMIT SAV ASSOC	200	500
POAI	PROPERTIES OF AMER	1000	500	SNLI	SUNLITE INC	500	1000
PPSA	PROSPECT PK FIN CORP	500	1000	SUNF	SUNSTAR FOODS INC	500	1000
				SURV	SURVIVAL TECH INC	500	1000
Q				SYMC	SYMANTEC CORP	200	500
QEDX	Q E D EXPLORATION	500	200	SNTC	SYNETIC INC	200	500
QLTIF	QUADRA LOGIC TECH	200	500	SYRA	SYRACUSE SUPPLY CO	200	500
QFCI	QUALITY FOOD CENTERS	500	1000				
QTEC	QUESTECH INC	500	200	T			
QUIP	QUIPP INC	200	500	TCII	T C I INTL INC	1000	500
				TSII	T S I INC	500	1000
R				TSRI	T S R INC	1000	500
RANG	RANGAIRE CORP	1000	500	TECN	TECHNALSIS CORP	500	1000
RCHI	RAUCH INDS INC	500	1000	TCGN	TECOGEN INC	500	1000
RCOT	RECOTON CORP	500	1000	TOPTW	TELE OPTICS INC WTS	500	200
REDX	RED EAGLE RESOURCES	500	1000	TOPT	TELE OPTICS INC	1000	500
REED	REEDS JEWELERS INC	500	1000	TNII	TELECOMMUN NETWORK	500	1000
RFTN	REFLECTONE INC	1000	500	TMTX	TEMTEX INDS INC	500	200
RFSB	REISTERSTOWN FED SAV	500	200	TMSTA	THOMASTON MILLS A	500	200
REAL	RELIABILITY INC	1000	500	TAVI	THORN APPLE VALLEY	500	200
RAUT	REPUBLIC AUTO PARTS	1000	500	TODDA	TODD A O CORP CL A	500	1000
RBNC	REPUBLIC BANCORP INC	500	1000	TOMKY	TOMKINS PLC ADR	200	500
RSFC	REPUBLIC SAV FIN CORP	1000	500	TLAM	TONY LAMA CO INC	200	500
RESR	RESEARCH INC	500	200	TRGL	TOREADOR ROYALTY CORP	1000	500
ROIL	RESERVE INDS CORP	1000	500	TGDGF	TOTAL ENERGOOLD CORP	1000	500
REXI	RESOURCE AMERICA INC	500	1000	TRKA	TRAK AUTO CORP	1000	500
RCOA	RETAILING CORP OF AMER	500	200	TRNI	TRANS INDS INC	500	1000
REXL	REXHALL INDS INC	200	500	TRSL	TRANSNATIONAL INDS	500	1000
RMCI	RIGHT MGMT CONSUL	200	500	TWBC	TRANSWORLD BNCP	200	500
RSGI	RIVERSIDE GP INC	200	500	TRST	TRUSTCO BANK CORP NY	200	500
RBSN	ROBESON INDS CORP	500	1000	TDRLF	TUDOR CORP LTD	500	200
RNIC	ROBINSON NUGENT INC	1000	500	TUSC	TUSCARORA PLASTICS	500	1000
RBNH	ROCKINGHAM BANCORP	500	1000	TTOYW	TYCO TOYS INC WTS 93	200	500
ROYLW	ROYALPAR INDS WTS A	500	200				
RBCO	RYAN BECK CO INC	1000	500	U			
				UNSL	U N S L FIN CORP	200	500
S				USAB	U S A BANCORP INC	500	1000
SBTC	S B T CORP	500	200	INTK	U S INTEC INC	500	1000
SDNB	S D N B FINANCIAL CORP	200	500	ULTB	ULTRA BNCP	500	1000
SJNB	S J N B FINANCIAL CORP	200	500	UGNEW	UNIGENE LABS WTS A	500	1000
SKFB	S K FAMOUS BRANDS	200	500	UBNK	UNION BK	500	1000
SNLFA	S N L FINANCIAL CORP A	500	1000	UBKR	UNITED BANKERS TX	1000	500
SGHB	SAG HARBOR SAV BK	500	1000	UBSI	UNITED BKSHS INC	500	1000
SHRE	SAHARA RESORTS	1000	500	UICI	UNITED INS COS INC	1000	500
SAXO	SAXON OIL CO	500	1000	UMSB	UNITED MISSOURI BCSP	500	1000
SCFM	SCANFORMS INC	1000	500	BNKS	UNITED N M FIN CORP	500	1000
SWARA	SCHWARTZ BROS INC A	500	1000	USBK	UNITED SAV BK VA	200	500
STIZ	SCIENTIFIC TECH INC	500	200	UBMT	UNITED SAV BK F A MT	200	500
SCOT	SCOTT AND STRINGFELLOW	500	200	TOTE	UNITED TOTE INC	500	1000
SEAB	SEABOARD SAVINGS LN	500	200	UHCO	UNIV HOLDING CORP	1000	500
SEWY	SEAWAY FOOD TOWN INC	200	500	UPEN	UPPER PENINSULA ERGY	500	200
SFGI	SECURITY FINL GP INC	200	500				
SLTM	SELECTERM INC	200	500	V			
SLFX	SELFIX INC	500	1000	VSLF	V M S STRA LND FD II	500	1000
SLRV	SELLERSVILLE SAV LN	500	1000	VSBC	V S B BNCP INC	500	1000
SERF	SERVICE FRACTURING	500	1000	VLCM	VALCOM INC	500	200
SHLB	SHELBY FED SAVS BK	200	500	VCCN	VALLEY CAPITAL CORP	1000	500
SHOP	SHOPSMITH INC	500	1000	VANF	VANFED BNCP	500	1000
SHBZ	SHOWBIZ PIZZA TIME	500	1000	VCRE	VARI CARE INC	500	1000
SIVB	SILICON VALLEY BNCSH	500	1000	VFSC	VERMONT FIN SVCS CORP	500	1000
SMET	SIMETCO INC	500	1000	VTEX	VERTEX COMMUN CORP	500	1000
SKAN	SKANEATELES SAV BANK	200	500	VSTR	VESTAR INC	500	1000
HAMS	SMITHFIELD CO INC	1000	500	VIDE	VIDEO DISPLAY CORP	500	1000
SOMR	SOMERSET GP INC THE	200	500	VOLT	VOLT INFO SCIENCES	1000	500
SESL	SOUTHEASTERN SAV BK	1000	500				
SWTR	SOUTHERN CA WATER CO	500	1000	W			
SFNS	SPEAR FIN SVCS INC	500	1000	WCRSY	W C R S PLC ADR	200	500
SOME	STATE O MAINE INC	500	1000	WLRG	W L R FOODS INC	500	1000

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Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
WNSI	W N S INC	500	200	WSVS	WILAND SVCS INC	500	200
WSMP	W S M P INC	1000	500	WSGC	WILLIAM SONOMA INC	500	1000
WAIN	WAINWRIGHT BK TR CO	1000	500	WTOY	WISCONSIN TOY CO INC	500	1000
WTWS	WALL TO WALL SOUND VID	1000	500	XPLR	XPLOR CORP	500	200
WIMI	WARWICK INS MGRS INC	500	200				
WSBX	WASHINGTON SAV BK	500	200	Y			
WGNR	WEGENER CORP	500	1000	YESS	YANKEE ENERGY WI	1000	500
WLPI	WELLINGTON LEISURE	500	1000	YFED	YORK FINANCIAL CORP	500	1000
WCCC	WESTERN COMMERCIAL	500	200	YCSL	YORKRIDGE CALVERT SV	200	500
WFPR	WESTERN FED SAV P R	500	200				
WWIN	WESTERN WASTE INDS	500	1000	Z			
WBAT	WESTPORT BNCP INC	200	500	ZEUS	ZEUS COMPONENTS INC	1000	500
WTPR	WETTERAU PROPERTIES	500	200	ZIGO	ZYGO CORP	500	200
WHLSP	WHOLESALE CLUB PFD	500	200				

Notice To Members

National Association of Securities Dealers, Inc.

October 1989

Number 89 - 68

Suggested Routing:*

- | | | | |
|--|--|--|---|
| <input type="checkbox"/> Senior Management | <input checked="" type="checkbox"/> Internal Audit | <input checked="" type="checkbox"/> Operations | <input type="checkbox"/> Syndicate |
| <input type="checkbox"/> Corporate Finance | <input type="checkbox"/> Legal & Compliance | <input type="checkbox"/> Options | <input checked="" type="checkbox"/> Systems |
| <input type="checkbox"/> Government Securities | <input type="checkbox"/> Municipal | <input type="checkbox"/> Registration | <input checked="" type="checkbox"/> Trading |
| <input type="checkbox"/> Institutional | <input type="checkbox"/> Mutual Fund | <input type="checkbox"/> Research | <input type="checkbox"/> Training |

*These are suggested departments only. Others may be appropriate for your firm.

Subject: NASDAQ National Market Additions, Changes, and Deletions as of September 14, 1989

As of September 14, 1989, the following 13 issues joined the NASDAQ National Market, bringing the total number of issues to 2,727.

Symbol	Company	Entry Date	SOES Execution Level
BZMT	BizMart, Inc.	8/18/89	1000
SSIF	Southeastern Savings Institutions Fund, Inc. (The)	8/23/89	500
NIIS	New Image Industries, Inc.	8/24/89	200
ILFCW	International Lease Finance Corporation (Wts)	8/25/89	200
CLCM	Cellcom Corp.	9/5/89	1000
COCAW	CoCa Mines, Inc. (Wts)	9/5/89	200
FOFF	50-Off Stores, Inc.	9/5/89	1000
NUCOL	Nucorp, Inc. (Paired Wts)	9/5/89	500
WAMUP	Washington Mutual Savings Bank (Pfd)	9/5/89	1000
BVSI	Brite Voice Systems, Inc.	9/6/89	1000
FEXCR	First Executive Corporation (Rts)	9/12/89	1000
FEXZV	First Executive Corporation (10/9/92 Wts) (WI)	9/12/89	1000
FEXNV	First Executive Corporation (Dep Pfd Shrs) (WI)	9/12/89	1000

NASDAQ National Market Pending Additions

The following issues have filed for inclusion in the NASDAQ National Market upon effectiveness of their registration statements with the SEC or other appropriate regulatory authority. Their inclusion may commence prior to the next regularly scheduled phase-in date.

Symbol	Company	Location	SOES Execution Level
APPB	Applebee's International, Inc.	Kansas City, MO	1000
AZTR	Aztar Corporation	Phoenix, AZ	1000

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Symbol	Company	Location	SOES Execution Level
CSMAF	Cosma International Inc.	Brampton, Ontario, Canada	1000
DEMAF	Decoma International Inc.	Concord, Ontario, Canada	1000
VCOR	Vencor, Inc.	Louisville, KY	1000

NASDAQ National Market Symbol and/or Name Changes

The following changes to the list of NASDAQ National Market securities occurred since August 14, 1989.

New/Old Symbol	New/Old Security	Date of Change
LDDSA/ADCO	LDDS Communications, Inc. (CI A)/Advantage Companies, Inc.	8/14/89
LDDSW/ADCOW	LDDS Communications, Inc.(Wts)/Advantage Companies, Inc. (Wts)	8/14/89
MWSB/FCDA	Mountain West Savings Bank, F.S.B./First Federal Savings & Loan Association of Coeur d'Alene	8/14/89
FFHP/FFHP	First Harrisburg Bancor, Inc./First Federal Savings & Loan Association of Harrisburg	8/21/89
HWEC/SAXO	Hallwood Energy Corp./Saxon Oil Company	8/21/89
HVFD/HFNO	Haverfield Corporation/Home Federal Savings Bank, Northern Ohio	8/24/89
WATFZ/WATFZ	Waterford Wedgwood PLC/Waterford Glass Group PLC	8/24/89
WCBC/CNBL	West Coast Bancorp/Centennial Beneficial Corp.	8/29/89
CODNW/CODNW	Codenoll Technology Corporation (9/10/90 Wts)/Codennoll Technology Corporation (9/10/89 Wts)	8/31/89
CAFS/CAFS	Cardinal Financial Group, Inc./Cardinal Federal Savings Bank	9/1/89
DAZX/DAZY	Daisy Systems Corporation/Daisy Systems Corporation	9/5/89
GPEC/BRRS	Gruber-Peters Entertainment Company (The)/Barris Industries, Inc.	9/7/89
FLAG/FLAG	First Federal Savings Bank of LaGrange/First Federal Savings & Loan Association of LaGrange	9/13/89

NASDAQ National Market Deletions

Symbol	Security	Date
CLRXX	Colorocs Corporation (CI C Wts)	8/14/89
GWSH	George Washington Corporation	8/14/89
MINL	Minnetonka Corp.	8/14/89
OGIL	Ogilvy Group, Inc. (The)	8/14/89
INGN	Integrated Genetics, Inc.	8/15/89
OSWI	Old Spaghetti Warehouse, Inc.	8/15/89
UBKR	United Bankers, Inc.	8/17/89
HRLN	Harlyn Products, Inc.	8/18/89
MSLA	Metropolitan Financial Savings & Loan Association	8/21/89
ULTB	Ultra Bancorporation	8/21/89
LOCL	Local Federal Savings & Loan Association	8/22/89
PBNC	Peoples Bancorporation	8/22/89
ACGI	American Capacity Group, Inc.	8/23/89
CUCD	CUC International, Inc.	8/23/89
NHIC	Nichols-Homeshield, Inc.	8/23/89

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Symbol	Security	Date
CNCAA	Centel Cable Television Company (Cl A)	8/24/89
CRZYQ	Crazy Eddie, Inc.	8/24/89
FSHG	Fisher Scientific Group Inc.	8/25/89
MCRO	Micro Mask, Inc.	8/25/89
WHGP	Wheelabrator Group Inc. (The)	8/25/89
WHTI	Wheelabrator Technologies Inc.	8/25/89
RABT	Rabbit Software Corporation	8/28/89
MLAB	Monitor Technologies, Inc.	8/29/89
SRSL	Sunrise Bancorp, Inc.	8/29/89
ACTP	Advanced Computer Techniques Corporation	8/30/89
AVRY	Avery, Inc.	8/30/89
CSTIF	Challenger International, Ltd.	8/30/89
CYTR	CytRx Corporation	8/30/89
CYTRW	CytRx Corporation (Wts)	8/30/89
DVIS	Datavision, Inc.	8/30/89
GTAM	Great American Corporation	8/30/89
HOGI	Harken Energy Corporation	8/30/89
HEMO	HemoTec, Inc.	8/30/89
HSPA	Home Savings Association of Penna.	8/30/89
IHKS	Imperial Holly Corporation	8/30/89
MSHR	Mischer Corporation (The)	8/30/89
OCIL	Ocilla Industries, Inc.	8/30/89
MRDNP	Meridian Bancorp, Inc. (Pfd)	8/31/89
NVCO	Nodaway Valley Co.	8/31/89
SHKRF	SHL Systemhouse Inc. (Rts)	8/31/89
SFOK	Sooner Federal Savings & Loan Association	8/31/89
FPBT	Fountain Powerboat Industries, Inc.	9/1/89
RBNH	Rockingham Bancorp	9/1/89
HIPT	Hi-Port Industries, Inc.	9/8/89
GMED	GMI Group, Inc. (The)	9/11/89
SLHC	Southlife Holding Company	9/11/89
CBTB	CB&T Bancshares, Inc.	9/12/89
PHMT	PhoneMate, Inc.	9/12/89
VMIG	View-Master Ideal Group, Inc.	9/12/89
EPAI	El Pollo Asado, Inc.	9/13/89
HSRC	HEALTHSOUTH Rehabilitation Corporation	9/13/89
SWMC	Stan West Mining Corp.	9/13/89
WHLSP	Wholesale Club, Inc. (The) (Pfd)	9/13/89
WRTC	Writer Corporation (The)	9/14/89

Questions regarding this notice should be directed to Kit Milholland, Senior Analyst, NASDAQ Operations, at (202) 728-8281. Questions pertaining to trade-reporting rules should be directed to Leon Bastien, Assistant Director, NASD Market Surveillance, at (301) 590-6429.

Disciplinary Actions

National Association of Securities Dealers, Inc.

October 1989

Disciplinary Actions Reported for October

The NASD is taking disciplinary actions against the following firms and individuals for violations of the NASD Rules of Fair Practice and/or the rules of the Municipal Securities Rulemaking Board. Unless otherwise indicated, suspensions began with the opening of business on Monday, October 2, 1989. The information relating to matters contained in this notice is current as of the 20th of the month preceding the date of the notice. Information received subsequent to the 20th is not reflected in this publication.

FIRMS EXPELLED, INDIVIDUALS SANCTIONED

Waddell JenMar Securities, Inc. (Chapel Hill, North Carolina), Guilford T. Waddell, III (Registered Principal, Chapel Hill, North Carolina), and Susan T. Maddry (Associated Person, Durham, North Carolina). The firm was expelled from membership in the NASD, Waddell was fined \$1,390,000 and barred from association with any member of the NASD in any capacity, and Maddry was fined \$25,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Waddell, with the assistance of Maddry, misappropriated \$1,140,909 from 11 different customers by transferring funds to bank accounts of an affiliate and used the funds for purposes other than for the benefit of the customers. The firm, acting through Waddell, served as an underwriter of a best-efforts, all-or-none offering and failed to return funds to investors when the minimum number of units required were not sold by the termination date. To close the offering, Waddell purchased 5 ¼ units and paid for them out of the proceeds of the offering. As a result, the sale of those units was not bona fide. In addition, Waddell failed to respond to the NASD's request for information made pursuant to Article IV, Section 5 of the Rules of Fair Practice.

FIRM FINED, INDIVIDUALS SANCTIONED

Howard, Weil, Labouisse, Friedrichs Incorporated (New Orleans, Louisiana), John B. Levert, Jr. (Registered Principal, New Orleans, Louisiana), Alan C. Arnold (Registered Principal, New Orleans, Louisiana), Joseph C. Pascal (Registered Principal, Metairie, Louisiana),

William H. Walker (Registered Principal, New Orleans, Louisiana), Patrick R. Mooney (Registered Principal, New Orleans, Louisiana), Keith E. Butler (Registered Representative, New Orleans, Louisiana), and Patrick R. Hastings (Registered Principal, New Orleans, Louisiana) submitted a Letter of Acceptance, Waiver and Consent pursuant to which they were fined \$50,000, jointly and severally. The firm must also demonstrate to the District Business Conduct Committee for District 5 that it has adopted adequate procedures to ensure that all individuals associated with it are properly qualified and registered. Without admitting or denying the allegations, the firm and individuals consented to the described findings and sanctions that while associated with the firm, Arnold, Mooney, and Hastings acted as municipal securities principals and neglected to comply with the qualification requirements of the Municipal Securities Rulemaking Board (MSRB). Walker and Butler acted as general securities principals and neglected to comply with the qualification requirements of the NASD. The firm, acting through Levert, Jr., Pascal, and Arnold, failed to maintain and/or enforce written supervisory procedures to ensure that all associated individuals were properly registered and qualified. And the firm, acting through Levert, Jr., Pascal, and Arnold, failed to register 18 individuals in accordance with NASD, MSRB, and state requirements.

FIRMS FINED

Chelsea Securities, Inc. (Newport Beach, California) submitted a Letter of Acceptance,

Waiver and Consent pursuant to which it was fined \$10,500, jointly and severally, with associated persons. Without admitting or denying the allegations, Chelsea consented to the described findings and sanctions that the firm, acting through two associated persons, engaged in a general securities business when it failed to maintain sufficient net capital. Also, the firm failed to file an amended Form BD concerning the ownership of the firm on a timely basis.

Underhill Associates, Incorporated (Red Bank, New Jersey) was fined \$15,000. The sanction was based on findings that Underhill effected principal transactions in municipal securities with public customers at prices that were unfair and unreasonable. Also, the firm effected sales to public customers of equity securities at prices that were unfair. In addition, the firm failed to disclose on four customer confirmations the amount of markdown for purchases of equity securities from the four customers.

Oberweis Securities, Inc. (Naperville, Illinois) submitted an Offer of Settlement pursuant to which the firm was fined \$16,000. Without admitting or denying the allegations, Oberweis consented to the described findings and sanctions that the firm, acting through associated persons, failed to prepare accurate net capital computations, effected transactions in securities while failing to maintain the required minimum net capital, failed to accurately compute the amount required to be on deposit in its reserve account (resulting in reserve account deficiencies on two occasions), filed inaccurate FOCUS I and FOCUS II reports, and failed to preserve a reconciliation of its money line balances to the amounts used in its net capital and reserve account computations. The firm also improperly hypothecated customer securities and permitted the securities to be commingled with the firm's bank loan, failed to keep current books and records, neglected to submit written notification to the NASD when the market value of the collateral securing certain demand notes fell below the amount of the unpaid principal, and failed to transfer two securities held as collateral to the name of the firm or its nominee. Furthermore, Oberweis failed to note the yield to maturity on municipal bond confirmations and on corporate bond confirmations.

INDIVIDUALS BARRED OR SUSPENDED

Akiva Bar (Registered Representative, Valencia, California) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$10,000 and suspended from association with any member of the NASD in any capacity for five years. Without admitting or denying the allegations, Bar consented to the described findings and sanctions that he induced public customers to purchase securities by using high-pressure sales tactics and making false and misleading statements. Bar also executed a series of 32 purchase and sale transactions in the accounts of 19 customers without the knowledge or consent of such customers.

John M. Bethea (Registered Representative, Littleton, Colorado) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$1,000 and suspended from association with any member of the NASD in any capacity for three months. Without admitting or denying the allegations, Bethea consented to the described findings and sanctions that he falsified the books and records of his employer-member in order to circumvent the firm's trading limitations.

James Edwin Binning (Registered Representative, Valrico, Florida) submitted an Offer of Settlement pursuant to which he was fined \$10,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Binning consented to the described findings and sanctions that he made unsuitable recommendations to public customers regarding purchases of nonrelated speculative revenue bonds and failed to pay a \$50,000 arbitration award.

John J. Connolly (Registered Representative, Staten Island, New York) was fined \$100,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that, in contravention of Regulation T, Connolly failed to pay on a timely basis for securities purchased in his personal account with his employer-member. He also established an account with his employer-member under a fictitious name in which he bought and sold securities without paying for them in contravention of Regulation T. In addition, Connolly signed and submitted a new account form to his employer-member to open an account for his wife that failed to disclose her relationship with him. Connolly

also effected the purchase of shares of common stock for the accounts of two public customers without having the customers' authorization and without having discretionary power over the accounts.

Richard D. Costanza (Registered Representative, Pittsburgh, Pennsylvania) was fined \$15,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Costanza received \$1,446.75 from public customers for payment of insurance premiums, which he failed to remit to his employer-member. Costanza also received \$148.97 from public customers for payment of insurance premiums. He caused these funds to be applied to pay premiums of other customers.

Beverly Jean Duncan (Registered Representative, Louisville, Kentucky) was fined \$10,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Duncan caused to be issued and cashed 17 checks against her account at her employer-member before recording the checks and before sufficient funds were on deposit to cover the checks. Also, Duncan failed to respond to the NASD's requests for information made pursuant to Article IV, Section 5 of the Rules of Fair Practice concerning the circumstances surrounding the termination of her employment from a member firm.

Byron K. Griffith (Registered Representative, Memphis, Tennessee) was fined \$15,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that, on three separate occasions, Griffith received checks from customers totalling \$130,900 for investment purposes. He failed to follow the customers' instructions and converted the funds to his own use and benefit. In order to maximize concessions, Griffith executed a sale of shares in one mutual fund and used the proceeds to purchase shares of a similar mutual fund. He also failed to respond to the NASD's requests for information made pursuant to Article IV, Section 5 of the Rules of Fair Practice.

Edward T. Hackney (Registered Representative, Phoenix, Arizona) was fined \$30,000, ordered to disgorge \$54,450, and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Hackney made improper use of customer funds in

that he received approximately \$54,450 from seven customers and deposited the funds into a bank account in which he had beneficial ownership. Hackney also failed to respond to the NASD's requests for information made pursuant to Article IV, Section 5 of the Rules of Fair Practice.

Paul H. Hall (Registered Representative, Orem, Utah) was fined \$25,000 and suspended from association with any member of the NASD in any capacity for six months. The sanctions were based on findings that Hall effected a series of unauthorized securities transactions in the accounts of four customers. In order to generate commissions, he effected excessive trading in the accounts of three customers without consideration of their investment objectives and financial situations. In addition, Hall caused false and misleading information to be reflected on his employer-member's books and records by exaggerating customer financial information and investment experience and falsifying investment objectives and anticipated levels of trading on customer option information forms. Hall caused advertising circulars promoting an investment seminar to be distributed to the public without obtaining prior written approval from his employer-member.

Sandra K. Johnston (Registered Representative, Montgomery, Alabama) submitted an Offer of Settlement pursuant to which she was fined \$10,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Johnston consented to the described findings and sanctions that she received from a customer cashier's checks totalling \$3,886.25, representing the proceeds on the sale of zero coupon bonds, failed to follow the customer's instructions to reinvest the funds, and, without the knowledge or consent of the customer, converted the funds to her own use and benefit. In an attempt to conceal the conversion of funds, she visited the customer and asked the customer not to inform anyone of the misappropriation. In addition, Johnston floated funds (kited checks) totalling \$29,000 between her two personal checking accounts, and she falsely represented to a new employer-member that she had resigned from her former employer when in fact she had been discharged.

Ira Robert Landis (Registered Principal, New York, New York) was fined \$5,000, suspended from association with any member of

the NASD in a principal capacity for one month, and must requalify by examination following his suspension. The sanctions were based on findings that Landis failed to establish supervisory procedures to detect and prevent the parking of securities by a registered representative.

Joel Norman Light (Registered Representative, Derby, Kansas) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$25,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Light consented to the described findings and sanctions that he received \$28,260.12 from five customers and converted the funds to his own use and benefit without the knowledge or consent of the customers.

John F. Lukas (Registered Representative, Miami, Florida) was fined \$2,000 and suspended from association with any member of the NASD in any capacity for six months. The sanctions were based on findings that Lukas failed to participate in an NASD hearing pursuant to Article IV, Section 5 of the Rules of Fair Practice.

James E. McCracken (Registered Representative, Vineland, New Jersey) was fined \$15,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that McCracken received from a public customer \$2,381.32 for the purchase of a variable annuity policy. McCracken converted the sum to his own use and benefit. He also failed to respond to the NASD's requests for information made pursuant to Article IV, Section 5 of the Rules of Fair Practice.

Daniel Martin Michael McKeown (Registered Representative, Marietta, Georgia) submitted an Offer of Settlement pursuant to which he was fined \$1,000 and suspended from association with any member of the NASD in any capacity for five business days. Without admitting or denying the allegations, McKeown consented to the described findings and sanctions that he effected one unauthorized transaction in the securities accounts of each of three public customers.

Fernando Augusto Moreno (Registered Representative, San Francisco, California) submitted an Offer of Settlement pursuant to which he was fined \$20,000 and suspended from association with any member of the NASD in any capacity for three years. Without admitting or denying the allegations, Moreno consented to the described find-

ings and sanctions that he effected the purchase and sale of options on margin in customer accounts without reasonable grounds for believing that the recommendations were suitable for the customers. In addition, he made false representations on information forms to his employer-member regarding the customers' income, net worth, and investment experience.

Vincent P. Olszewski (Registered Representative, Highland Park, New Jersey) was fined \$15,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that Olszewski forged the endorsement on a \$769 check drawn to a public customer and converted the sum to his own use and benefit. Olszewski also failed to respond to the NASD's requests for information made pursuant to Article IV, Section 5 of the Rules of Fair Practice.

Mark J. Parker (Registered Representative, Cinnaminson, New Jersey) was fined \$17,000 and suspended from association with any member of the NASD in any capacity for 30 days. The sanctions were based on findings that Parker recommended and effected uncovered options transactions for the account of public customers without having reasonable grounds for believing that such transactions were suitable.

Kenneth G. Rogers (Registered Representative, Silver City, New Mexico) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$25,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Rogers consented to the described findings and sanctions that, on four occasions, he accepted and improperly endorsed customers' checks totaling \$60,000 made payable to an affiliate of a member firm and converted the funds to his own use and benefit without the knowledge or consent of the customers or his employer-member. Rogers also placed purchase orders with another member firm without giving prior written notice to his employer-member and without informing the other member firm to provide information concerning the account to his employer-member.

Zeke C. Soliz (Registered Representative, Keansburg, New Jersey) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$15,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Soliz

consented to the described findings and sanctions that he received and endorsed checks payable to public customers totalling \$2,527.63 and deposited the funds in his bank account for his own use and benefit without the customers' knowledge or consent.

Raymond J. Strawbridge (Registered Representative, Gadsden, Alabama) submitted an Offer of Settlement pursuant to which he was fined \$15,000 and barred from association with any member of the NASD in any capacity. Without admitting or denying the allegations, Strawbridge consented to the described findings and sanctions that he received funds from a customer to prepay insurance premiums and failed to forward \$5,295.79 of those funds to the insurance company. When he discovered his error, Strawbridge failed to disclose this information to the customer. Subsequently, when the customer questioned a discrepancy, Strawbridge attempted to conceal his actions by asking the customer to inform his employer-member that the problem had been corrected. In return, Strawbridge promised to assume future premium obligations for the customer.

Thomas A. Timberlake (Registered Principal, Tampa, Florida) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was suspended from association with any member of the NASD in any capacity for five days. Without admitting or denying the allegations, Timberlake consented to the described findings and sanctions that he recommended and effected, in the account of two customers, certain options transactions that were not suitable for the customers given the excessive number of transactions and the customers' financial needs and investment objectives.

FIRMS SUSPENDED

The following firms were suspended from membership in the NASD for failure to comply with formal written requests to submit financial information to the NASD. The actions were based on the provisions of Article IV, Section 5 of the

NASD Rules of Fair Practice and Article VII, Section 2 of the NASD By-Laws. The date the suspension commenced is listed after each entry. If the firm has complied with the request for information, the listing also includes the date the suspension concluded.

- Baycrest Financial**, Huntington Beach, California (September 11, 1989)
- Biscayne Securities**, Lauderhill, Florida (September 11, 1989)
- L.A. Boykin & Associates**, Little Rock, Arkansas (September 11, 1989)
- Broadway Securities, Inc.**, Marina Del Rey, California (September 11, 1989)
- Financial Exchange, Ltd.**, Grenada, Mississippi (August 18, 1989)
- Harbor Equities, Inc.**, Lanoka Harbor, New Jersey (August 18, 1989)
- Investamerica Securities, Inc.**, Denver, Colorado (September 11, 1989)
- Kaufman Investments Corp.**, Chicago, Illinois (September 11, 1989)
- Knight & Mellerup, Inc.**, Tarzana, California (August 18, 1989)
- Meier Mitchell & Co.**, San Francisco, California (September 11, 1989)
- Newfield Securities, Inc.**, Houston, Texas (September 11, 1989)
- Seville Securities, Ltd.**, New City, New York (September 11, 1989)
- State Equities, Inc.**, San Francisco, California (September 11, 1989)
- Summa Capital Securities, Inc.**, Denver, Colorado (September 11, 1989)
- U.S. Advisors, Inc.**, Novato, California (September 11, 1989)
- Wall Street Pacific Financial Resources, Inc.**, San Jose, California (September 11, 1989)

INDIVIDUALS WHOSE REGISTRATIONS WERE REVOKED FOR FAILURE TO PAY FINES AND COSTS IN CONNECTION WITH VIOLATIONS

- Mark G. Ross, New York, New York
- Marc J. Rothenberg, New York, New York

For Your Information

National Association of Securities Dealers, Inc.

October 1989

Three NASD District Offices to Hold Major Conferences This Month

Three NASD offices — Districts 5, 8, and 13 — will sponsor major conferences this month.

District 5

The District 5 annual membership meeting and conference, co-sponsored with Tulane Law School, will be Friday, October 6, at the Windsor Court Hotel in New Orleans.

The conference will feature 12 workshops on subjects such as regulation, legislation, arbitration, and new products. Speakers include NASD Chairman William L. Tedford, Jr.; Securities and Exchange Commission (SEC) officials Sarah Ackerson, T. Christopher Brown, Thomas Harmon, Michael Macchiaroli, and Richard Wessell; and state securities commissioners from Arkansas, Mississippi, Tennessee, Alabama, and Louisiana.

Registration costs \$175 per person (\$150 if three or more registrants are from the same organization), plus a \$25 surcharge for registering at the door. The registration fee includes four workshops, course materials, breakfast and lunch Friday, and a cocktail reception Thursday evening. For further information, call Keith Hinrichs of the NASD at (504) 522-6527.

District 8

District 8 will sponsor a securities conference Tuesday, October 24, at the Four Seasons Hotel in Chicago. It features nine workshops on topics including advertising requirements, financial and operational matters, and compliance and supervision issues.

A general session will spotlight NASD President Joseph R. Hardiman, and former SEC Chairman David S. Ruder will speak at the luncheon. The 34 panelists include NASD and SEC staff and member-firm executives.

Registration costs \$160 per person for NASD members, \$200 for nonmembers. Any organization with three or more registrations may reduce the per-person fee by \$25. The hotel is holding a limited

number of sleeping rooms at a rate of \$165 per night that can be reserved by calling (800) 332-3442 or (312) 280-8800. For more information regarding the conference and for registration, call Rose Ursua of the NASD at (312) 899-4320.

District 13

District 13 will sponsor an educational seminar for its members at the John Hancock Institute in Boston, Tuesday, October 31. The program features such subjects as supervision and compliance, state regulation, direct participation investments, mutual fund problems, and variable contracts.

Speakers, aside from NASD President Joseph R. Hardiman, include North American Securities Administrators Association President Susan E. Bryant, Assistant Regional SEC Administrator Peter F. Flynn, and securities regulators from Connecticut, Maine, and Massachusetts.

Registration costs \$150 per person and includes lunch. The Copley Plaza Hotel in Boston has reserved a limited number of rooms for the meeting. Members wanting to book them should call the hotel directly at (800) 826-7539 or (617) 267-5300. For further information and registration, call Geraldine Degurski of the NASD at (617) 439-4404.

Maine Increases Agent, Broker-Dealer Fees

Effective September 30, 1989, the Maine Securities Commission increased some of its registration and renewal fees. The new agent fees for initial registration, transfer, and renewal are now \$30. The broker-dealer renewal fee rose to \$100. If you have questions or need more information regarding these changes, contact NASD Information Services at (301) 590-6500.

NASD Publishes New Guide to Rule Interpretations for Firms

In the next few weeks, the NASD will be mailing to all NASD members one complimentary copy of its new *NASD Guide to Rule Interpretations*. The publication contains current NASD and SEC-approved interpretations to the SEC's Net Capital Rule (15c3-1) and the Customer Protection Rule (15c3-3). The interpretations stem from both SEC letters and also discussions between self-regulatory organizations and the SEC.

Additional copies for members and copies for nonmembers are available for \$25 each prepaid. Telephone orders are not accepted, and orders are shipped UPS or Book Rate. For further information, or to request an order form, write to the NASD Book Order Department, P.O. Box 9403, Gaithersburg, MD 20898-9403 or call (301) 590-6578.

Test Date Change for October, Site Change for November Examinations

Series 7 Test Site - Atlanta

The November 18, 1989, Series 7 examination in Atlanta will be held at Sheraton Century Hotel, 2000 Century Boulevard, Atlanta, Georgia.

First Saturday Date Change for Puerto Rico

The first Saturday exam session for October has been changed to October 14, 1989, in Puerto Rico because of the Columbus Day holiday, which falls after the first weekend of the month.

Reminder: Assessment Fees Depend on NASD's Fiscal Year

All members are reminded that annual branch office assessment fees are calculated based on NASD's fiscal year, which ended September 30. Branch office assessment fees are charged for each branch office that is open during any part of the fiscal year. The fiscal 1989-1990 billing period began October 1.

Members with branch offices that closed on or before September 30, 1989, will want to com-

plete and submit Schedule E of Form BD now to report these closings. Offices that remain open on or after October 1 are subject to the fiscal 1989-1990 assessment fees, which will be billed later this year as part of the Central Registration Depository Renewal Assessment process. When completing Schedule E, be sure to indicate the date each office was closed in the "Effective Date" column.