

# Notice To Members

National Association of Securities Dealers, Inc.

January 1992

**Number 92-1****Suggested Routing:\***

- |   |  |                                       |  |
|---|--|---------------------------------------|--|
| <input checked="" type="checkbox"/> Senior Management | <input checked="" type="checkbox"/> Internal Audit     | <input type="checkbox"/> Operations   | <input type="checkbox"/> Syndicate           |
| <input type="checkbox"/> Corporate Finance            | <input checked="" type="checkbox"/> Legal & Compliance | <input 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 checked="" type="checkbox"/> Training |

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

**MAIL VOTE**

**Subject: Proposed Amendment to Article VI, Section 3 of the By-Laws to Extend the NASD's Summary Suspension Procedures to Situations Where Members or Associated Persons Fail to Comply with Arbitration Awards; Last Voting Date: February 18, 1992**

**EXECUTIVE SUMMARY**

The NASD invites members to vote on a proposed amendment to the NASD By-Laws to extend the NASD's summary suspension procedures to permit the NASD to suspend the membership or registration of a party that has failed to comply with a valid arbitration award in situations when the award is not the subject of a motion to vacate or modify the award or when such a motion has been denied. The last voting date is February 18, 1992. The text of the amendment follows this Notice.

to comply with arbitration awards. The amendment to Article VI, Section 3 of the NASD By-Laws would permit the NASD to suspend the membership or registration of a party that has failed to comply with a valid arbitration award in situations when the award is not the subject of a motion to vacate or modify the award or when such a motion has been denied.

**REQUEST FOR VOTE**

The NASD Board of Governors believes that the proposed amendment to the summary suspension procedures will alleviate the burden on districts' complaint dockets of referrals for failure to pay arbitration awards and may encourage timely payment of awards. The Board considers the proposed amendment necessary and appropriate and recommends that members vote their approval. Please mark the attached ballot according to your convictions and mail it in the enclosed, stamped envelope to The Corporation Trust Company. Ballots must be postmarked no later than February 18, 1992.

**BACKGROUND AND DESCRIPTION OF PROPOSAL**

The NASD is concerned about an increase in the number of referrals made to District Business Conduct Committees for failure to pay arbitration awards and about the impact such referrals have had on the districts' complaint dockets. To address this problem, the NASD is proposing to extend its summary suspension procedures to include situations in which members or registered persons fail

Questions concerning this Notice should be directed to Deborah Masucci, Vice President, Arbitration, at (212) 858-4488.

**PROPOSED AMENDMENTS TO ARTICLE VI  
OF THE NASD BY-LAWS**

(Note: New text is underlined; deleted text is in brackets.)

**ARTICLE VI**

**Dues, Assessments and Other Charges**

\* \* \* \* \*

**Suspension or Cancellation of Membership  
or Registration [for Non-Payment of Dues]**

Sec. 3. The Corporation after fifteen (15) days  
notice in writing, may suspend or cancel the mem-

bership of any member or the registration of any  
person in arrears in the payment of any fees, dues,  
assessments or other charges, or for failure to fur-  
nish any information or reports requested pursuant  
to Section 2 of this Article, or for failure to comply  
with an award of arbitrators properly rendered pur-  
suant to Section 41 of the Code of Arbitration Pro-  
cedure, where a timely motion to vacate or modify  
such award has not been made pursuant to applica-  
ble law or where such a motion has been denied.

# Notice To Members

National Association of Securities Dealers, Inc.

January 1992

**Number 92-2****Suggested Routing:\***

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|---|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Senior Management | <input checked="" type="checkbox"/> Internal Audit     | <input type="checkbox"/> Operations              | <input type="checkbox"/> Syndicate |
| <input type="checkbox"/> Corporate Finance            | <input checked="" type="checkbox"/> Legal & Compliance | <input type="checkbox"/> Options                 | <input type="checkbox"/> Systems   |
| <input type="checkbox"/> Government Securities        | <input type="checkbox"/> Municipal                     | <input checked="" 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 Amendments to Schedule C of the NASD By-Laws Relating to Applications for Membership****EXECUTIVE SUMMARY**

On December 13, 1991, the Securities and Exchange Commission (SEC) approved amendments to Schedule C of the NASD By-Laws relating to the premembership interview process for applicants for NASD membership. The amendments establish time limits for certain actions by applicants and extend restrictions on membership to successor owners of member firms. The amendments will take effect February 1, 1992, and will apply to all applications in process on that date. The text of the amendments follows this Notice.

**DESCRIPTION OF AMENDMENTS**

The SEC has approved amendments to Part I, Section 1 of Schedule C to the NASD By-Laws, which sets forth the application review process for new member applications ("the premembership interview process" or "PMI process"). The amendments provide for deadlines for the consideration of applications and extend the effectiveness of membership restrictions to successors to the ownership or control of the applicant.

**Sixty-Day Limitation-Section 1(a)**

As part of the PMI process, the district office staff reviews an application prior to the actual interview. In the event an application is materially inadequate, the applicant will be notified in writing of the inadequacies and of the information that is required to remedy the inadequacy. Once an applicant has been notified of the inadequacy or of the additional information required, it is the applicant's obligation to provide the information in a timely fashion. Furthermore, it is important that the processing of an application not be unduly delayed and that information needed to properly evaluate an application should be promptly supplied. The amendment to Section 1(a) to Schedule C will allow the NASD to terminate an application after 60 days when the applicant has failed to respond to a request from the NASD for information, or when the applicant has failed to amend a materially inadequate response pursuant to a request from the NASD.

**12-Month Limitation-Section 1(e)**

Certain applications contain deficiencies that cannot be corrected sufficiently to gain approval within 12 months of the application date. Under Section 1(b), the NASD is required to schedule a PMI "within a reasonable time" after the NASD receives the necessary information. In addition,

under Section 1(d), the NASD is required to notify an applicant whether its application has been granted, denied, or granted with restrictions within 30 days of the conclusion of the applicant's PMI or the receipt of further information or documents. Sections 1(b) and 1(d), therefore, impose substantial obligations on the NASD to act quickly to complete the application process.

The NASD believes it appropriate to impose similar promptness obligations on applicants by permitting the NASD to terminate dormant or persistently inadequate applications, thereby expediting the PMI process for all applicants. Section 1(b) has been amended, therefore, to allow the NASD to terminate an application if the applicant does not complete the review process within twelve (12) months of the filing of the application, thereby cutting off further consideration when the applicant fails to take the actions required to be completed in connection with the application. Termination will not occur if the delay in approval of the application is caused by the NASD.

#### **Implementation of Amendments to Sections 1(a) and 1(b)**

Both of the amendments to Sections 1(a) and 1(b) are designed to streamline the application review process. The normal communication between the NASD and the applicant during the PMI process will include notice of the deadlines imposed by these amendments and the consequences of the failure to meet the deadlines. The NASD does not intend to terminate pending applications after 60 days under Section 1(a) when the applicant has responded to a request for information by stating that it is in the process of preparing a full response or indicates it is taking steps to complete all of the examinations, agreements, and other requirements necessary for NASD approval of the membership application. The NASD's intention is to terminate applications only if there is no response or if there is clear evidence of dilatory conduct on the part of the applicant.

In addition, the NASD does not intend to terminate applications under Section 1(b) solely because the application has not been processed to completion in 12 months. As with requests for information, a complete failure to proceed with an application, or obviously dilatory conduct will be necessary before the NASD terminates an application. Finally, if an application is terminated pur-

suant to the proposed amendments to Sections 1(a) and 1(b), the applicant will be free to reapply for membership by submitting a new application along with the appropriate application fee.

The NASD will apply this limit to all new applications and applications in process on the effective date (February 1, 1992). The NASD, however, will not terminate any application that was in process at the time this rule change becomes effective for six months following the effective date. Any applications filed after the effective date will be subject to the 12-month deadline.

#### **Successor Ownership-Section 1(e)**

The approval of an application for membership may include restrictions on the member's business activities consistent with the member's financial capacity, internal procedures, and the experience of its management. Such restricted approval is called a "restrictive agreement" and, pursuant to Section 1(e), the applicant's approval for membership in the NASD is contingent on its agreeing to abide by the restrictions.

If the ownership or control of the member changes, the NASD believes that the new owners or controlling persons should understand that the restrictive agreement continues to limit the member's business. The NASD has, therefore, amended Section 1(e) to state that all restrictions placed on an applicant's business will remain in effect until modified pursuant to Section 3 of Part I to Schedule C, and will bind all successors to the applicant. This amendment codifies the NASD's view that a restrictive agreement is binding on the member firm, not just the principals, and that changes in ownership or control of the member do not operate to remove or reduce the limitations in the restrictive agreement. The amendment will emphasize the NASD's requirement that restrictive agreements can be amended only after the approval of a written request to modify the agreement submitted to the district in which the member has its principal place of business.

\* \* \* \* \*

Questions concerning this Notice may be directed to Elliott R. Curzon, Office of General Counsel, at (202) 728-8451 and John F. Vaughn, Assistant Director, Membership at (301) 590-6865.

## TEXT OF AMENDMENTS TO SCHEDULE C OF THE BY-LAWS

(Note: New text is underlined; deleted text is in brackets.)

### I

#### APPLICATIONS FOR MEMBERSHIP

##### (1) Premembership Interviews

(a) An applicant for membership in the Corporation shall furnish to the District Office for the District in which it has or intends to have its principal place of business:

(1) a copy of its current submission to the Securities and Exchange Commission pursuant to Rule 15b1-2(c) under the Securities Exchange Act of 1934;

(2) its most recent trial balance, balance sheet, supporting schedules and computation of net capital;

(3) a copy of its written supervisory procedures;

(4) a list of all officers, directors, general partners, employees and other persons who will be associated with it at the time of admission to membership;

(5) a description of business activities in which it intends to engage; and

(6) such other relevant information and documents as may be requested by the District Office.

Unless otherwise determined by the District committee, an applicant's failure to respond or a materially inadequate response to a request for information by the District Office within sixty (60) days of the request shall result in the termination of that application.

(b) Before an applicant shall be admitted to membership in the Corporation, and within a reasonable time after receipt of the foregoing information, the District Office shall schedule a pre-membership interview at which the responsible personnel of the applicant, as determined by the District Office, shall personally appear at the District Office. At such interview, the applicant shall demonstrate, in accordance with the criteria listed in Section 1(c) hereof, the appropriateness of its admission to membership in the Corporation to conduct the type of business intended in the manner specified in its submission. Unless otherwise determined by the District committee, an applicant shall

have twelve (12) months, from the date of application made in accordance with Section 1(a) above, to complete the premembership review process. Failure to complete requirements for review by the District committee by that date shall result in the termination of that application.

(c) The premembership interview shall address the applicant's business plans to determine their adequacy and consistency with the federal securities laws and the rules of the Corporation; good business practices in the investment banking or securities business; a member's fiduciary obligation to its customers; and the public interest and the protection of investors. The premembership interview shall review, among other things[.];

(1) the nature, adequacy, source and permanence of applicant's capital and its arrangements for additional capital should a business need arise;

(2) the applicant's proposed recordkeeping system;

(3) the applicant's proposed internal procedures, including compliance procedures;

(4) the applicant's familiarity with applicable NASD rules and federal securities laws;

(5) the applicant's capability to properly conduct the type of business intended in view of the[.];

A. number, experience and qualifications of the persons to be associated with it at the time of its admission to membership[.];

B. its planned facilities[.];

C. arrangements, if any, with banks, clearing corporations and others, to assist it in the conduct of its securities business[.];

D. supervisory personnel, methods and procedures; and

(6) other factors relevant to the scope and operation of its business.

(d) Within thirty (30) days after the conclusion of such premembership interview, or if further information and/or documents are requested, within thirty (30) days of the receipt of such information or documents, the District Office shall notify the applicant in writing whether its application has been granted, denied, or granted subject to restrictions on its business activities, and provide the rationale for such determination.

(e) In all cases where restrictions are placed on its business activities, the applicant shall, prior to approval of membership, execute a written agreement with the Corporation agreeing to abide by the

restrictions specified in the determination and agreeing not to modify its business activities in any way inconsistent with such agreement without first notifying the Corporation and receiving its written

approval. These restrictions shall remain in effect and are binding on the applicant and all successors to the ownership or control of the applicant until modified pursuant to paragraph (3) below.

# Notice To Members

National Association of Securities Dealers, Inc.

January 1992

**Number 92-3****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 type="checkbox"/> Options                 | <input type="checkbox"/> Systems   |
| <input type="checkbox"/> Government Securities        | <input type="checkbox"/> Municipal                     | <input checked="" 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: 1992 Renewal Rosters and Final Adjusted Invoices****EXECUTIVE SUMMARY**

The 1991-92 NASD broker/dealer and agent registration renewal cycle begins its second phase this month. The NASD is publishing information in this Notice to assist members in reviewing, reconciling, and responding to the Final Adjusted Invoice packages that will be mailed to all firms in mid-January.

**FINAL ADJUSTED INVOICE PACKAGES**

On or about January 13, 1992, the NASD mailed final adjusted invoices and renewal rosters to all NASD member firms. The invoice reflects the year-end 1991 total of fees for NASD personnel assessments; NASD branch-office fees; New York Stock Exchange (NYSE), American Stock Exchange (ASE), and Chicago Board Options Exchange (CBOE) maintenance fees; state agent renewal fees; and state broker/dealer renewal fees. It also reflects payment submitted by an NASD member in response to the initial renewal invoice mailed in November 1991.

The final invoice includes a renewal roster that lists each firm's NASD and, if applicable, NYSE-, ASE-, and CBOE-registered personnel as of year-end 1991. In addition, the roster lists alphabetically all firm agents whose registrations were

renewed in states. Firms with registered branch offices that were active as of December 31, 1991, are receiving a branch-office roster in addition to the agent roster.

A member's final invoice shows an "amount due," a "credit due," or a "zero balance due." If a firm's year-end 1991 total of NASD, NYSE, ASE, CBOE, and state renewal fees exceeded the firm's payment submitted in response to the initial renewal invoice, the NASD paid the additional renewal fees due at year-end on behalf of the member and is mailing an "amount due" invoice to collect that sum.

If the invoice shows an amount due, please submit payment in the form of a check made payable to the National Association of Securities Dealers, Inc. The check should be drawn on the member firm's account, with the firm Central Registration Depository (CRD) number included on the check. Submit the check along with the top portion of the invoice, and mail it in the return envelope provided. Payments should be received by the NASD **no later than March 13, 1992.**

If a firm's payment submitted in response to the initial renewal invoice exceeded its year-end 1991 total of NASD, NYSE, ASE, CBOE, and state renewal fees, a "credit due" invoice is being issued. If your firm's invoice shows a credit due and you would like it paid to your firm, detach and sign the top portion of the invoice and send it to

Kelly O. Palmer, Special Registration Review, NASD, Inc., 9513 Key West Avenue, Rockville, MD 20850. If the NASD does not receive a request for a refund check by March 13, 1992, the credit amount will be applied to your firm's CRD account.

Final adjusted invoices showing a zero balance due require no further action by the member.

### **REVIEWING THE RENEWAL ROSTER**

Member renewal rosters include all agent registrations renewed for 1992. Because registrations that were pending approval or were deficient at year-end 1991 were not assessed renewal fees, those registrations are not reported on the renewal roster. Members should examine their rosters care-

fully to ensure that all registration approvals and terminations are reflected properly.

If discrepancies exist, report them in writing along with supporting documentation, such as Notices of Approval/Termination, Forms U-4 or U-5, or Schedule E amendments. Report the discrepancies directly to the NASD, NYSE, ASE, CBOE, or the applicable state. All renewal-roster discrepancies should be reported by March 20, 1992. The inside cover of the renewal roster contains detailed instructions to assist members in completing the renewal process.

Questions regarding this notice may be directed to the NASD Member Services Phone Center at (301) 590-6500.



# Notice To Members

National Association of Securities Dealers, Inc.

January 1992

**Number 92-4****Suggested Routing:\***

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|--|--|--|--|
| <input 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 type="checkbox"/> Options                 | <input type="checkbox"/> Systems             |
| <input type="checkbox"/> Government Securities | <input type="checkbox"/> Municipal                     | <input checked="" type="checkbox"/> Registration | <input type="checkbox"/> Trading             |
| <input type="checkbox"/> Institutional         | <input checked="" type="checkbox"/> Mutual Fund        | <input type="checkbox"/> Research                | <input checked="" type="checkbox"/> Training |

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**Subject: Revision to the Investment Company Products/Variable Contracts Limited Principal Examination (Series 26)**

The Securities and Exchange Commission recently approved revisions to the Series 26 examination. The changed examination becomes effective April 1, 1992. The examination has been revised to reflect both regulatory and business changes in this segment of the industry. The examination has been expanded to 100 questions, while testing time remains two hours.

Revised examination study outlines will be available February 1, 1992, through the NASD Member Services Phone Center at (301) 590-6500.

Questions regarding this notice may be directed to Mark Costley, Qualifications Analyst, at (301) 590-6697 in the NASD Qualifications Department.

# Notice To Members

National Association of Securities Dealers, Inc.

January 1992

## Number 92-5

### Suggested Routing:\*

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

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### Subject: Annual Check List of NASD Notices to Members

The NASD published the following *Notices to Members* during 1991. Duplicate copies are available at \$25 per monthly or special issue. Requests, accompanied by a self-addressed mailing label and a check payable to the National Association of Securities Dealers, Inc., should be sent to NASD Book Order Department, P.O. Box 9403, Gaithersburg, MD 20898-9403.

Notice	Date	Topic	Notice	Date	Topic
					<i>Notices to Members</i>
			91-9	2/91	Request for Comments From Members on Proposed Changes to the Definition of "Executive Representative" in Article III, Section 3 of the NASD By-Laws
			91-10	2/91	Revised Entry and Annual Fees for Nasdaq System Issuers — Approval of Amendment to Schedule D
91-1	1/91	Mail Vote: Proposed Amendments to the NASD Rules of Fair Practice Relating to Options Communications	91-11	2/91	SEC Approval of Amendment to Part I of Schedule C to the NASD By-Laws Regarding Written Notification About Certain Events
91-2	1/91	Request for Comments From Members, Issuers, and Investors on Nasdaq Short-Sale Rule	91-12	2/91	Board of Governors' Approval of Service Charges for SelectNet <sup>SM</sup> and SOES
91-3	1/91	Implementation of Matching Service in SOES <sup>SM</sup> Limit-Order File	91-13	2/91	NASD Charges for Reviewing Advertisements and Sales Literature
91-4	1/91	1991 Renewal Roster and Final Adjusted Invoices	91-14	2/91	Presidents' Day — Trade Date-Settlement Date Schedule
91-5	1/91	NASD 1991 Holiday Schedule	91-15	2/91	Nasdaq National Market System (Nasdaq/NMS) Additions, Changes, and Deletions as of December 12, 1990
91-6	1/91	Trade Date-Settlement Date Schedule for 1991	91-16	3/91	New Statutory Disqualification
91-7	1/91	Nasdaq National Market System (Nasdaq/NMS) Additions, Changes, and Deletions as of January 11, 1991			
91-8	1/91	Annual Check List of NASD			

Notice to Members 92-5

Notice	Date	Topic	Notice	Date	Topic
		Categories; Notice to NASD Required No Later Than April 30, 1991	91-27	5/91	SEC Approval of Amendment to Article III, Section 28 of the Rules of Fair Practice Re: Associated Person Notifying Employer Prior to Opening Securities Account With Another Member
91-17	3/91	Good Friday — Trade Date-Settlement Date Schedule			
91-18	3/91	Nasdaq National Market System (Nasdaq/NMS) Additions, Changes, and Deletions as of February 8, 1991	91-28	5/91	Availability of the Series 17 Limited Registered Representative Examination to Qualify Persons Registered With The Securities Association of the United Kingdom as NASD General Securities Representative
91-19	4/91	Mail Vote: Proposed Amendment to Article V, Section 1 of the NASD Rules of Fair Practice Regarding the Suspension of the Membership of Any Member or of the Registration of a Person Associated With a Member for a Definite Period Assessed as a Sanction for a Rule Violation	91-29	5/91	Memorial Day — Trade Date-Settlement Date Schedule
			91-30	5/91	Nasdaq National Market System (Nasdaq/NMS) Additions, Changes, and Deletions as of April 12, 1991
91-20	4/91	Adoption of Amendments to SEC Rule 15c3-1 Regarding Withdrawals of Net Capital	91-31	6/91	Solicitation of Members' Comments on Proposals to Curb SOES Abuses
91-21	4/91	Amendments to Schedule H Eliminating the Price and Volume Reporting Thresholds, and Expanding the Definition of Non-Nasdaq Security	91-32	6/91	Request for Comments on Compensation Arrangements for Activities of Registered Representatives Who Are Also Registered With the Securities and Exchange Commission as Investment Advisers
91-22	4/91	SOES Tier Levels to Change for 417 Issues on April 15, 1991			
91-23	4/91	Nasdaq National Market System (Nasdaq/NMS) Additions, Changes, and Deletions as of March 13, 1991	91-33	6/91	Request for Comments on Proposed Nonquantitative Designation Criteria for Partnerships Listed on the Nasdaq National Market System
91-24	5/91	Mail Vote: Proposed New Rule Re: Suspension or Cancellation of Registration for Failure to Pay Fees, Dues, or Other Assessments	91-34	6/91	Request for Comments on Amendments to the Filing Requirements of the Interpretation of the Board of Governors — Review of Corporate Financing
91-25	5/91	Proposed Amendments to Article III, Sections 26 and 29 of the NASD Rules of Fair Practice Re: Cash and Noncash Compensation Received by Members in Connection With the Sale of Investment Company Securities and Variable Contracts	91-35	6/91	Proposed SEC "Penny Stock" Disclosure Rules
			91-36	6/91	Adoption of Amendments to SEC Rule 15c2-11 Regarding Initiation or Resumption of Quotations Without Specified Information
91-26	5/91	SEC Approval of Amendment Re: Use and Disclosure of Member Names	91-37	6/91	Market-Maker Obligations With Regard to Display of Size in

Notice to Members 92-5

Notice	Date	Topic	Notice	Date	Topic
91-38	6/91	Quotations Market-Maker Obligations in SelectNet <sup>SM</sup>	91-50	8/91	NASD Board Authorizes Industry Committee to Design Program to Assure Continuing Qualifications of Securities Industry Professionals
91-39	6/91	Limitations on Use of "Negative Response" Letters in Switching Customers From One Mutual Fund to Another	91-51	8/91	Request for Comments on Proposed Changes to Schedule C to the NASD By-Laws Regarding the Sale of Partnership Debt by Direct Participation Programs Representatives and Principals
91-40	6/91	SEC Approval of Amendment Regarding Disclosure of Contingent Deferred Sales Charges on Confirmations	91-52	8/91	SEC Approval of Amendments to the Resolution of the Board of Governors — Notice to Membership and Press of Suspensions, Expulsions, Revocations, and Monetary Sanctions Under Article V, Section 1 of the Rules of Fair Practice Regarding the Effectiveness of and Publicity on Disciplinary Sanctions
91-41	6/91	Department of Treasury Proposes Significant Amendments to the Regulation Issued on July 24, 1987 Under the Government Securities Act of 1986	91-53	8/91	Misuse of Treasury Form PD 1832, "Special Form of Detached Assignment for United States Registered Securities"
91-42	6/91	Appointment of SIPC Trustees for Two Firms	91-54	8/91	Labor Day — Trade Date-Settlement Date Schedule
91-43	6/91	Independence Day — Trade Date-Settlement Date Schedule	91-55	8/91	Nasdaq National Market System (Nasdaq/NMS) Additions, Changes, and Deletions as of July 24, 1991
91-44	6/91	Nasdaq National Market System (Nasdaq/NMS) Additions, Changes, Deletions as of May 13, 1991	91-56	9/91	SEC Approval of Amendments to Appendix F Concerning Member Participation in Partnership Rollups
91-45	7/91	NASD/NYSE Joint Memo on Chinese Wall Policies and Procedures	91-57	9/91	Adoption of Amendments to Interpretation of the Board of Governors — Forwarding of Proxy and Other Materials, Article III, Section 1 of the NASD Rules of Fair Practice Re: Forwarding of Material on the Issuer's Behalf to Beneficial Owners of Nasdaq Securities
91-46	7/91	Request for Comments on Exemption for Directly Marketed Mutual Funds From Article III, Section 21(c)(2)(ii) and (iii) of the Rules of Fair Practice Re: Customer Account Information Regarding Employment	91-58	9/91	Columbus Day — Trade Date-Settlement Date Schedule
91-47	7/91	Nasdaq National Market System (Nasdaq/NMS) Additions, Changes, and Deletions as of June 12, 1991	91-59	9/91	Nasdaq National Market System
91-48	8/91	Mail Vote: Proposed New Rule Re: Definition of Branch Office in Article III, Section 27(g)(2) and (g)(3) of the Rules of Fair Practice			
91-49	8/91	Mail Vote: Proposed New Rule Re: Definition of "Executive Representative" in Article III, Section 3 of the NASD By-Laws			

Notice to Members 92-5

Notice	Date	Topic	Notice	Date	Topic
		(Nasdaq/NMS) Additions, Changes, and Deletions as of August 23, 1991	91-71	11/91	Broker/Dealer and Agent Renewals for 1991-92
91-60	10/91	Mail Vote: Proposed Amendments to Article III, Section 5 and Article IV, Sections 3 and 4 of the NASD By-Laws Regarding Retention of Jurisdiction	91-72	11/91	Enhancements to the Firm Access Query System (FAQS)
			91-73	11/91	Revised Forms U-4 and U-5 Go into Effect
91-61	10/91	SEC Approval of Amendment to Article VI, Sections 3 and 4 of NASD By-Laws Re: Suspension or Cancellation of Registration for Failure to Pay Fees, Dues, or Other Assessments	91-74	11/91	Replacement of Certificates of Deposit by Bond Mutual Funds
			91-75	11/91	Appointment of SIPC Trustee for Three Firms
91-62	10/91	SEC Approval of Amendments to the NASD Rules of Fair Practice Relating to Options Communications	91-76	11/91	Christmas Day and New Year's Day — Trade Date-Settlement Date Schedule
91-63	10/91	SEC Approval of Amendments to the NASD Uniform Practice Code	91-77	11/91	Nasdaq National Market System (Nasdaq/NMS) Additions, Changes, and Deletions as of October 23, 1991
91-64	10/91	SOES Tier Levels to Change for 487 Issues on October 31, 1991	91-78	12/91	Request for Comments on Member Participation in Partnership Rollups and Listing of Securities Resulting From Rollups on Nasdaq/NMS
91-65	10/91	Veteran's Day and Thanksgiving Day — Trade Date-Settlement Date Schedule	91-79	12/91	Request for Comments on Recision of the Guidelines Regarding Communications With the Public About Investment Companies and Variable Contracts and Proposed Amendments to the NASD Rules of Fair Practice to Incorporate Items From the Guidelines
91-66	10/91	Nasdaq National Market System (Nasdaq/NMS) Additions, Changes, and Deletions as of September 25, 1991	91-80	12/91	Request for Comments on Proposed Amendments to Article III, Section 15 of the NASD Rules of Fair Practice Re: Exemption from the Rule for Negative Comment Letters Used in Certain Bulk Exchanges of Money Market Mutual Funds Reporting Information on Form BD
91-67	10/16/91	SEC Approves Rules to Curb SOES Abuse	91-81	12/91	Proposed Revision of <i>NASD Manual</i>
91-68	11/91	Mail Vote: Proposed Amendment to Article III, Sections 26 and 29 of the NASD Rules of Fair Practice Re: Cash and Noncash Compensation Received by Members in Connection With the Sale of Investment Company Securities and Variable Contracts	91-82	12/91	NASD 1992 Holiday Schedule
91-69	11/91	Application of NASD Rules, Interpretations, By-Laws, and Federal Securities Laws to the Secondary Market in Direct Participation Program Interests	91-83	12/91	Trade Date-Settlement Date Schedule for 1992
			91-84	12/91	Nasdaq National Market System (Nasdaq/NMS) Additions, Changes, and Deletions as of November 25, 1991
91-70	11/91	SEC Approval and Startup of Nasdaq International <sup>SM</sup> Service	91-85	12/91	

# Notice To Members

National Association of Securities Dealers, Inc.

January 1992

## Number 92-6

### 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: Presidents' Day — Trade Date-Settlement Date Schedule

Securities exchanges and The Nasdaq Stock Market<sup>SM</sup> will be closed on Monday, February 17, 1992, in observance of Presidents' Day. "Regular way" transactions made on the preceding business days will be subject to the settlement date schedule listed below.

Trade Date	Settlement Date	Reg. T Date*
Feb. 7	14	19
10	18	20
11	19	21
12	20	24
13	21	25
14	24	26
17 Markets Closed		—
18	25	27

Brokers, dealers, and municipal securities dealers should use these settlement dates for purposes of clearing and settling transactions pursuant to the NASD 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 NASD Uniform Practice Department at (212) 858-4341.

\* 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 "Reg. T Date."