

NASD NOTICE TO MEMBERS 96-14

SEC Approves Amendments To Sections 1(a)(v) And 73 Of NASD Uniform Practice Code Relating To The Use Of Standardized Limited Partnership Transfer Forms

Suggested Routing

- Senior Management
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Executive Summary

On January 29, 1996, the Securities and Exchange Commission (SEC) approved amendments to Sections 1(a)(v) and 73 of the NASD[®] Uniform Practice Code (UPC) that requires members to use standardized limited partnership transfer forms when transferring interests in a limited partnership security. The text of amendments and the new limited partnership transfer forms follow this Notice. The use of the forms becomes mandatory on **May 15, 1996**.

Although only NASD members are required to use the standardized forms, the NASD has worked closely with sponsors and industry groups in designing these forms and believes that general partners and transfer agents engaged in the transfer of limited partnership securities will use and honor the forms to establish uniform transfer practices and procedures industry-wide.¹

Background

Historically, limited partnership securities were not structured to be freely transferrable in secondary market transactions. However, secondary markets now exist for many limited partnership securities, and are in addition to the large publicly traded partnerships that list on The Nasdaq Stock MarketSM and the national securities exchanges. Therefore, it is critical to process limited partnership securities transfers more timely and accurately.

The terms and requirements relating to the transfer of limited partnership interests are controlled by the partnership agreement,² almost all of which state that assignment or transfer of limited partnership interests requires the consent and approval of the general partner(s). As a result, when transferring limited partnership interests, NASD members are currently confronted with transfer

requirements unique to each partnership that may vary widely on the type and amount of documents necessary for the valid transfer of a partnership interest. Some partnership agreements require information so extensive that the transfer documents sometimes reach 30 to 40 pages. The transfer of the partnership interest may take up to six months, in some cases, to be finalized. However, in most cases, prior to the recognition by the general partner of the actual transfer of the partnership property interest from one holder (transferor/seller) to another (transferee/purchaser), a security interest in the property is created whenever the purchaser gives and seller accepts economic consideration to secure the purchaser's right to have the partnership interests transferred. The security interest creates the right for the purchaser to have the security interest transferred in advance of the date specified in the partnership agreement and entitles the purchaser to legal certainty that his or her ownership rights can be recognized and protected until the actual transfer of the partnership interest is complete.

Transfer delays of the security interest and nonstandardized payment provisions have also caused or contributed to delays or mistakes in the allocation of cash distributions between buyers and sellers. A seller of a limited partnership interest, as a

¹ The NASD has worked closely with transfer agents who specialize in the transfer of partnership securities, and the Investment Partnership Association, a trade organization for the partnership industry, to reach an informal consensus on the general applicability of forms throughout the industry.

² The Revised Uniform Limited Partnership Act and the Delaware Revised Uniform Limited Partnership Act expressly provide for the ability to recognize transfers and admit new partners under whatever rules the general partners design.

recordholder of the securities, often receives distributions that rightly should have accrued to the buyer and subsequently disposes of such distributions without knowledge of the claims of purchasers. Under current transfer standards and practices, buyers and sellers of limited partnership securities in the secondary market often cannot protect their rights to such distributions. This leads to disputes over distributions that often must be settled by broker/dealers at their own expense or through arbitration or litigation.³

Description

To provide a uniform way for members that transfer limited partnership interests to receive and recognize information on the valid transfer of the security interest separate and apart from the partnership interest, and to record information of valid transfer on members' books and records, the NASD has amended Section 1(a)(v) of the UPC so that the UPC will apply to over-the-counter secondary market transfers of Direct Participation Programs to the extent provided in individual provisions of the UPC. New Section 73 has also been added to the UPC to require members to use standardized transfer forms that are in Exhibit A to Section 73 when transferring limited partnership securities. Section 73 does not apply to limited partnership securities that are traded on The Nasdaq Stock Market or a registered national securities exchange. Such securities trade and settle on a regular-way basis, like publicly traded common stock, and do not require the use of extensive transfer documents. The forms standardize the format for gathering transfer information by members and registered representatives, reduce the amount of information necessary to perform a valid transfer, and eliminate delays and inefficiencies in the transfer and settlement process.

The standardized transfer forms in Exhibit A to Section 73 include:

- **Transferor's (Seller's) Application For Transfer and Transferee's (Buyer's) Application For Transfer**

that contain the essential information necessary to perform a valid transfer, including customer identification, partnership identification, tax identification, quantity transferred, broker/dealer and registered representative involved, and signature execution.

- **Registration Confirmation Form**

that confirms to the buyer/transferee that the transfer has been completed and contains information regarding, among other things, the partnership's NASD symbol, CUSIP number, tax identification number, number of units transferred, and the effective/admission date.

- **Distribution Allocation Agreement**

that is to be completed when the transfer documents are completed and sent to the general partner of the limited partnership security being transferred. The agreement contains certain affirmations on which the transferor and transferee agree and acts as a contract between the buyer and seller setting forth their agreement regarding all unpaid distributions. The agreement specifies when the transferee becomes the unitholder of record, when a unitholder of record is entitled to cash distributions and capital distributions, and who is responsible for correcting a distribution made to the wrong party. The agreement requires, among other things, the party who incorrectly receives a distribution to promptly endorse and deliver to the correct party the distribution checks or otherwise pay to the other party the amount of such distribution.

The NASD believes that, over time, as the use of the standardized forms becomes commonplace, they will significantly reduce the time and

effort required by member firms to process limited partnership transfers from its current time of about 180 days to less than 30 days. The use of standardized forms will also permit uniform identification of limited partnership securities between members that should facilitate transfer of customer accounts through the Automatic Customer Account Transfer System (ACATS). In particular, the use of the Distribution Allocation Agreement will help to provide certainty as to the buyer/transferee and seller/transferor regarding distributions not yet announced or received by memorializing the agreement between the buyer and seller as to the method for handling distributions. The Distribution Allocation Agreement will also prevent member broker/dealers representing such buyers and sellers from effecting and settling trades without knowledge of the buyers' and sellers' rights to any distributions.

The use of the forms will become mandatory for NASD members and registered representatives on **May 15, 1996**.

Questions about this Notice may be directed to Carl R. Sperapani, Assistant Director, Corporate Financing Department, at (301) 208-2759; Dorothy Kennedy, Assistant Direc-

³ These problems are exacerbated by the fact that general partners relying on no-action letters issued by the Division of Market Regulation do not believe they are required under SEC Rule 10b-17 to publicly disclose the payment of regular or special distributions. In response to this issue, the NASD Board of Governors approved, and the staff has filed, a petition with the SEC that requests that the SEC take action to require that partnership distributions be disclosed timely to the market pursuant to SEC Rule 10b-17 (See, Correspondence of John E. Pinto, Executive Vice President, NASD, to Jonathan G. Katz, Secretary, SEC, dated February 14, 1996, SEC File No. 4-386.).

tor, Nasdaq Market Operations, at (203) 385-6243; or Robert J. Smith, Attorney, Office of General Counsel at (202) 728-8176.

Text Of Amendments

(Note: New text is underlined.)

UNIFORM PRACTICE CODE

Scope of Uniform Practice Code

Sec. 1

(a) All over-the-counter secondary market transactions in securities

between members shall be subject to the provisions of this Code except:

(i) through (iv) No change.

(v) transactions in Direct Participation Program securities as defined in Article III, Section 34 of the Association's Rules of Fair Practice, except as otherwise provided in this Code.

Sec. 2 through Sec. 72 No change.

Limited Partnership Securities

Sec. 73

Each member who participates in the transfer of limited partnership securities, as defined in Article III, Section 34 of the Association's Rules of Fair Practice, shall use standard transfer forms in the same form as set forth in Exhibit A of this section. This section shall not apply to limited partnership securities which are traded on the Nasdaq Stock Market or a registered national securities exchange.

Transferor's (Seller's) Application For Transfer

Exhibit A

Transaction Reference Number: _____

(OPTIONAL - SEE INSTRUCTION 2)

To: _____
(GENERAL PARTNER OR TRANSFER AGENT [SEE INSTRUCTION 1])

The transferor hereby makes application to transfer and assign, subject to the general partner's rights, to the transferee all rights and interests, as set forth in the partnership below and for the transferee to succeed to such interest as a Substitute Limited Partner, successor in interest or assignee.

FULL NAME OF PARTNERSHIP

Partnership ID Information:

Complete at least one of the following (see instruction 3).

CUSIP #: _____

NASD Symbol: _____

Partnership Tax ID #: _____

Tax Shelter ID #: _____

Quantity

Must be completed

Number of units

to be

transferred: _____

Optional

Number of units

to be held

after transfer: _____

Registration Information

Indicate exactly as shown on partnership records (see instruction 4.)

Partnership interests are currently registered as follows:

NAME OF TRANSFEROR

ADDRESS OF RECORD

TELEPHONE

INVESTOR ID NUMBER-OPTIONAL (SEE INSTRUCTION 6)

Tax Identification Information

Complete applicable sections (see instruction 5).

Social Security or Tax ID #: _____

Custodian/Trustee Tax ID #: _____

California Residents: It is unlawful to consummate a sale or transfer of limited partnership interests or any interest therein, or to receive any consideration therefore, without the prior written consent of the Commissioner of Corporations of the State of California, except as permitted by the Commissioner's rules.

Broker/Dealer (OPTIONAL)

NAME OF FIRM

NAME AND NUMBER

ADDRESS

Registered Representative: _____

Telephone: _____

Client Account Number: _____

Wire Code: _____

OPTIONAL

Certification

The transferor hereby certifies and represents possession of valid title and all requisite power to assign such interests and that assignment is in accordance with applicable laws and regulations and further certifies, under penalty of law, the following:

Reason For Transfer

(Check one) For certain types of transfer additional documentation may be required.

Re-registration (Change of name, divorce/separation, individual to trust, etc.) Sale (for consideration)
 Death Gift Other (please specify) _____

Signature Execution

Must be signed by the registered holder(s) exactly as name(s) appear(s) on the Partnership Records (see instruction 7).

Transferor's Signature _____ Date _____

Co-Transferor's Signature _____ Date _____

If signature is by trustee(s), executor(s), administrator(s), guardian(s), attorney(s)-in-fact, agent(s), officer(s) of a corporation or another acting in a fiduciary or representative capacity, please provide the following information.

Name(s): _____ Capacity : (Full Title) _____

Signature Guarantee

The signature must be guaranteed by a member of an approved Signature Guarantee Medallion Program.

Instructions

1. TRANSFER FORMS. To effect the requested transfer both transferee and transferor forms must be submitted together with the required fees.
2. TRANSACTION REFERENCE NUMBER. The use of this space is optional. The number placed in this space shall be internally generated by a broker or agreed upon by two or more brokers and shall correspond to internal records tracking system(s).
3. PARTNERSHIP IDENTIFICATION. Partnership Tax ID and Tax Shelter ID Numbers may be obtained from the K-1. The NASD Symbol and/or CUSIP number may be obtained from the Registration Confirmation Form and/or the NASD Partnership Symbol Directory.
4. REGISTRATION. Indicate the exact name of registrant and include any custodial information. If a Custodial Account, address of record should be that of the custodian/trustee.
5. TAX INFORMATION. If a Custodial Account, Custodian/Trustee's and client's tax numbers should be completed.
6. INVESTOR ID NUMBER. This is the account number established at the Partnership. It may be obtained from the K-1 or the Registration Confirmation Form.
7. SIGNATURE EXECUTION. The signature must correspond with the name of the registered holder exactly as it appears on the Partnership records. Persons who sign as a representative or other fiduciary capacity must indicate their capacity when signing and, unless waived by the Partnership or its agent in its sole discretion, must present satisfactory evidence of their authority to so act.

Transferee's (Buyer's) Application For Transfer

To: _____
GENERAL PARTNER OR TRANSFER AGENT (SEE INSTRUCTION 1)

Transaction Reference Number: _____
(OPTIONAL. SEE INSTRUCTION 2)

The transferee hereby makes application to accept, subject to the general partner's rights, from the transferor all rights and interests, as set forth in the partnership below, and intends to succeed the transferor as a Substitute Limited Partner or Assignee and agrees to accept all the terms and conditions of the partnership agreement and related documents.

FULL NAME OF PARTNERSHIP

Partnership Information:

Complete at least one of the following (see instruction 3).

CUSIP #: _____
 NASD Symbol: _____
 Partnership Tax ID #: _____
 Tax Shelter ID #: _____

Quantity

Complete both:

Number of units _____ Do you already
 to be _____ own units
 acquired: _____ (check one):
 Yes ___ No ___

Registration Type

As you want it to appear in the partnership record, for certain types of registration additional documentation may be required (check one).

Taxable Transferee:

- | | | |
|-------------------------------------------------------------------|----------------------------------------------------------------------------|------------------------------------------------|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Taxable Trust | <input type="checkbox"/> Community Property |
| <input type="checkbox"/> Joint Tenants with Right of Survivorship | <input type="checkbox"/> Estate | <input type="checkbox"/> Taxable Employee Plan |
| <input type="checkbox"/> Tenants in Common | <input type="checkbox"/> Partnership | <input type="checkbox"/> Other |
| <input type="checkbox"/> Tenants by the Entirety | <input type="checkbox"/> Custodian Under Uniform Gifts/Transfers to Minors | |
| <input type="checkbox"/> Corporation | Act: State of _____ | |

Tax Deferred/Exempt Transferee:

- | | | |
|----------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------|
| <input type="checkbox"/> IRA Account | <input type="checkbox"/> Tax Exempt Trust | <input type="checkbox"/> Money Purchase Pension Plan |
| <input type="checkbox"/> Direct Transfer Rollover To IRA | <input type="checkbox"/> Tax Exempt Employee Plan | <input type="checkbox"/> Tax Exempt Under IRC 501(c)(3) |
| <input type="checkbox"/> Simplified Employee Pension Plan (SEP) (Includes KEOGH) | <input type="checkbox"/> Profit Sharing Plan | |

Registration Information

Account name and address as it is to appear on registration. If Custodial Account (i.e., IRA, etc.), indicate the Custodian's name followed by the Beneficial owner's name and Custodian's address, (see instruction 4).

Partnership interests are to be registered as follows:

NAME OF TRANSFEREE(S)

ADDRESS

COUNTRY OF RESIDENCE

STATE OF RESIDENCE

TELEPHONE

Custodial Account # (optional)

(Check one) U.S. Citizen Resident Alien Non-Resident Alien

California Residents:

It is unlawful to consummate a transfer or sale of limited partnership interests or any interest therein, or to receive any compensation therefore, without the prior written consent of the Commissioner of Corporations of the State of California, except as permitted by the Commissioner's rules.

Secondary Address Information

If Custodial account, indicate investor's mailing address. If other than custodial account, this address may be used for distribution and other purposes (*see instruction 4*).

Tax Identification Information

Complete applicable sections (*see instruction 5*).

Social Security or Tax ID Number*:

Custodian/Trustee Tax ID Number*:

Broker/Dealer (OPTIONAL)

Registered Representative:

Telephone:

NAME AND NUMBER

Client Account Number:

ADDRESS

WIRE CODE:

NAME OF TRANSFEREE

OPTIONAL

Certification: (*see instruction 6*). The transferee certifies, under penalty of law, as to the accuracy of the information contained herein and grants the following durable Power of Attorney: The undersigned hereby irrevocably makes, constitutes and appoints the General Partner with full power of substitution, his true and lawful attorney-in-fact, for him and his name, place and stead and for his use and benefit to execute and acknowledge and, to the extent necessary, to file and record: (a) A Certificate of Limited Partnership, as well as amendments thereto, under the laws of the applicable State and under the laws of any other state in which the General Partner deems it advisable to file such a certificate; (b) Any other instrument which may be required to be filed by the Partnership under the laws of any state or by any governmental agency, or which the General Partner deems it advisable to file; (c) The Partnership Agreement; and (d) Any documents which may be required to effect the continuation of the Partnership, the admission of an additional or substituted Limited or General Partner or the dissolution and termination of the Partnership, provided such continuation, admission or dissolution and termination are in accordance with the terms of the Partnership Agreement.

Signature Execution: (*see instruction 7*). The foregoing grant of authority: (a) Is a Special Power of Attorney coupled with an interest, is irrevocable and shall survive and not be affected by the subsequent death, incapacity or disability of the undersigned; (b) May be exercised by the General Partner for each Limited Partner by a facsimile signature of one of the officers or with a single signature of one of its officers; (c) Shall be retained by the General Partner; and (d) Shall survive the delivery of any assignment by a Limited Partner of the whole or any portion of his interest in the Partnership; except that where the transferee thereof has been approved by the General Partner for admission to the Partnership as a substituted Limited Partner, the Power of Attorney shall survive the delivery of such assignment for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect such substitution. In the event of any conflict between the provisions of the Partnership Agreement and any document executed or filed by the General Partner pursuant to the power of attorney granted herein, the Partnership Agreement shall govern.

TRANSFEREE'S SIGNATURE

DATE

CO-TRANSFEREE'S SIGNATURE

DATE

Must be signed by the transferee as indicated in the Registration section of this form. If signature is by trustee(s), executor(s), administrator(s), guardian(s), attorney(s)-in-fact, agent(s), officer(s) of a corporation or another acting in a fiduciary or representative capacity, please indicate capacity.

Signature Guarantee:

Signature must be guaranteed by a member of an approved Signature Guarantee Medallion Program.

1. TRANSFER FORMS. To effect the requested transfer, both transferees and transferor forms must be submitted together with the required fee.
2. TRANSACTION REFERENCE NUMBER. The use of this space is optional. The number placed in this space shall be internally generated by a broker or agreed upon by two or more brokers and shall correspond to internal records tracking system(s).
3. PARTNERSHIP IDENTIFICATION. Partnership Tax ID and Tax Shelter ID Numbers may be obtained from the K-1. The NASD Symbol and/or CUSIP number may be obtained from the Registration Confirmation Form and/or the NASD Partnership Symbol Directory.
4. REGISTRATION. Include any custodial information. If a Custodial account, address of record shall be that of the Custodian/Trustee.
5. TAX INFORMATION. If a Custodial Account, Custodian/Trustee's and investor's tax numbers should be completed. If individual, only Social Security number is required.
6. CERTIFICATION. If a Custodial/Trustee account, indicate name of Custodian/Trustee and Beneficial Owner.
7. SIGNATURE EXECUTION. Transferee(s) must sign their names exactly as they appear in the Registration section. Persons who sign as a representative or other fiduciary capacity must indicate their capacity when signing and, unless waived by the Partnership or its agent in its sole discretion, must present satisfactory evidence of their authority to so act.

Registration Confirmation Form

Date _____
Any General Partner (or Transfer Agent)
Return address
Phone

Dear Investor:

Your transfer request has been processed. The effective/admission date as a limited partner in the partnership is indicated below. Information pertaining to your account has been entered, pursuant to the Partnership Agreement, on the Partnership's records as shown. This documentation informs you of your registration in the Partnership and should be retained with your permanent records.

ANY OTHER TEXT THE GENERAL PARTNER WOULD LIKE TO SEE COULD BE ADDED FREE FORM IN THIS AREA.

Name of
GP _____

Limited Partner's Registration Documentation

This is not a negotiable certificate

Complete at least one of the following.

CUSIP #: _____
NASD Symbol: _____

Partnership Tax ID #: _____

Effective/Admission Date: _____
Number of Units: _____
Transaction Reference Number: _____

Partnership Account #: (IF APPLICABLE) _____

Partnership interests have been registered as follows:

FULL NAME OF REGISTRANT

DISTRIBUTION ADDRESS

ADDRESS OF RECORD (IF DIFFERENT THAN ADDRESS OF RECORD)

Financial Services Firm Account #: _____

Social Security or Tax ID #: _____

Custodian/Trustee Tax ID #: _____

If the above information is incorrect, or if you have any questions, please contact us.

cc: Financial Services Firm (for retail accounts), if applicable.

Distribution Allocation Agreement

Distributions – Notwithstanding anything to the contrary contained in the Partnership Agreement, transferor and transferee agree and acknowledge as follows:

I. Check A _____ or B _____:

- A. (1) For purposes of distributions by the Partnership of Distributable Cash or Cash flow Distributions, as defined in the Partnership Agreement (“Cash Distributions”), Transferee shall be deemed to be the holder of the Units on the first day of the fiscal quarter in which Transferee and Transferor execute standard transfer forms, of which this Distribution Allocation Agreement is a part, and on which consideration passes between the parties.
- (2) As between Transferor and Transferee, all Cash Distributions in respect of the Units hereafter made by the Partnership shall be made to the Buyer/Transferee of the Units as of the last day of the fiscal period for which such distributions are made.
- (3) As between Transferor and Transferee, all distributions in respect of the Units other than Cash Distributions (such as any Proceeds from Capital Transactions, Capital Distributions, Sale or Refinancing Proceeds, Liquidating Distributions, and distributions with respect to Terminating Transactions, as defined in the Partnership Agreement) (collectively, “Capital Distributions”) made by the Partnership after the date of execution of this form by both Transferor and Transferee (without regard to when the underlying capital or liquidating transaction or event occurred) shall be made to Transferee, except for the following specified Capital Distributions which shall be made to Transferor: _____.
- B. For purposes of distributions by the Partnership of Cash Distributions and/or Capital Distributions, Transferor and Transferee hereby agree that the terms of the Partnership Agreement shall govern the time and manner of such distributions.
- II. In the event that, notwithstanding the exercise of its best efforts to comply with this Agreement, the Partnership makes a distribution to the wrong party as between Transferor and Transferee, the party receiving such distribution will promptly endorse and deliver to the other party the distribution checks or otherwise pay to the other party the amount of such distribution, and Transferor and Transferee will hold harmless the Partnership and its general partners, agents, employees, advisors and other affiliates, and broker/dealers and their agents or employees, with respect to the payment of such distributions.

NASD NOTICE TO MEMBERS 96-15

SEC Approves NASD Proposals To Add Two New Options Position- Limit Tiers And Extend And Expand The NASD's Equity Option Position- Limit Hedge Exemption Pilot Program

Suggested Routing

- Senior Management
- Advertising
- Corporate Finance
- Government Securities
- Institutional
- Internal Audit
- Legal & Compliance
- Municipal
- Mutual Fund
- Operations
- Options
- Registration
- Research
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Executive Summary

The Securities and Exchange Commission (SEC) recently approved two NASD[®] proposals to amend the NASD's options position-limit rule, Article III, Section 33(b)(3) of the NASD Rules of Fair Practice. On January 22, 1996, the SEC approved an NASD proposal to add two new position-limit tiers for option classes overlying equity securities that meet certain criteria for high liquidity. On December 29, 1995, the SEC approved an NASD proposal to expand the NASD's hedge exemption pilot program to permit the establishment of hedged positions up to three times the applicable basic position limit. The SEC also approved an extension of the pilot program until December 31, 1997.

Background And Description Addition Of Two New Options Position-Limit Tiers

NASD Rules currently provide that position and exercise limits are determined according to a "three-tiered" system.¹ Specifically, depending on the trading volume and float of the underlying security, the position limit for an equity option is 4,500, 7,500, or 10,500 contracts.²

¹ Position limits impose a ceiling on the number of option contracts in each class on the same side of the market (*i.e.*, aggregating long calls and short puts and long puts and short calls) that can be held or written by an investor or group of investors acting in concert. Exercise limits restrict the number of options contracts that an investor or group of investors acting in concert can exercise within five consecutive business days. Under NASD Rules, exercise limits correspond to position limits, such that investors in options classes on the same side of the market are allowed to exercise, during any five consecu-

The **10,500-contract position limit** applies to:

- exchange-listed options traded by "access" firms (NASD members which conduct a business in exchange-listed options but are not members of any of the options exchanges on which the options are listed and traded) with a corresponding 10,500-contract position limit imposed by the options exchange(s) on which the option is traded. For a security to qualify for a 10,500-contract position limit under the options exchanges' rules, it must have trading volume of 40 million shares over the past six months or trading volume of 30 million over the past six months and public float of 120 million.

- all conventional options overlying equity securities that underlie exchange-traded options that have a 10,500-contract position limit. Conventional equity options are defined in Article III, Section 33(b)(2)(GG) of the NASD Rules of Fair Practice to mean "any option contract not issued, or subject to issuance, by The Options Clearing Corporation."

- all conventional options overlying equity securities that qualify for, but do not underlie, an exchange-traded

tive business days, only the number of options contracts set forth as the applicable position limit for those options classes. See Article III, Sections 33(b)(3) and (4) of the NASD Rules of Fair Practice.

² NASD Rules do not specifically govern how a specific equity option falls within one of the three position-limit tiers. Rather, the NASD's position-limit rule provides that the position limit established by an options exchange(s) for a particular equity option is the applicable position limit for purposes of the NASD's Rule.

option with a 10,500-contract position limit.

The **7,500-contract position limit** applies to:

- exchange-listed options traded by “access” firms with a corresponding 7,500-contract position limit imposed by the options exchange(s) on which the option is traded. For a security to qualify for a 7,500-contract position limit under the options exchanges’ rules, it must have trading volume of 20 million shares over the past six months or trading volume of 15 million over the past six months and public float of 40 million.
- all conventional options overlying equity securities that underlie exchange-traded options that have a 7,500-contract position limit; and
- all conventional options overlying equity securities that qualify for, but do not underlie, an exchange-traded option with a 7,500-contract position limit.

The **4,500-contract position limit** applies to:

- exchange-listed options traded by “access” firms with a corresponding 4,500-contract position limit imposed by the options exchange(s) on which the option is traded. Under the rules of the options exchanges, all securities that do not qualify for a position limit of 10,500 contracts or 7,500 contracts fall into the 4,500-contract position-limit tier.

³ Members should review the procedures in *Notice to Members 95-47* (June 1995) before establishing a conventional option position in excess of 4,500 contracts on a security that qualifies for, but does not underlie, an exchange-traded option with a position limit greater than 4,500 contracts.

⁴ Under the pilot program, the underlying hedged security position may also be comprised of securities readily convertible into, or

- all conventional options overlying equity securities that underlie exchange-traded options that have a 4,500-contract position limit; and

- all conventional options overlying equity securities that do not underlie standardized options and do not qualify for a 7,500-contract or 10,500-contract position limit.

With the amendments to the options position-limit rule approved by the SEC, two new larger position-limit tiers now correspond to two new “upper” position-limit tiers recently approved by the SEC for exchange-traded options. There is now a 20,000-contract position-limit tier and a 25,000-contract position-limit tier. To qualify for the 20,000-contract position-limit tier, the underlying security must have at least 240 million shares outstanding with 60 million shares traded in the past six months, or have 80 million shares traded in the past six months. To qualify for the 25,000-contract position-limit tier, the underlying security must have at least 300 million shares outstanding with 75 million shares traded in the past six months, or 100 million shares traded in the past six months. For NASD members that are “access” firms or that are involved in conventional equity option transactions, the NASD’s position- and exercise-limit Rules now conform to the new position-limit tiers recently approved by the SEC for the options exchanges. The NASD also notes that the higher options position limits are available for securities that quali-

economically equivalent to, the security underlying the corresponding hedging options position. The NASD determines on a case-by-case basis if an instrument that is being used as the basis for the underlying hedged position is readily convertible into, or economically equivalent to, the security underlying the corresponding option position. The NASD will find that an instrument that is not presently convertible into a security, but

fy for, but do not underlie, an exchange-traded option with a 20,000- or 25,000-contract position limit.³

Amendment To Hedge Exemption Pilot Program

The equity option hedge exemption pilot program provides for an automatic exemption from equity option position limits for accounts that have established one of the four most commonly used hedged positions on a limited one-for-one basis (*i.e.*, 100 shares of stock for one option contract or, in the case of an adjusted options contract, the number of shares represented by the adjusted contract)⁴. The exempted hedge positions are:

- long stock/short calls;
- long stock/long puts;
- short stock/long calls; and
- short stock/short puts.

Presently, the largest options position (combining hedged and unhedged positions) that may be established under the pilot program may not exceed twice the basic position limit. The pilot program does not change the exercise limits in Article III, Section 33(b)(4) of the NASD Rules of Fair Practice. Therefore, market participants are allowed to exercise, during any five consecutive business days, the same number of options contracts set forth as the position

that will be at a future date, is not a “convertible” security for purposes of the hedge exemption pilot program. The NASD also notes that if a convertible security used to hedge an option position is called for redemption by the issuer, the security would have to be converted into the underlying security immediately or the corresponding option position reduced accordingly.

limit for that option, including those options positions that are hedged (i.e., if the position limit for an option is 10,500 contracts and an investor has established a position of 21,000 contracts [10,500 unhedged and 10,500 hedged], the investor could exercise all 21,000 contracts during five consecutive business days.)

With the amendments to the hedge exemption rule approved by the SEC, NASD members and their customers may now establish hedged equity option positions up to three times the size of the applicable basic position limit (i.e., 13,500, 22,500, 31,500, 60,000, or 75,000 contracts).⁵ In addition, the SEC has approved an extension of the effectiveness of the hedge exemption pilot program **until December 31, 1997**.

Questions about this Notice should be directed to Joseph Alotto, NASD Market Surveillance, at (301) 590-6845, or Thomas R. Gira, Assistant General Counsel, at (202) 728-8957.

Text Of Amendments

(Note: New text is underlined; deletions are bracketed).

Sec. (a) through **Sec. (b)(3)(A)(3)** No change.

Sec. (b)(3)(A)(4)

20,000 options contracts of the put and the call class on the same side of

the market covering the same underlying security, providing that the 20,000 contract position limit shall only be available for option contracts on securities which underlie or qualify to underlie / Nasdaq or exchange-traded options qualifying under applicable rules for a position limit of 20,000 option contracts; or

Section (b)(3)(A)(5)

25,000 options contracts of the put and the call class on the same side of the market covering the same underlying security, providing that the 25,000 contract position limit shall only be available for option contracts on securities which underlie or qualify to underlie / Nasdaq or exchange-traded options qualifying under applicable rules for a position limit of 25,000 option contracts; or

Sec. (b)(3)(A)(4) (6)

Sec. (b)(3)(A)(5) (7)

Equity Option Hedge Exemption

a. The following positions, where each option contract is "hedged" by 100 shares of stock or securities readily convertible into or economically equivalent to such stock, or, in the case of an adjusted option contract, the same number of shares represented by the adjusted contract, shall be exempted from established limits contained in (1) through (5) above: (i) long call and short stock; (ii) short

call and long stock; (iii) long put and long stock; (iv) short put and short stock.

b. Except as provided under the OTC Collar Exemption contained in subsection (b)(3)(A)(8), ~~in no event[, however,]~~ may the maximum allowable position, inclusive of options contracts hedged pursuant to the equity option position limit hedge exemption in subsection a. above, exceed three times the applicable position limit established in subsections (b)(3)(A)(1) - (5) [position limits for any class of stock options exceed twice the limits established by this Section 3].

c. The Equity Option Hedge Exemption is a pilot program authorized by the Securities and Exchange Commission through December 31, 199[5]7.

Sec. (b)(3)(A)(6)(8)

⁵ In addition, pursuant to the OTC Collar Exemption contained in Article III, Section 33(b)(3)(A)(8) of the Rules of Fair Practice, market participants can now also establish OTC collars where each "leg" of the collar is for 50,000 contracts, in the case of a security eligible for the 20,000-contract position limit, or 62,500 contracts, in the case of a security eligible for the 25,000-contract position limit.

NASD NOTICE TO MEMBERS 96-16

NASD Adds Remote Sites To Deliver Training And Exams

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The delivery of Continuing Education Regulatory Element and Qualifications Examinations is now available at the following remote sites on the dates specified:

Alaska		
Anchorage	March 19-21	June 11-13
California		
Bakersfield	April 23-26	
Fresno	May 14-16	
Fullerton	May 7-10	
Riverside	April 30-May 3	
San Jose	May 21-24	
Santa Barbara	April 16-19	
Florida		
Fort Meyers	May 14-16	
Jacksonville	May 21-23	
West Palm Beach	March 5-8	June 4-7
Hawaii		
Honolulu	Call (800) 999-6647 for dates	
Idaho		
Boise	March 12-14	June 4-6
Louisiana		
Shreveport	March 19-21	June 18-20
Michigan		
Lansing	May 7-9	
Mississippi		
Jackson	March 26-28	June 25-27
Montana		
Billings	March 12-14	June 4-6
Great Falls	May 21-23	
Nevada		
Las Vegas	April 9-12	
New Hampshire		
Manchester	April 9-11	

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New Jersey		Texas	
Edison	April 23-26	Austin	March 26-28
Newark	April 9-12	Lubbock	June 18-20
Patterson	April 16-19		March 19-21
			June 10-12
New York		Vermont	
Buffalo	April 30-May 2	Burlington	April 16-18
Loudonville	April 24-26		
North Dakota		Virginia	
Bismarck	May 14-16	Norfolk	April 30-May 2
Puerto Rico		Washington	
Puerto Nuevo	March 12-15	Spokane	March 26-28
	June 11-14		June 19-21
South Carolina		Wyoming	
Charleston	May 7-9	Cheyenne	March 5-7
			June 25-27
South Dakota			
Sioux Falls	March 7-8		
	June 17-19		

To schedule an appointment at one of these remote locations, call (800) 999-6647 and select option 1 at the voice prompt.

NASD NOTICE TO MEMBERS 96-17

SOES Tier Levels Set To Change April 1, 1996

Suggested Routing

- Senior Management
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- Internal Audit
- Legal & Compliance
- Municipal
- Mutual Fund
- Operations
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- Training

Executive Summary

Effective April 1, 1996, tier sizes for 1,024 Nasdaq National Market[®] securities will be revised in accordance with ¶2451a7 of the Rules of Practice and Procedure for the Small Order Execution System (SOESSM).

Description

Under the SOES Rules, the maximum SOES order size for a Nasdaq National Market security is 1,000, 500, or 200 shares depending on the trading characteristics of the security. The maximum SOES order size for a Nasdaq National Market security also corresponds to the minimum quote size requirement for Nasdaq[®] market makers in that security (Schedule D to the NASD[®] By-Laws, ¶1819, Part V, Sec. 2a). The Nasdaq Workstation IISM indicates the minimum quote size requirement for each Nasdaq National Market security in its bid/offer quotation display. The indicator "NM10," "NM5," or "NM2" is displayed to the right of the security name, corresponding to a minimum-size display of 1,000, 500, or 200 shares, respectively.

The criteria for establishing SOES tier sizes is as follows:

- A 1,000-share tier size was applied to those Nasdaq National Market securities that had an average daily non-block 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 tier size was applied to those Nasdaq National Market securities that had an average daily non-block 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 tier size was applied to those Nasdaq National Market securities that had an average daily non-block volume of less than 1,000 shares a day, a bid price that was less than or equal to \$250, and less than two market makers.

In accordance with the SOES Rules, Nasdaq periodically reviews the SOES tier size applicable to each Nasdaq National Market security to determine if the trading characteristics of the issue have changed so as to warrant a tier size adjustment. Such a review was conducted using data as of December 31, 1995 pursuant to the aforementioned standards. The SOES tier-size changes called for by this review are being implemented with two exceptions.

First, issues were not permitted to move more than one tier size level. For example, if an issue was previously categorized in the 1,000-share tier, it would not be permitted to move to the 200-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. In adopting this policy, the NASD was attempting to maintain adequate public investor access to the market for issues in which the tier-size level decreased and help ensure the ongoing participation of market makers in SOES for issues in which the tier-size level increased.

Second, for securities priced below \$1 where the reranking called for a reduction in tier size, the tier size was not reduced.

In addition, with respect to initial public offerings (IPOs), the SOES tier-size reranking procedures provide that a security must first be traded on Nasdaq for at least 45 days before it is eligible to be reclassified.

Thus, IPOs listed on Nasdaq within the 45 days prior to December 31, 1995 were not subjected to the SOES tier-size review.

Following is a listing of the 1,024 Nasdaq National Market issues that will require a SOES tier-level change on April 1, 1996. For more informa-

tion, please contact Nasdaq Market Operations at (203) 378-0284.

Nasdaq National Market SOES Tier-Size Changes

All Issues In Alphabetical Order By Security Name
(Effective November 13, 1995)

Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
A							
ANET	A C T NETWORKS	500	1000	ALET	ALOETTE COSMETICS	500	1000
ADAM	A D A M SOFTWARE	500	1000	ALRC	ALTERNATIVE RES CP	500	1000
ADEX	A D E CORP	500	1000	AMIE	AMBASSADORS INTL INC	1000	500
AGAI	A G ASSOC INC	500	1000	AMBC	AMER BNCP OHIO	500	200
AMBR	A M B A R INC	500	1000	AMCE	AMER CLAIMS EVALUAT	500	1000
ANBC	A N B CP	200	500	AEOS	AMER EAGLE OUTFIT	500	1000
ARIS	A R I NETWORK SVCS	500	1000	AHEPZ	AMER HEALTH DEP SHRS	200	500
ASBP	A S B FINANCIAL CP	200	500	ALHCP	AMER LIFE HLDG PFD	1000	500
ATCEL	A T C ENVIR WTS C 94	500	1000	ANBK	AMER NATL BNCP	200	500
ATCE	A T C ENVIRONMENTAL	500	1000	SNIFF	AMER SENSORS INC	500	1000
ATSIW	A T S MEDICAL INC WT	500	1000	AMGD	AMER VANGUARD CP	200	500
ASHE	AASCHE TRANSPORT SVC	500	1000	AMOO	AMERCO	500	1000
ABTE	ABLE TELECOM HLDG CP	500	1000	ALNK	AMERILINK CP	500	1000
ABRX	ABR INFORMATION SVCS	500	1000	ASHC	AMERISOURCE DST A	200	500
ABRI	ABRAMS INDS INC	500	200	AMES	AMES DEPT STORES INC	500	1000
ACMM	ACCOM INC	200	500	AMESW	AMES DEPT STRES WT C	500	1000
ACCUF	ACCUGRAPH CP CL A	200	500	PACE	AMPACE CORP	200	500
ACTM	ACT MANUFACTURING	500	1000	ANAD	ANADIGICS INC	200	500
ATVI	ACTIVISION INC	500	1000	AATI	ANALYSIS TECHNOLOGY	500	1000
ADCO	ADCO TECH INC	200	500	ANLT	ANALYTICAL SURVEYS	500	1000
AFLX	ADFLEX SOLUTIONS INC	500	1000	ANDR	ANDERSEN GROUP INC	200	500
ADIAY	ADIA S.A. ADR	200	500	ADYNF	ANDYNE COMPUTING LTD	500	1000
ADTN	ADTRAN INC	500	1000	ANGN	ANGEION CP	500	1000
ANMRW	ADVANCED NMR SYS WTS	200	500	ANGNW	ANGEION CP WTS	500	1000
ACAR	AEGIS CONSUMER FD	200	500	ANIC	ANICOM INC	500	1000
ACSA	AFFILIATED COMP A	500	1000	APAC	APAC TELESVCS INC	500	1000
AGCH	AG-CHEM EQUIP CO INC	200	500	APGG	APOGEE INC	500	1000
AGMIF	AGRIUM INC	500	1000	APOL	APOLLO GROUP INC A	500	1000
AHIS	AHI HEALTHCARE	200	500	APMC	APPLIED MICROSYS CP	200	500
AEIC	AIR EXPRESS INTL CP	500	1000	AVTC	APPLIED VOICE TEC	500	1000
AAIR	AIRWAYS CP WI	500	1000	APLX	APPLIX INC	500	1000
ALAB	ALABAMA NATL BNCP	500	1000	AKSEF	ARAKIS ENERGY CP	500	1000
ALGSF	ALGOMA STEEL INC	500	1000	AFAS	ARDEN IND PRODS INC	500	1000
MASK	ALIGN-RITE INTL	200	500	ARLCF	AREL COMMUN ORD	500	1000
AACI	ALL AMER COMMUNIC	500	1000	ARGT	ARGENTBANK	200	500
ALRIZ	ALLERGAN LIGAND UTS	200	500	ADSP	ARIEL CORP	200	500
ALLA	ALLIED CAP ADVISERS	200	500	ADSPW	ARIEL CORP WTS	200	500
				RELEF	ARIELY ADVERTISING	200	500

Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
ARKR	ARK RESTAURANTS CP	1000	500	BLIS	BLISS LAUGHLIN INDS	500	1000
ABFSP	ARKANSAS BEST CV PFDN	500	1000	BNSOF	BONSO ELEC INTL INC	500	1000
ARTW	ART S WAY MFG CO INC	200	500	BNSWF	BONSO ELECT INTL WTS	500	1000
ARVI	ARV ASSISTED LIVING	200	500	BYDS	BOYDS WHEELS INC	500	1000
AZPN	ASPEN TECHNOLOGY INC	500	1000	BPRXL	BRADLEY PHARM WTS D	500	1000
AGRPA	ASSOCIATED GRP INC A	500	1000	BPRXA	BRADLEY PHARMA A	500	1000
AGRPB	ASSOCIATED GRP INC B	500	1000	BPRXW	BRADLEY PHARMA WTS A	500	1000
ATEA	ASTEIA INTL INC	500	1000	BPRXZ	BRADLEY PHARMA WTS B	500	1000
ASTR	ASTROSYSTEMS INC	500	1000	BRBK	BRENTON BANKS INC	500	1000
SAMC	ASTRUM INTL CP	500	1000	BRID	BRIDGFORD FOODS CP	1000	500
ATPC	ATHEY PRODUCTS CP	500	1000	BBIOY	BRITISH BIO-TECH ADR	200	500
ATLS	ATLAS AIR INC	200	500	BNBC	BROAD NATL BNCP	500	1000
AVTR	AVATAR HLDGS INC	1000	500	BWAY	BROCKWAY STND HLD CP	200	500
AVRT	AVERT INC	500	1000	BUCK	BUCKHEAD AMERICA CP	500	1000
AVRTW	AVERT INC WTS	500	1000	BCYR	BUCYRUS-ERIE CO	500	1000
AVND	AVONDALE FIN CP	500	1000	BMLS	BURKE MILLS INC	200	500
				BOBJY	BUSINESS OBJ S A ADS	500	1000
				BRGP	BUSINESS RESOURCE GP	500	1000
B				C			
BCBF	B C B FIN SVCS CP	200	500	CBTSY	C B T GROUP PLC ADR	500	1000
BCTI	B C T INTL INC	500	1000	CNIT	C E N I T BNCP INC	1000	500
BFEN	B F ENTERPRISES INC	200	500	CFBN	C F B BANCORP INC	200	500
BHIKF	B H I CORP	1000	500	CFWC	C F W COMMUN CO	500	1000
BKCS	B K C SEMICONDUCTORS	200	500	FLYAF	C H C HELICO CL A	500	200
BTGI	B T G INC	500	1000	CIMC	C I M C O INC	500	1000
BTBTY	B T SHIP SPONSOR ADR	500	1000	CNXS	C N S INC	500	1000
BAANF	BAAN CO N.V.	200	500	CPBI	C P B INC	500	200
PAPA	BACK BAY RESTR GP	500	1000	CATX	C*ATS SOFTWARE INC	200	500
BWINB	BALDWIN LYONS CL B	1000	500	CLCI	CADIZ LAND CO INC	500	1000
BLDPF	BALLARD POWER SYSTEM	200	500	CAMD	CAL MICRO DEVICES CP	200	500
BGLV	BALLY'S GRAND INC	500	1000	CALVF	CALEDONIA MINING CP	200	500
BANF	BANCFIRST CP	500	1000	CLNP	CALLON PETROLEUM CO	500	1000
BCOM	BANK OF COMMERCE(CA)	200	500	CBCI	CALUMET BANCORP	1000	500
BWFC	BANK WEST FIN CORP	200	500	CMRN	CAMERON FINANCIAL CP	500	1000
BKUNA	BANKUNITED FINL CP A	500	1000	CNTBY	CANTAB PHARM PLC ADR	500	1000
BPOPP	BANPONCE CP PFD A	500	1000	CCBT	CAPE COD BK TR CO	500	200
BARY	BARRY'S JEWELERS INC	500	1000	CBCP	CAPITAL BANCORP (FL)	500	1000
BTIOF	BATTERY TECHS INC	500	1000	CGGI	CARBIDE/GRAPHITE GRP	500	1000
BTIOF	BATTERY TECHS INC	500	1000	CARD	CARDINAL BSCHS INC	500	1000
BHIX	BELMONT HOMES INC	500	1000	CRSI	CARDINAL REALTY SVCS	200	500
BNHN	BENIHANA NATL CP	1000	500	CFLO	CARDIOMETRICS INC	200	500
BNHNA	BENIHANA NATL CP A	500	1000	CTND	CARETENDERS HEALTH	200	500
BFCX	BENSON FINANCIAL CP	500	1000	CARN	CARRINGTON LABS INC	500	1000
BEST	BEST PRODS CO INC	500	1000	CARV	CARVER FED SAV BK	500	1000
BETT	BETTIS CP	500	1000	CATY	CATHAY BANCORP INC	500	1000
BLSC	BIO LOGIC SYS CP	500	1000	CGMV	CEDAR GROUP INC	500	1000
BTGCL	BIO TECH GEN WTS A	500	1000	CLDN	CELADON GROUP INC	500	1000
BVAS	BIO VASCULAR INC	500	1000	CEBC	CENTENNIAL BNCP	500	1000
BDTC	BIODENTAL TECH CP	500	1000				
BINC	BIOSPHERICS INC	500	1000				

Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
CJFC	CENTRAL JERSEY FINL	500	1000	CONT	CONTL WASTE INDS INC	500	1000
CSBC	CENTRAL SOUTHERN HLD	200	500	CCTI	COOPER & CHYAN	500	1000
CTFC	CENTRAL TRACTOR INC	500	1000	COOP	COOPERATIVE BK SSB	1000	500
CVBK	CENTRAL VA BKSHS INC	200	500	CORD	CORDIS CP	1000	500
CTYA	CENTURY COMMUN CP A	500	1000	CRLBF	CORE LABORATORIES NV	200	500
CSBI	CENTURY SOUTH BKS	500	1000	CEXP	CORP EXPRESS INC	500	1000
CRPB	CERPROBE CP	500	1000	CXSNF	COUNSEL CP	500	1000
CHLN	CHALONE WINE GP LTD	500	1000	CAFEP	COUNTRY STAR PFD A	200	500
CRMLF	CHAMPION ROAD MACH	200	500	CAFE	COUNTRY STAR REST	200	500
CBSB	CHARTER FIN INC	200	500	MALL	CREATIVE COMPUTERS	200	500
CHTR	CHARTER POWER SYSTEM	500	1000	CRTV	CREATIVE TECH CP	500	1000
CMFB	CHEMFAB CP	500	1000	CGRO	CROP GROWERS CP	500	1000
CHEM	CHEMPOWER INC	500	1000	CVAN	CROWN VANTAGE INC	200	500
CHML	CHICAGO MIN LAMP INCN	500	1000	CUNB	CUPERTINO NATL BNCP	500	1000
CHIR	CHIRON CP	1000	500	CYBX	CYBERONICS INC	500	1000
DOSEW	CHOICE DRUG SYS WTS	500	1000	CBXC	CYBEX CORP	500	1000
CINRF	CINAR FILMS VTG CL B	500	1000	CYPR	CYPROS PHARM CORP	200	500
CNMWW	CINCINNATI MICRO WTS	500	1000	CYPRZ	CYPROS PHARM WTS B	200	500
CINS	CIRCLE INCOME SHARES	500	1000	CYTOR	CYTOGEN CP RTS	200	500
CITI	CITICASTERS INC	500	1000	CYTOW	CYTOGEN CP WTS	200	500
CICS	CITIZENS BKSH INC	500	200				
CHCO	CITY HOLDING CO	500	200				
CLFY	CLARIFY INC	200	500	D			
CTRIS	CLEVETRUST RLTY SBI	200	500	DNFCW	D & N FIN CP WTS	500	1000
COBI	COBANCORP INC	200	500	DLBI	D L B OIL & GAS INC	500	1000
CCSC	COHERENT COMMUN SYS	500	1000	DSPG	D S P GROUP INC	500	1000
COHU	COHU INC	500	1000	DMCVA	DAIRY MART STORES A	500	1000
CBVI	COIN BILL VALIDTR	200	500	DMCVB	DAIRY MART STORES B	500	1000
CTFG	COLE TAYLOR FIN GRP	500	1000	DZTK	DAISYTEK INTL CP	500	1000
CBMD	COLUMBIA BANCORP MD	200	500	DFIN	DAMEN FINANCIAL CP	500	1000
CMCAF	COMCAST UK CABLE	500	1000	DARL	DARLING INTL INC	500	1000
CMTI	COMM MED TRANS INC	500	1000	DARTA	DART GROUP CP CL A	1000	500
CMTIW	COMM MED TRANS WTS	500	1000	DDII	DATA DOCUMENTS	200	500
CBSI	COMMUNITY BK SYSTEM	500	1000	DKEY	DATAKEY INC	500	1000
CMSV	COMMUNITY SAV F A	500	1000	DSTM	DATASTREAM SYSTEMS	500	1000
CPDN	COMPDENT CORP	500	1000	DWRX	DATAWORKS CP	200	500
CSIN	COMPUTATIONAL SYSTEM	500	1000	DANB	DAVE & BUSTERS INC	200	500
CLCX	COMPUTER LEARNING	200	500	DAWK	DAW TECHNOLOGIES INC	500	1000
CMSX	COMPUTER MGMT SCI	200	500	DEEP	DEEPTECH INTL INC	500	1000
CPTL	COMPUTER TELE CL 1	500	1000	DRTE	DENDRITE INTL INC	1000	500
CTRN	COMPUTRON SFTWR INC	200	500	DEPO	DEPOTECH CORP	200	500
CTRA	CONCENTRA CP	200	500	DCBK	DESERT COMMUNITY BK	200	500
CHGR	CONCORD HEALTH GRP	500	1000	DTOP	DESKTOP DATA INC	200	500
CPLNY	CONCORDIA PAPER ADS	1000	500	DSWLF	DESWELL INDS INC	200	500
COND	CONDOR SVCS INC	500	1000	DSWWF	DESWELL INDS INC WTS	200	500
CTWS	CONN WATER SVCS INC	1000	500	DTRX	DETREX CP	500	1000
CPSS	CONSUMER PORTFOLIO	500	1000	DEVC	DEVCON INTL CP	500	1000
CFIN	CONSUMERS FINANCIAL	200	500	DMED	DIAMETRICS MED INC	500	1000
CCCI	CONTL CHOICE CARE	500	1000	DLNK	DIGITAL LINK CP	500	1000
CMETS	CONTL MORTGAGE EQUIT	500	200	DSLGF	DISCREET LOGIC INC	500	1000

Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
DLTR	DOLLAR TREE STORES	500	1000	XPRT	EXPERT SOFTWARE INC	500	1000
DOMZ	DOMINGUEZ SVCS CP	200	500	EXTR	EXSTAR FINL CL-A	500	1000
DGIC	DONEGAL GROUP INC	1000	500				
DHULZ	DORCHESTER HUGO DR	500	1000				
TREE	DOUBLETREE CP	1000	500	F			
DYPR	DRYPERS CP R	500	1000	FBTC	F B & T FINANCIAL CP	500	1000
DSPC	DSP COMMUN INC	500	1000	FCBF	F C B FINANCIAL CP	1000	500
DSTR	DUALSTAR TECH CP	200	500	FCNB	F C N B CP	200	500
DSTRW	DUALSTAR TECH WTS A	200	500	FDPC	F D P CP	1000	500
DUCK	DUCKWALL-ALCO STORES	500	1000	FEIC	F E I COMPANY	500	1000
DRMD	DURAMED PHARM INC	500	1000	FPBN	F P BANCORP INC	200	500
DWYR	DWYER GROUP INC	500	1000	FACE	FACELIFTERS HOME SYS	500	1000
				FAHNF	FAHNESTOCK A NV	500	1000
				FLCN	FALCON DRILLING CO	200	500
E				FTHR	FEATHERLITE MFG	500	1000
EBMA	E & B MARINE INC	500	1000	FOBC	FED ONE BANCORP INC	500	1000
EFIC	E F I ELECTRONICS CP	500	1000	RUSAF	FEDERAL INDS LTD A	500	200
EMLTF	E M C O LTD	500	1000	FSCR	FEDERAL SCREW WORKS	500	200
ESSF	E S S E F CP	500	1000	FLCO	FELCOR SUITE HOTELS	500	1000
ESST	E S S TECH INC	200	500	FFFC	FFVA FINANCIAL CORP	500	1000
EBSI	EAGLE BANCSHARES	200	500	FBCI	FIDELITY BANCORP DEL	500	1000
EFCW	EAGLE FINANCE CP	500	1000	FSBI	FIDELITY BANCORP INC	500	200
EGFC	EAGLE FINANCIAL CP	500	1000	FFED	FIDELITY FED BNCP	200	500
EGPT	EAGLE POINT SFTWR CP	200	500	FFRV	FIDELITY FIN BKSH CP	500	1000
ESCO	EASCO INC	500	1000	LION	FIDELITY SOUTHERN CP	200	500
EESI	EASTERN ENVIRONM SVC	500	1000	FIBC	FINANCIAL BNC INC	500	1000
EDMK	EDMARK CP	500	1000	FNSC	FINANCIAL SEC CP	1000	500
EDUC	EDUCATIONAL DEV CP	500	1000	FITC	FINANCIAL TRUST CP	500	1000
EMSIW	EFFECTIVE WTS WI	200	500	FFSIW	FINANCING FOR SCI WT	500	1000
ECTL	ELCOTEL INC	200	500	FFOX	FIREFOX COMMUN	200	500
ELSE	ELECTRO SENSORS INC	200	500	ALRT	FIRST ALERT INC	500	1000
ETCIA	ELECTRONIC TELECOM A	200	500	FBNC	FIRST BANC P TROY NC	200	500
ELTN	ELTRON INTL INC	500	1000	FBSI	FIRST BANCSHARES INC	500	200
ENCC	ENCORE COMPUTER CP	500	1000	FBBC	FIRST BELL BNCP INC	500	1000
ENER	ENERGY CONV DEVICES	200	500	FBNKP	FIRST BKS CUM PFD C	200	500
ERCC	ENERGY RESEARCH CP	500	1000	FCBK	FIRST CHARTER BANK	500	1000
EWST	ENERGY WEST INC	200	500	FCFC	FIRST CITY FIN CP	200	500
EMCO	ENGINEERING MEASURE	1000	500	FCFCP	FIRST CITY FINL PFD	200	500
EFBI	ENTERPRISE FED BNCP	500	1000	FDYMF	FIRST DYNASTY MINES	200	500
ESIX	ENTERPRISE SYS INC	200	500	FFEC	FIRST FED EAU CLR	500	1000
ENET	EQUALNET HOLDING CP	500	1000	FFFD	FIRST FED FT DODG	500	1000
EQSB	EQUITABLE FED SAV BK	200	500	FFES	FIRST FED S L HRTFD	1000	500
ETRC	EQUITRAC CP	500	1000	FFBA	FIRST FED SAV BK CO	500	1000
EQUUS	EQUUS GAMING UTS A	500	1000	FDEF	FIRST FED SVGS LN OH	500	1000
ERIE	ERIE INDEMNITY CO A	200	500	FFIN	FIRST FINL BKSHS INC	200	500
ERNS	ERNST HOME CENTER	500	1000	FGHC	FIRST GEORG HLDGS	200	500
ECGC	ESSEX COUNTY GAS CO	500	200	FSPG	FIRST HOME SV BK FSB	200	500
ETEC	ETEC SYSTEMS INC	200	500	FIFS	FIRST INV FIN SVC GP	500	1000
EVAN	EVANS INC	1000	500	FKFS	FIRST KEYSTONE FIN	200	500
EXGN	EXOGEN INC	200	500	FLFC	FIRST LIBERTY FIN	500	1000

Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
FRME	FIRST MERCHANTS CP	200	500	GMBS	GEORGE MASON BKSH	500	1000
FMOR	FIRST MTGE CP	200	500	BOTX	GEORGIA BONDED FIBER	200	500
FMBD	FIRST MUTUAL BNCP	500	1000	GCHI	GIANT CEMENT HLDG	500	1000
SOPN	FIRST SAV BK MOORE	500	1000	GIGA	GIGA TRONICS INC	1000	500
FSNJ	FIRST SAV BK NJ	200	500	GFCO	GLENWAY FIN CP	200	500
FWWB	FIRST SAV BK WASH	200	500	GLIA	GLIATECH INC	200	500
FSLA	FIRST SAVINGS BK SLA	200	500	GNCNF	GORAN CAPITAL INC	500	1000
FSTH	FIRST SO BCSHS INC	200	500	GUCO	GRAND UNION CO	500	1000
FUNC	FIRST UNITED CORP	500	200	GBTVP	GRANITE BRDCT CP PFD	200	500
FWSH	FIRST WASH REALTY TR	200	500	GSBI	GRANITE STATE BKSHS	1000	500
FWSHP	FIRST WASH RTY PFD A	200	500	GRNTP	GRANT TENSOR GEO PFD	500	1000
FWBI	FIRST WESTERN BNCP	500	1000	GTPS	GREAT AMER BNCP INC	200	500
FSRPZ	FIRSTAR CP DEP SHS	500	200	GBPW	GREAT BAY POWER CP	200	500
FFDP	FIRSTFED BANCSHARES	500	1000	GTFN	GREAT FINANCIAL CP	500	1000
FFSW	FIRSTFEDERAL FINL	500	200	GSBC	GREAT SOUTHERN BNCP	500	200
FAME	FLAMEMASTER CP THE	200	500	STON	GREENSTONE INDS INC	500	1000
FLSC	FLORSHEIM SHOE CO	500	1000	STONW	GREENSTONE INDS WTS	500	1000
FLRO	FLUOROSCAN IMAG SYS	500	1000	GFED	GUARANTY FED SAV BK	200	500
FLOW	FLUOROSCAN IMAG WTS	500	1000				
FLMK	FOILMARK INC	500	1000				
FGAS	FORCENERGY GAS EXPL	200	500	H			
FORE	FORE SYSTEMS INC	500	1000	HEMT	H F BNCP INC	200	500
FOILW	FOREST OIL CP WTS 96	500	1000	HMGC	H M G WORLDWIDE CP	500	1000
FORT	FORT HOWARD CP	500	1000	HNCS	H N C SOFTWARE	500	1000
GUSH	FOUNTAIN OIL INC	200	500	HPRI	H P R INC	200	500
FRAC	FRACTAL DESIGN CP	200	500	HALL	HALLMARK CAP CP	500	200
FKKY	FRANKFORT FIRST BNCP	500	1000	HAPY	HAPPINESS EXPRESS	500	1000
FFHH	FSF FINANCIAL CP	500	1000	HRBC	HARBINGER CP	200	500
				HARC	HARCOR ENERGY INC	500	1000
				HDNG	HARDINGE INC	500	1000
G				HLIT	HARMONIC LIGHTWVS	500	1000
GBCB	G B C BANCORP	500	1000	HFFB	HARRODSBURG FIRST	200	500
GSES	G S E SYSTEMS INC	500	1000	HAVAP	HARVARD INDS PFD	500	200
GTBX	G T BICYCLES INC	200	500	HRVY	HARVEY ENTERTAIN CO	500	1000
DRTK	G T S DURATEK INC	500	1000	HSKL	HASKEL INTL INC A	500	1000
GADZ	GADZOOKS INC	500	1000	HTHR	HAWTHORNE FINANCIAL	500	1000
GFIN	GAME FINANCIAL CP	200	500	HDSX	HDS NETWORK SYS INC	200	500
GWLD	GAMING WORLD INTL	500	1000	HDSXW	HDS NETWORK SYS WTS	200	500
GWLDW	GAMING WORLD INTL WT	500	1000	HART	HEARTLAND WIRELESS	500	1000
LTUS	GARDEN FRESH REST	200	500	HEIDF	HEIDEMIJ N.V.	500	1000
GRDG	GARDEN RIDGE CP	200	500	HELO	HELLO DIRECT INC	200	500
GDMI	GARDNER DENVER	500	1000	HSIC	HENRY SCHEIN INC	200	500
GELX	GELTEX PHARM INC	200	500	HERS	HERITAGE FINL SVC IL	1000	500
GMSTF	GEMSTAR INTL GRP ORD	500	1000	HBNK	HIGHLAND FEDERAL BK	200	500
GPAR	GEN PARAMETRICS CP	500	1000	HILI	HILITE INDS INC	500	1000
GACC	GENERAL ACCEPTANCE	500	1000	HILI	HILITE INDS INC	500	1000
GCABY	GENERAL CABLE ADR	500	1000	HIFS	HINGHAM INSTI SAVING	200	500
GMGC	GENERAL MAGIC INC	200	500	HPRKZ	HOLLYWOOD PK DEP SHS	500	1000
GSCN	GENERAL SCANNING	200	500	HOLO	HOLOPAK TECHS INC	500	1000
GNSAW	GENSIA INC WTS	500	1000	HBFW	HOME BANCORP	500	1000

Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
HFSF	HOME FED FIN CP	500	200	IFIN	INVESTORS FIN SVC CP	500	1000
HOMF	HOME FEDERAL BANCORP	500	1000	IPCI	IPC INFO SYS INC	500	1000
HHCA	HOME HLTH CP AMER	200	500	ISBF	ISB FINANCIAL CP	500	1000
HPBC	HOME PORT BNCP INC	500	1000	OREX	ISOLYSER CO INC	500	1000
HMCI	HOMECORP INC	200	500	ILDCY	ISRAEL DEVEL LTD ADR	500	200
HOSP	HOSPOSABLE PROD INC	200	500				
HDSN	HUDSON TECH INC	500	1000	J			
HUGO	HUGOTON ENERGY CP	500	1000	JGIN	J G INDUSTRIES INC	200	500
HUGO	HUGOTON ENERGY CP	500	1000	JPFS	J P FOODSERVICE INC	500	1000
				JCOR	JACOR COMMUN INC	200	500
I				JANNF	JANNOCK LIMITED	200	500
ICOCZ	I C O INC DEP SHR	500	200	JEBC	JEFFERSON BNCP (LA)	500	1000
IKOS	I K O S SYSTEMS INC	200	500	DELI	JERRY'S FAMOUS DELI	200	500
JEWLF	I W I HOLDING LTD	500	1000				
IBSF	IBS FINANCIAL CORP	500	1000	K			
IDMCW	IDM ENVIRON WTS A	500	1000	KOGC	KELLEY OIL & GAS CP	500	1000
IDMC	IDM ENVIRONMENTAL CP	500	1000	KOGCP	KELLEY OIL & GAS PFD	500	1000
IMNT	IMNET SYSTEMS INC	500	1000	KEBI	KENTUCKY ENTRPR BNCP	500	1000
IGPFF	IMPERIAL GINSENG PRO	200	500	KFBI	KLAMATH FIRST BNCP	200	500
ITLA	IMPERIAL THRIFT & LN	200	500	KNGT	KNIGHT TRANS	500	1000
INCL	INCONTROL INC	500	1000	KKRO	KOO KOO ROO INC	200	500
IBNJ	INDEPENDENCE BNCP NJ	200	500	KRUG	KRUG INTL CP	500	1000
INHO	INDEPENDENCE HLDG CO	500	1000	KURZ	KURZWEIL APPLIED INT	500	1000
INBI	INDUSTRIAL BANCP	500	1000				
ISCX	INDUSTRIAL SCI CORP	500	200	L			
INFR	INFERENCE CP A	200	500	KNIC	L L KNICKBKR CO INC	200	500
INHLE	INHALE THERAP SYS	500	1000	KNICW	L L KNICKBKR CO WTS	200	500
NKPR	INNKEEPERS USA TRUST	500	1000	LXBK	L S B BANCSHARES NC	500	200
IGCA	INNOVATIVE GAMING CP	500	1000	LJPC	LA JOLLA PHARM CO	500	1000
NSIT	INSIGHT ENTERPRISES	500	1000	LJPCW	LA JOLLA PHARM CO WT	500	1000
INSGY	INSIGNIA SOLUT ADR	200	500	BOOT	LACROSSE FOOTWEAR	500	1000
TIPIF	INSTANT PUBLISHER	200	500	LMBC	LANDMARK BANCORP	200	500
ININ	INSTENT INC	500	1000	GLCCF	LASER FRIENDLY INC	200	500
IART	INTEGRA LIFESCIECESN	200	500	LCRY	LECROY CP	200	500
ICNI	INTEGRATED COMMUN NTN	500	1000	LGND	LIGAND PHARM INC B	500	1000
IMSC	INTEGRATED MEASR SYS	200	500	LNTV	LIN TELEVISION CP	500	1000
IPEC	INTEGRATED PROCESS	500	1000	LECOA	LINCOLN EL A NON VTG	200	500
ISSI	INTEGRATED SILICON	200	500	LECO	LINCOLN ELECT CO	200	500
ICOMF	INTELECT COMM SYS	200	500	LNDL	LINDAL CEDAR HOMES	1000	500
ISLSW	INTELLIGENT SUR WT A	500	1000	LIPOZ	LIPOSOME CO DEP SHRS	1000	500
INTE	INTERACTIVE GROUP	200	500	LFUSW	LITTELFUSE INC WTS	1000	500
LINKW	INTERLINK ELEC WT 96	200	500	LGWX	LOGIC WORKS INC	200	500
LINK	INTERLINK ELECTRONIC	200	500	LPGLY	LONDON PAC GRP ADR	200	500
IPICZ	INTERNEURON WTS B	500	1000	LORX	LORONIX INFO SYS INCN	500	1000
IMPTY	INTGRATED MICRO ADS	500	1000	LEIX	LOWRANCE ELECTRONICS	500	1000
POST	INTL POST GRP INC	500	1000	LSBI	LSB FINANCIAL CP	500	200
IVIAF	INTL VERIFACT INC	200	500	LUFK	LUFKIN INDS INC	500	1000
IVIAW	INTL VERIFACT WTS	200	500				
TRAV	INTRAV INC	500	1000				

Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
LUMI	LUMISYS INC	200	500	MTMI	MICROTEK MEDICAL	1000	500
				MPDI	MICROWAVE POWER	200	500
				MIAMP	MID AM CUM CNV PFD A	500	200
				MIDS	MID SOUTH INS CO	1000	500
M				MSADY	MID-STATES ADR	200	500
MKAU	M K GOLD CO	500	1000	MCCI	MIDCOM COMMUN INC	200	500
MKRL	M K RAIL CP	500	1000	MSEX	MIDDLESEX WATER CO	500	1000
MLXR	M L X CORP	500	1000	MIDI	MIDISOFT CORP	500	1000
ISER	M M I MEDICAL INC	500	1000	MTIK	MILLER BUILDNG SYS	500	1000
MROC	M O N R O C INC	500	1000	MNMD	MINIMED INC	200	500
MSBB	M S B BANCORP INC	500	1000	MECC	MINN EDUCAT COMP CP	500	1000
MSFI	M S FINANCIAL INC	500	1000	MVBI	MISSISSIPPI VALLEY	500	200
MTLI	M T L INC	1000	500	MITY	MITY-LITE INC	500	1000
MMRI	MACHEEZMO MOUSE RESTN	500	1000	MIZR	MIZAR INC	500	1000
MKIE	MACKIE DESIGNS INC	200	500	MBLE	MOBILE GAS SERVICE	500	1000
MTCC	MAGNETIC TECH CP	1000	500	MINI	MOBILE MINI INC	200	500
BGLS	MANHATTAN BAGEL CO	500	1000	MBLYA	MOBLEY ENVIRO SVCS A	500	1000
MARN	MARION CAP HLDGS	1000	500	MODL	MODEL IMPERIAL INC	500	1000
MRSA	MARISA CHRISTINA INC	500	1000	MODT	MODTECH INC	500	1000
MRKR	MARKER INTERNATIONAL	200	500	MNRTA	MONMOUTH REAL INV A	500	1000
MFAC	MARKET FACTS INC	200	500	MORP	MOORE PRODUCTS CO	500	200
MRCF	MARTIN COLOR-FI INC	500	1000	MOTR	MOTOR CLUB OF AMER	1000	500
MSDX	MASON-DIXON BCSHS	500	1000	MTBN	MOUNTBATTEN INC	200	500
MATW	MATTHEWS INTL CP A	500	1000	MOFN	MOVIEFONE INC CL A	500	1000
MAVK	MAVERICK TUBE CORP	500	1000	MUEL	MUELLER PAUL CO	200	500
MXSBP	MAXUS ENERGY CP PFD	200	500	LABL	MULTI COLOR CP	500	1000
MXWL	MAXWELL LABS INC	500	1000	RDIOA	MULTI MKT RADIO CL A	500	1000
MAXS	MAXWELL SHOE CO CL A	500	1000	RDIOW	MULTI-MKT RADIO WT A	500	1000
MFLR	MAYFLOWER CO OP BK	500	200	RDIOZ	MULTI-MKT RADIO WT B	500	1000
MOXY	MCMORAN OIL & GAS CO	500	1000	MSTG	MUSTANG SOFTWARE	500	1000
MVCO	MEADOW VALLEY CORP	200	500	MYGN	MYRIAD GENETICS INC	200	500
MVCOW	MEADOW VALLEY CP WTS	200	500	MYSW	MYSOFTWARE CO	200	500
MECK	MECKLERMEDIA CP	200	500				
ARTS	MEDIA ARTS GROUP	500	1000	N			
MRII	MEDICAL RESOURCES	500	1000	NABC	N A B ASSET CP	1000	500
MDCL	MEDICALCONTROL INC	500	1000	NALF	N A L FIN GRP INC	200	500
MSNS	MEDISENSE INC	500	1000	NFOR	N F O RESEARCH	1000	500
MPTR	MEDPARTNERS/MULLIKIN	500	1000	NPSP	N P S PHARM INC	500	1000
MEDP	MEDPLUS INC	200	500	NSAI	N S A INTL INC	500	1000
MEGOE	MEGO FINL CP	500	1000	NANO	NANOMETRICS INC	200	500
MMTCY	MEMTEC LTD ADR	500	1000	NALC	NATIONAL LODGING CP	500	1000
MBVT	MERCHANTS BANCSHARES	200	500	NCBE	NATL CITY BANCSHARES	200	500
MBNY	MERCHANTS BK OF N Y	200	500	NCBM	NATL CITY BNCP	500	1000
MBIA	MERCHANTS BNCP IL	1000	500	NEGX	NATL ENERGY GROUP A	200	500
MTRA	METRA BIOSYSTEMS	200	500	NHHC	NATL HOME HLTH CARE	500	1000
MCRL	MICREL INC	500	1000	NAIG	NATL INSURANCE GP	500	1000
MICN	MICRION CP	500	1000	NSCI	NATL SURGERY CTRS	500	1000
MIFGY	MICRO FOCUS SPON ADR	500	1000	NAVG	NAVIGATORS GP INC	500	1000
MLIN	MICRO LINEAR CORP	500	1000	NEOG	NEOGEN CP	500	1000
MINT	MICRO-INTEGRATION CPN	500	1000				
MTMC	MICROS TO MAINFRAME	200	500				

Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
NERXW	NEORX CP WTS	200	500	ORRA	ORBIT SEMICON INC	500	1000
NIIUF	NEOZYME II UTS	1000	500	ONSI	ORION NETWORK SYS	500	1000
NSCP	NETSCAPE COM CP	200	500	ORTL	ORTEL CP	500	1000
NTSR	NETSTAR INC	500	1000	OCAI	ORTHODONTIC CENTERS	500	1000
NETK	NETWORK EXPRESS INC	200	500	OSBN	OSBORN COMMUN CP	500	1000
IMGXW	NETWORK IMAGING WTS	500	1000	OSTX	OSTEX INTL INC	500	1000
NECB	NEW ENGLAND COMM A	200	500	OFCP	OTTAWA FIN CP	500	1000
NHTB	NEW HAMPSHIRE THRIFT	500	1000	OWOS	OWOSSO CP	500	1000
NWCG	NEW WORLD COMMUN A	500	1000				
NMSB	NEWMIL BANCORP	500	1000				
NFSL	NEWNAN SAV BK FSB	200	500	P			
DENRF	NEWSCOPE RES LTD	200	500	PCSS	P C SVC SOURCE INC	1000	500
VISN	NEWVISION TECH INC	500	1000	PDSF	P D S FINANCIAL CP	500	1000
NMBS	NIMBUS CD INTL INC	200	500	PDTI	P D T INC	200	500
NAWC	NO AMER WATCH CP	1000	500	PFINA	P F INDS INC A	500	1000
NOBH	NOBILITY HOMES INC	500	1000	PMTS	P M T SERVICES INC	500	1000
NDCOO	NOBLE DRILL CV PFD	500	1000	PRIA	P R I AUTOMATION INC	500	1000
NOLD	NOLAND CO	500	200	PSTV	P S T VANS INC	200	500
NORPY	NORD PACIFIC LTD ADR	200	500	PCMS	P-COM INC	500	1000
NRLD	NORLAND MED SYS INC	500	1000	PBSF	PACIFIC BANK NATL CA	1000	500
NSYS	NORTECH SYSTEMS INC	200	500	PBBWF	PACIFIC BASIN BLK WT	200	500
NSCF	NORTHSTAR COMPUTER	500	200	PBBSF	PACIFIC BASIN BULK	200	500
NSSY	NORWALK SAV SOCIETY	500	1000	PCCI	PACIFIC CREST CAP	500	1000
NMTXW	NOVAMETRIX MED WTS A	500	1000	PHHM	PALM HARBOR HOMES	200	500
NWSLF	NOWSCO WELL SRVC LTD	500	200	SPOT	PANAMSAT CP	500	1000
NUCM	NUCLEAR METALS INC	500	200	PNDA	PANDA PROJECT INC	200	500
NINE	NUMBER NINE VISUAL	500	1000	PRDM	PARADIGM TECH INC	200	500
NMRX	NUMEREX CP CL A (NY)	500	1000	PLLL	PARALLEL PET CP	500	1000
NURTF	NUR ADVANCED ORD	200	500	PKWY	PARKWAY CO	500	200
NFLIW	NUTRITION FOR LFE WT	200	500	PRLX	PARLEX CP	1000	500
NFLI	NUTRITION FOR LIFE	200	500	PARL	PARLUX FRAGRANCES	200	500
NYCO	NYCOR INC	500	1000	PSAI	PEDIATRIC SVC AMER	500	1000
NYCOA	NYCOR INC CL A	500	1000	PEDX	PEDIATRIX MEDICAL GP	500	1000
NYCOP	NYCOR INC PFD	200	500	PAGI	PENN-AMERICA GRP	500	1000
NYNCY	NYNEX CABLECOMMS ADR	500	1000	PFDC	PEOPLES BANCORP	500	200
				PPLS	PEOPLES BK CP OF IND	500	1000
O				PERC	PERCLOSE INC	200	500
OAKF	OAK HILL FIN INC	200	500	PRCN	PERCON INC	500	1000
OHSC	OAK HILL SPORTSWEAR	500	1000	PERI	PERIPHONICS CP	200	500
OAKT	OAK TECH INC	200	500	PERM	PERMANENT BNCP INC	500	1000
OSYS	OCCUSYSTEMS INC	500	1000	PTCCZ	PERSEPTIVE TEC II UT	500	1000
ODETA	ODETICS INC CL A	500	1000	TPMI	PERSONNEL MGMT INC	500	1000
ODWA	ODWALLA INC	500	1000	PETC	PETCO ANIMAL SUP INC	500	1000
OGLE	OGLEBAY NORTON CO	500	200	WIKD	PETE'S BREWING CO	200	500
OLGR	OILGEAR CO	500	200	PETE	PETERBOROUGH SAV BK	200	500
OLYMP	OLYMPIC FINL LTD PFD	1000	500	PNTGF	PETROMET RES LTD	500	200
ONTC	ON TECHNOLOGY CP	500	1000	PCYC	PHARMACYCLICS INC	1000	500
OPAL	OPAL INC	200	500	PENVF	PHILIP ENVIRON INC	500	1000
OPEN	OPEN ENVIRONMENT CP	200	500	PHLY	PHILLY CONS HLDS	500	1000
				PGLD	PHOENIX GOLD INTL	200	500

Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
PHNX	PHOENIX SHANNON ADS	200	500	FAIRW	RENAISSANCE WTS A	500	1000
PSSI	PHYSICIANS SALES&SVC	500	1000	FAIRZ	RENAISSANCE WTS B	500	1000
MSBC	PIEDMONT BKGP INC	500	1000	RNREF	RENAISSANCERE HLDG	200	500
PIFI	PIEMONTE FOODS INC	200	500	RWAY	RENT-WAY INC	200	500
PGDA	PIERCING PAGODA INC	500	1000	RCII	RENTERS CHOICE INC	500	1000
PNFI	PINNACLE FINL SVCS	200	500	LACI	REPOSSESSION AUCTION	500	1000
PCLE	PINNACLE SYSTEMS INC	500	1000	REPB	REPUBLIC BANK FL	200	500
PIONA	PIONEER COS INC A	200	500	REPS	REPUBLIC ENGR STEELSN	500	1000
PIXT	PIXTECH INC	500	1000	RESI	REPUBLIC ENVIRON SYS	200	500
LANPF	PLAINTREE SYSTEM INC	500	1000	RSFCP	REPUBLIC SEC PFD A	200	500
PMAT	PLASMA & MATERIAL	200	500	RSFCO	REPUBLIC SEC PFD C	200	500
SIGN	PLASTI LINE INC	500	1000	RESM	RESMED INC	500	1000
PLEN	PLENUM PUBLISHING CP	1000	500	RMRPP	RESOURCE MORT PFD A	1000	500
PNDR	PONDER INDS	500	1000	ROIX	RESPONSE ONCOLOGY	200	500
PRTV	POSITIVE RESPONSE TV	500	1000	RPCLF	REVENUE PROP LTD	500	200
PPTV	PPT VISION INC	200	500	RFMI	RF MONOLITHICS INC	500	1000
PRMO	PREMENOS TECH CP	200	500	RELL	RICHARDSON ELECT LTD	500	1000
PBKC	PREMIER BKSHS	200	500	RCHY	RICHEY ELCTS INC	200	500
PLSIA	PREMIER LASER SYS A	500	1000	RIDE	RIDE INC	500	1000
PLSIW	PREMIER LASER WTS A	500	1000	RIMG	RIMAGE CP	500	1000
PLSIZ	PREMIER LASER WTS B	500	1000	RSGI	RIVERSIDE GP INC	200	500
PRFN	PRESTIGE FIN CP	200	500	RESC	ROANOKE ELEC STEEL	500	1000
PSAB	PRIME BNCP INC	500	1000	ROBN	ROBBINS AND MYERS	1000	500
PNBC	PRINCETON NATL BNCP	500	200	ROCM	ROCHESTER MEDICAL CP	500	1000
PRNS	PRINS RECYCLING CP	200	500	ROCF	ROCKFORD INDS INC	200	500
PFACF	PRO-FAC COOP PFD A	200	500	RMCF	ROCKY MT CHOCOLATE	200	500
PXXI	PROPHET 21 INC	1000	500	RFEDP	ROOSEVELT FIN CV PFD	500	200
PSIX	PSINET INC	500	1000	RSTO	ROSE'S STORES WI	200	500
PLFC	PULASKI FURNITURE CP	1000	500	RSTOW	ROSES STORES INC WTS	200	500
PULS	PULSE BANCORP INC	1000	500	RTEC	ROSS TECHNOLOGY INC	200	500

Q			
QLGC	QLOGIC CP	500	1000
QDELW	QUIDEL CP WTS 2000	500	1000
QHGI	QUORUM HEALTH GP INCN	500	1000

R			
RTWI	R T W INC	1000	500
RADAF	RADICA GAMES LTD	500	1000
RAIN	RAINFOREST CAFE INC	500	1000
RMTR	RAMTRON INTL CP	500	1000
RARB	RARITAN BANCORP INC	500	200
REDI	REDDI BRAKE SUPPLY	500	1000
RWTIW	REDWOOD TRUST INC WT	1000	500
RFTN	REFLECTONE INC	500	1000
RMDY	REMEDY CP	500	1000
FAIR	RENAISSANCE ENTERTN	500	1000
RENS	RENAISSANCE SOLUT	200	500

S			
STBA	S & T BANCORP INC	500	1000
SBSE	S B S ENGINEERING	500	1000
SDLI	S D L INC	200	500
SDNB	S D N B FINANCIAL CP	200	500
SFED	S F S BANCORP INC	500	1000
SGVB	S G V BNCP INC	200	500
SIHS	S I HANDLING SYS INC	500	1000
SITL	S I T E L CP	500	1000
SJNB	S J N B FINANCIAL CP	500	1000
SMCC	S M C CP	200	500
SHED	S M T HEALTH SVCS	500	1000
SHEDW	S M T HEALTH SVCS WT	500	1000
SOSS	S O S STAFFING SVCS	200	500
SSET	S S E TELECOM INC	200	500
STBI	S T B SYSTEMS INC	500	1000
SUGN	S U G E N INC	500	1000
SFGD	SAFEGUARD HEALTH ENT	1000	500

Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
SPNSF	SAIPIENS INTL CP ORD	200	500	STRT	STRATTEC SECURITY CP	500	1000
SWMCF	SANCTUARY WOODS MULT	200	500	STRB	STROBER ORGANIZATION	1000	500
SNDK	SANDISK CP	200	500	STRO	STROUDS INC	500	1000
SANO	SANO CP	200	500	STUA	STUART ENTERTAINMENT	500	1000
SCSC	SCANSOURCE INC	200	500	SUBM	SUBMICRON SYSTEMS	500	1000
SVECF	SCANVEC CO 1990 LTD	200	500	SBCN	SUBURBAN BNCP	1000	500
SCHR	SCHERER HEALTHCARE	1000	500	SUBK	SUFFOLK BNCP	500	1000
STIZ	SCIENTIFIC TECH INC	500	1000	SUMX	SUMMA INDS INC	500	200
SCOT	SCOTT AND STRINGFELL	500	200	SUBI	SUN BANCORP INC	200	500
SEAM	SEAMAN FURNITURE CO	1000	500	SCSLP	SUNCOAST SVGS PFD A	1000	500
SECD	SECOND BANCORP INC	200	500	SILVW	SUNSHINE WTS	500	1000
SDTI	SECURITY DYNAMICS	500	1000	SWSH	SWISHER INTL INC	500	1000
SEER	SEER TECHNOLOGIES	500	1000	SWSHW	SWISHER INTL INC WTS	500	1000
SEFX	SELFIX INC	500	1000	SYMT	SYMETRICS INDS INC	200	500
SMTL	SEMITool INC	200	500	SYNX	SYNC RESEARCH INC	200	500
SMTC	SEMTECH CORP	500	1000	SYSF	SYSTEMSOFT CP	500	1000
SENEA	SENECA FOODS CP A	200	500				
SHCR	SHERIDAN HLTHCRE	200	500				
SHVA	SHIVA CP	500	1000	T			
VISNZ	SIGHT RESOURCE CP WT	500	1000	THI	THI INDUSTRIES INC	500	1000
SIGA	SIGMA CIRCUITS INC	500	1000	TSXX	T S X CP	500	1000
SMCO	SIMPSON MFG CO	500	1000	TAIT	TAITRON COMPONENTS A	500	1000
SIMWF	SIMWARE INC	200	500	TPNZ	TAPPAN ZEE FIN INC	200	500
SIRN	SIRENA APPAREL GP	500	1000	TGEN	TARGETED GENETICS CP	500	1000
SROM	SIRROM CAPITAL CP	500	1000	TAGS	TARRANT APPAREL	1000	500
SESI	SMALL'S OILFIELD	500	1000	TKOCF	TASEKO MINES LTD	500	1000
SMSI	SMITH MICRO SFTWR	200	500	TBUD	TEAM RENTAL GRP INC	500	1000
HAMS	SMITHFIELD CO INC	500	200	TRCI	TECHNOLOGY RESEARCH	500	1000
SOMR	SOMERSET GP INC THE	200	500	TGAL	TEGAL CP	200	500
SNSTA	SONESTA INTL A	200	500	TALK	TEL-SAVE HLDGS INC	500	1000
SNIC	SONIC SOLUTIONS	500	1000	TLCM	TELCOM SEMICOND INC	500	1000
SNUS	SONUS PHARM INC	200	500	LBTYA	TELE COMM A LB Y MEDA	200	500
SLCM	SOUTHLAND CP	200	500	TINTA	TELE-COMMUN INTL A	200	500
SWWC	SOUTHWEST WATER CO	500	1000	TLMD	TELEMUNDO GRP INC A	200	500
SVRNP	SOVEREIGN BNCP PFD BN	1000	500	TWSTY	TELEWEST PLC ADR	500	1000
SCTRW	SPECIALTY TELE WTS	500	1000	TLTN	TELTREND INC	200	500
SCTR	SPECIALTY TELECONSTR	500	1000	TSMAF	TESMA INTL INC A	200	500
DIAGF	SPECTRAL DIAGNOSTICS	500	1000	HBGI	THE HOLSON BURNES	500	1000
SPCT	SPECTRIAN CP	500	1000	RHOM	THE ROTTLUND CO.	500	1000
SPIR	SPIRE CP	200	500	TDHC	THERMADYNE HLDGS CP	500	1000
SISB	SPRINGFIELD INST SAV	200	500	TMSTA	THOMASTON MILLS A	500	1000
SPYG	SPYGLASS INC	200	500	TMSR	THRUSTMASTER INC	200	500
STND	STANDARD FIN INC	500	1000	TIVS	TIVOLI SYS INC	500	1000
SMCS	STAR MULTI CARE SVCS	200	500	TBDI	TMBR/SHARP DRILL INC	500	1000
SFIN	STATEWIDE FIN CP	500	1000	TCTC	TOMPKINS COUNTY TR	200	500
STER	STERLING HLTHCRE GRPN	200	500	TSSW	TOUCHSTONE SFTWR CP	200	500
SWBC	STERLING WEST BNCP	200	500	TWER	TOWER AUTOMOTIVE INCN	500	1000
STIM	STIMSONITE CP	500	1000	TSEMF	TOWER SEMICONDUCTOR	500	1000
STRD	STRATEGIC DIST INC	500	1000	TRKA	TRAK AUTO CP	1000	500
TOWV	STRATOSHERE CP	500	1000	IBET	TRANS WORLD GAMING	500	1000

Symbol	Company Name	Old Tier Level	New Tier Level	Symbol	Company Name	Old Tier Level	New Tier Level
IBETW	TRANS WORLD GAMNG WT	500	1000	V			
TRCW	TRANSCOR WASTE SERV	200	500	VALN	VALLEN CP	500	1000
TRNS	TRANSMATION INC	1000	500	VALE	VALLEY SYSTEMS INC	500	1000
TLIC	TRANSPORT HLDGS A	200	500	VJET	VALUJET INC	500	1000
TXCC	TRANSWITCH CP	500	1000	VNTV	VANTIVE CP (THE)	200	500
TWBC	TRANSWORLD BNCP	200	500	VARL	VARI-L CO INC	200	500
TWHH	TRANSWORLD HOME HLTH	500	1000	VFLX	VARIFLEX INC	500	1000
TWHHW	TRANSWORLD HOME WTS	500	1000	VARS	VARSITY SPIRIT CP	1000	500
TRED	TREADO INC	500	1000	VENGF	VENGOLD INC	500	1000
TSBS	TRENTON SAV BANK FSB	500	1000	VCNB	VENTURA COUNTY NATL	500	1000
TPIFY	TRI POLYTA INDO ADR	500	1000	VSEIF	VENTURE SEISMIC LTD	200	500
TRBC	TRIANGLE BNCP INC	500	1000	VSEWF	VENTURE SEISMIC WTS	200	500
TCBK	TRICO BANCSHARES	500	1000	VRTS	VERITAS SOFTWARE CP	500	1000
TMRK	TRIMARK HLDGS INC	1000	500	VRTY	VERITY INC	200	500
TRPS	TRIPOS INC	500	1000	BEAR	VERMONT TEDDY BEAR	500	1000
TSTI	TST/IMPRESO INC	200	500	VRSA	VERSA TECH INC	500	1000
TFCO	TUFCO TECHS INC	500	1000	VIAS	VIASOFT INC	200	500
TYGN	TYLAN GENERAL INC	200	500	VIDA	VIDAMED INC	200	500
				VIDE	VIDEO DISPLAY CP	500	1000
U				VUPDA	VIDEO UPDATE INC A	200	500
USAK	U S A TRUCK INC	1000	500	VUPDZ	VIDEO UPDATE WTS B	200	500
USBR	U S BRIDGE OF NY INC	200	500	VDNX	VIDEONICS INC	500	1000
USBRW	U S BRIDGE OF NY WTS	200	500	VRONY	VIDEOTRON HLDGS PLC	500	1000
CHDX	U S CHINA IND EXCH	200	500	VUTK	VIEW TECH INC	500	1000
USDL	U S DIAGNOSTIC LABS	500	1000	VUTKW	VIEW TECH INC WTS	500	1000
USDLW	U S DIAGNOSTIC WTS A	500	1000	VLGEA	VILLAGE SUPER MKT A	200	500
USDLZ	U S DIAGNOSTIC WTS B	500	1000	VSIO	VISIO CP	200	500
XPRSA	U S XPRESS ENTP CL A	500	1000	VTEK	VODAVI TECHNOLOGY	200	500
UUNT	U N E T TECH INC	500	1000				
ULTR	ULTRADATA SYS INC	200	500	W			
ULTRW	ULTRADATA SYS WTS A	200	500	WBCI	W F S BANCORP INC	500	1000
UCMP	UNICOMP INC	200	500	WFSI	W F S FINANCIAL	200	500
UNMG	UNIMARK GROUP INC	200	500	WSMP	W S M P INC	200	500
UACA	UNION ACCEPTANCE A	200	500	WVFC	W V S FINANCIAL CP	500	200
UBSH	UNION BANKSHARES CP	500	200	WAIN	WAINWRIGHT BK TR CO	200	500
UPCPO	UNION PLANTERS PFD E	1000	500	WNUT	WALNUT FIN SVCS INC	200	500
UNSN	UNISON SOFTWARE INC	500	1000	WLTR	WALTER INDS INC	200	500
UCFCP	UNITED COS FIN PFD	1000	500	WAMUO	WASHING NONCUM PFD C	1000	500
UDCI	UNITED DENTAL CARE	500	1000	WATFZ	WATERFORD PLC ADR UT	500	200
UFCS	UNITED FIRE CASUALTY	200	500	WAVO	WAVEPHORE INC	500	1000
UNBJ	UNITED NATL BNCP	500	200	WAVR	WAVERLY INC	1000	500
UNEWY	UNITED NEWS & MEDIA	500	200	WEDC	WEDCO TECHNOLOGY INC	1000	500
USBN	UNITED SECURITY BNCP	200	500	WTZRA	WEITZER HOMEBUILD A	500	1000
UHCO	UNIV HOLDING CP	500	1000	WELC	WELCOME HOME INC	500	1000
USAP	UNIVERSAL STAINLESS	200	500	WEFC	WELLS FINANCIAL CP	500	1000
UPEN	UPPER PENINSULA ERGY	500	1000	WBPR	WESTERN FED SAV P R	200	500
USOR	US ORDER INC	500	1000	WOFC	WESTERN OHIO FIN	500	1000
USAD	USA DETERGENTS INC	500	1000	WPEC	WESTERN PWR & EQUIP	200	500
USDC	USDATA CORP	200	500	WFRAF	WHARF RESOURCES LTD	500	200

<u>Symbol</u>	<u>Company Name</u>	<u>Old Tier Level</u>	<u>New Tier Level</u>	<u>Symbol</u>	<u>Company Name</u>	<u>Old Tier Level</u>	<u>New Tier Level</u>
WHRC	WHITE RIVER CP	500	1000	Y			
WMCO	WILLIAMS CONTROLS	500	1000	YANB	YARDVILLE NATL BNCP	200	500
WCII	WINSTAR COMMUN INC	500	1000	YESS	YES ENTERTAINMENT	500	1000
WIRL	WIRELESS ONE INC	200	500	YFED	YORK FINANCIAL CP	500	1000
WCHI	WORKINGMENS CAP HLDG	500	200	YBTVA	YOUNG BRDCSTG A	500	1000
WLDA	WORLD AIRWAYS INC	500	1000				
				Z			
X				ZCON	ZYCON CP	200	500
XNVAY	XENOVA GRP PLC ADS	200	500				
XETA	XETA CP	200	500				

NASD NOTICE TO MEMBERS 96-18

Compliance Desk Will Help Members Report Free-Riding And Withholding Information To NASD; Workshops Scheduled For Late April, Early May

Suggested Routing

- Senior Management
- Advertising
- Corporate Finance
- Government Securities
- Institutional
- Internal Audit
- Legal & Compliance
- Municipal
- Mutual Fund
- Operations
- Options
- Registration
- Research
- Syndicate
- Systems
- Trading
- Training

Executive Summary

To help members comply with the Free-Riding and Withholding Interpretation of the NASD[®] Board of Governors (Free-Riding Interpretation), on May 13, 1996, the NASD will initiate a new regulatory service called "Compliance Desk." The NASD believes that Compliance Desk will give members timely notification of hot issues that are subject to NASD regulatory review, and give members adequate time to correct inadvertent errors and/or prohibited sales to restricted persons or accounts, and redistribute the security to nonrestricted persons or accounts at the public-offering price in accordance with the Interpretation.

Compliance Desk, which was developed jointly by the NASD and CommScan, Inc.,¹ will permit the NASD to advise new-issue distribution participants by the close of business on the day secondary market trading begins (trade date), that the NASD has determined that the offering is a hot issue. Compliance Desk will permit the NASD to transmit data to members through a pre-existing electronic communications system, and members will transmit distribution-related information back to the NASD's Free-Riding Regulatory Database through a related system, known as NASDesk.² The electronic exchange of information will increase the accuracy and the efficiency of member reporting of hot-issue information to the NASD. Compliance Desk will also aid members that want to take advantage of the cancellation and reallocation provision of the Free-Riding Interpretation and avoid potential violations caused by inadvertent sales of new-issue securities to restricted persons or accounts. To familiarize NASD members with Compliance Desk and give them the opportunity to ask questions about its operation, the NASD Corporate Financing Depart-

ment and CommScan, Inc., will hold a series of workshops throughout the country during the weeks of April 22 and May 6, 1996.

Background

In February 1995, the NASD published *Notice to Members 95-7* informing members of amendments to its Free-Riding Interpretation, which were approved by the Securities and Exchange Commission (SEC) and became effective on December 7, 1994. A key feature of the amendments is a new provision that sets forth the determination of the NASD Board that:

"It shall not be considered a violation of this [Free-Riding] Interpretation if a member which makes an allocation to a restricted person or account of an offering that trades at a premium in a secondary market, cancels the trade for such restricted person or account, prior to the end of the first business day following the date on which secondary market trading commences and re-allocates such securities at the public offering price to a non-restricted person or account."³

The NASD's Free-Riding Interpretation is based on the premise that members are obligated to make a

¹ CommScan, a third-party data communications facilitator, is used by the majority of the investment banking community involved in the public offerings of securities to efficiently and quickly communicate regulatory and transaction-related information (such as Securities and Exchange Commission (SEC) filings, SEC effectiveness, all-clear wires, notices, etc.).

² The SEC has authorized the NASD to mandate that members engaged in the public offerings of securities transmit Free-Riding and Withholding information via Compliance Desk.

³ See, *NASD Manual* CCH ¶ 2151.06 (October 1995).

bona fide public distribution of securities of a public offering that trade at a premium in the secondary market whenever such secondary market begins (*i.e.*, hot-issue securities). The Free-Riding Interpretation protects the integrity of the public-offering process by ensuring that members make a bona fide distribution of hot-issue securities to the public and do not withhold such securities for their own benefit or use the securities to reward restricted persons or other persons who are in the position to direct future business to the member, or sell hot issues to restricted persons or accounts as defined by the Interpretation.

Before adding the cancellation provisions, members could have been deemed to violate the Free-Riding Interpretation simply by selling the security to a restricted account or to a restricted person because there was no mechanism for them to take corrective action. However, the NASD has determined that a member should not be deemed to have violated the Interpretation if it cancels and corrects sales to a restricted person or account. It further determined to develop a regulatory service that would help members comply with the cancellation provision. The NASD believes that Compliance Desk will give members timely notification of hot issues that are subject to NASD regulatory review, and give members adequate time to correct inadvertent errors and/or prohibited sales to restricted persons or accounts, and redistribute the security to nonrestricted persons or accounts at the public-offering price in accordance with the Interpretation. This will further the purposes of the Free-Riding Interpretation, *i.e.*, to ensure a bona fide distribution of hot-issue securities to the public.

The NASD has piloted Compliance Desk with a group of NASD members and found the new process to be

successful at providing the members in its pilot group with far more timely and efficient regulatory information regarding hot-issue distributions. The pilot has demonstrated that Compliance Desk will, for the first time, provide members with notification on trade date that the NASD has determined a particular distribution to be a hot issue, and give them the opportunity to react to ensure that they are in full compliance with the Free-Riding Interpretation. The NASD also believes that the database capability of Compliance Desk will ensure greater timeliness and accuracy in the transmission and receipt of hot-issue information between the NASD and members.

Description Of Compliance Desk

Compliance Desk is a software application that facilitates the transmission and receipt of hot-issue distribution information between members and the NASD using preformatted templates, called "wires," which are transmitted through a confidential electronic communication system known as SynWire. When the NASD transmits a wire to a member firm, it is delivered to a printer (provided to the firm by CommScan) that provides the member with a multi-part copy of the NASD transmission.⁴ Members then must use Compliance Desk to respond electronically to the NASD with their distribution-related information. Compliance Desk provides members with pre-formatted wire templates that the member fills in with the new-issue distribution information specifically requested by the NASD and electronically transmits the information directly back to NASDesk. The NASD and its members benefit from the use of Compliance Desk because the data fields in the wire templates are stored, retrieved, and preformatted into regulatory reports on the member's distribution-related activities, thus eliminating the need to re-enter infor-

mation from paper questionnaires into a database. Members benefit because the information requested is very current and readily available.

Corporate Financing will issue wires via SynWire and members will be expected to use Compliance Desk to send four different wires responding back to Corporate Financing.

Distribution Information Request

Before the anticipated public offering begins, Corporate Financing will transmit a Distribution Information Request wire to the managing underwriter requiring that the managing underwriter, upon effectiveness of the offering and commencement of the distribution, provide Corporate Financing with the offer date, first trade date, and the names, underwriting commitment, and retention of each distribution participant. Where public offerings use delayed distribution techniques, Corporate Financing expects the managing underwriter to provide distribution information no later than when the offering begins. By T+3, the managing underwriter must revise any information that may have changed as a result of reallocation of securities among underwriters so that Corporate Financing records accurately reflect the actual final distribution of securities by distribution participants. A copy of a sample Distribution Information Request form is attached as Exhibit A.

Distribution Information Response

Upon effectiveness of the offering and commencement of the distribution, the managing underwriter member must submit the Distribution Information Response wire (Exhibit B). Compliance Desk provides the

⁴ Members that do not have a CommScan printer will be supplied one at no cost upon request. Members must have a phone line available for the printer.

member with a preformatted wire template that can be filled in with the names of the distribution participants, their underwriting commitment, and their sales retention. Managing underwriters are required to submit this information to the NASD promptly, but in no case later than the commencement of the distribution, so that if the distribution is deemed to be a hot issue on trade date, the NASD will be prepared to inform all distribution participants that the transaction has been deemed a hot issue not later than the end of trade date.

Hot-Issue Notice

On the day a new issue begins trading in the secondary market, the NASD will monitor the immediate aftermarket trading activity of the security to determine whether it is a hot issue. If the NASD determines that a new issue of security has traded at a premium, it will issue a Hot-Issue Notification wire to the distribution participants (Exhibit C), informing distribution participants that the securities have traded at a premium in the aftermarket and thus have been deemed a hot issue. Members should thereafter immediately review their customer distribution of the hot-issue securities to determine whether sales were made to restricted persons or accounts. If so, the member must cancel those trades before the end of business on the first day following the trade date on which the hot issue begins trading in the secondary market, and then reallocate those securities at the initial public offering (IPO) price to unrestricted persons or accounts. Members are cautioned that provisions of the Free-Riding Interpretation that permit cancellation and reallocation are intended to provide members with a means of correcting minor and inadvertent allocations of securities to

restricted accounts and persons that are deemed restricted under the Interpretation. Questions involving the application of SEC Rule 10(b)6 may arise if a significant number of securities are reallocated after secondary market trading has already commenced.⁵

Hot-Issue Review

An NASD determination that an issue has traded at a premium and is thus deemed a hot issue will be based on the NASD's examination and analysis of all the facts and circumstances surrounding the first day of trading (please refer to *Notice to Members 93-40* for guidance on the internal NASD procedures followed by the staff in identifying hot-issue offerings that are subject to the Interpretation). Corporate Financing will notify electronically all distribution participants of its decision in a Hot-Issue Review wire (Exhibit D). Members will have up to 45 days from receipt of the wire to gather the information necessary and electronically transmit the Free-Riding Questionnaire via Compliance Desk back to the NASD. During particularly heavy hot-issue activity, Corporate Financing may, upon a demonstration of need, grant a member an extension to their request.

Free-Riding Questionnaire

A copy of the Free-Riding Questionnaire is attached as Exhibit E for members' reference. The Questionnaire has been modified somewhat from the Questionnaire issued in *Notice to Members 95-27*, to account for securities that were sold short in the syndicate account to facilitate the distribution of the securities. To clarify the appropriate method for reporting such securities, the NASD has modified Section 1A of the Questionnaire to indicate that the managing

underwriter should report all transactions that have been sold and ticketed at the IPO price, regardless of whether they deliver "deal stock" to the customer or deliver stock they borrowed because the allocation to the customer was a short sale.

Orientation Workshops

To familiarize NASD members with Compliance Desk and give them the opportunity to ask questions about its operation, Corporate Financing and CommScan, Inc., will hold a series of workshops throughout the country during the weeks of April 22 and May 6, 1996. Members who are regularly involved as distribution participants in public offerings have already been notified of the dates and location of the workshops by separate correspondence. Members reading this Notice who wish to attend one of the workshops are encouraged to call Corporate Financing at (301) 208-2700 to reserve space. The NASD urges principals in charge of syndicate, syndicate operations, and syndicate compliance to attend one of the workshops.

Questions about the Free-Riding Interpretation should be directed to Craig Landauer, Associate General Counsel, NASD Office of General Counsel, at (202) 728-8953. Questions regarding the electronic data communications of Free-Riding information and the planned workshops should be directed to Carl Sperapani, LaNita Tyler, or Kemba Walker, NASD Corporate Financing Department, at (301) 208-2700.

⁵ Members are directed to SEC Release No. 34-35059 issued December 7, 1994, which sets forth the views of the Division on Market Regulation of the Securities and Exchange Commission regarding this issue.

EXHIBIT A

@S
ATTN: CORPORATE SYNDICATE DEPARTMENT

ROCKVILLE, MD

@DATE

BK:@BOOK

=====
== DISTRIBUTION INFORMATION REQUEST ==
=====

RE: *Issue Name and Size of Issue*

AS MANAGING UNDERWRITER OF THE ABOVE REFERENCED OFFERING, UPON SEC EFFECTIVENESS, OR UPON PRICING IF THE DISTRIBUTION IS CONDUCTED ON A DELAYED BASIS, PLEASE PROVIDE THE NASD CORPORATE FINANCING DEPARTMENT VIA COMMSCAN, USING SYNWIRE, OR FAX (212) 509-0806 IN NYC, (800) 221-7790 ELSEWHERE, OR PHONE (212) 248-4592 IN NYC, (800) 221-3277 ELSEWHERE, WITH THE FOLLOWING INFORMATION:

- (1) OFFER DATE
- (2) FIRST TRADE DATE
- (3) FOR EACH DISTRIBUTION PARTICIPANT:
NAME, UNDERWRITING COMMITMENT, RETENTION

CHARLES L. BENNETT
DIRECTOR, CORPORATE FINANCING

Via CommScan

@E

@L

@OS1COM00C

@CNAS_DIR.TPL

SYMBOL DEALER NAME

EXHIBIT B

@S
ATTN: NASD CORPORATE FINANCING DEPARTMENT

CITY, STATE

@DATE

BK:@BOOK

=====
== DISTRIBUTION INFORMATION RESPONSE ==
=====

RE: # SHARES
ISSUER
COMMON STOCK

ISSUE DECLARED EFFECTIVE WITH THE SEC ON XXXXXXXXXXXX, XXXXXXXXXXXX.
THE FOLLOWING IS THE DISTRIBUTION INFORMATION YOU REQUESTED:

OFFER DATE: XXXXXXXXXXXX

FIRST TRADE DATE: XXXXXXXXXXXX

DEALER NAME	COMMITMENT	RETENTION
=====	=====	=====

@X

XXXXXXXXXX
XXXXXXXXXX

BY: DEALER
Via CommScan
@E

EXHIBIT C

@S
ATTN: CORPORATE SYNDICATE DEPARTMENT

ROCKVILLE, MD
@DATE
BK:@BOOK

=====
== HOT ISSUE NOTIFICATION ==
=====

RE:

THE ABOVE REFERENCED OFFERING HAS BEEN DEEMED A HOT ISSUE, SUBJECT TO THE FREE-RIDING AND WITHHOLDING INTERPRETATION OF THE NASD BOARD OF GOVERNORS UNDER ARTICLE III, SECTION 1 OF THE NASD RULES OF FAIR PRACTICE. WE ADVISE YOU TO EXAMINE YOUR PLACEMENT OF SECURITIES TO DETERMINE WHETHER TO CANCEL ANY TRADES AND REALLOCATE SECURITIES PLACED WITH A RESTRICTED PERSON OR IN A RESTRICTED ACCOUNT BY THE CLOSE OF BUSINESS, NOVEMBER 6, 1995 OR TO CONFIRM THAT THE SECURITIES WERE PLACED PURSUANT TO AN EXCEPTION AS SET FORTH IN THE INTERPRETATION.

CHARLES L. BENNETT
DIRECTOR, CORPORATE FINANCING
Via CommScan
@E

@L
@OS1COM00C
@CNAS_DIR.TPL

SYMBOL DEALER NAME

EXHIBIT D

@S
ATTN: CORPORATE SYNDICATE DEPARTMENT

ROCKVILLE, MD

@DATE

BK:@BOOK

=====
== HOT ISSUE REVIEW ==
=====

RE: 1,800,000 SHARES
RED BRICK SYSTEMS, INC.
COMMON STOCK

THE NASD IS REVIEWING THE DISTRIBUTION OF THE ABOVE REFERENCED ISSUE IN ORDER TO ESTABLISH WHETHER MEMBERS WHO PARTICIPATED IN THE OFFERING HAVE COMPLIED WITH THE FREE-RIDING AND WITHHOLDING INTERPRETATION OF THE BOARD OF GOVERNORS.

SINCE YOUR FIRM PARTICIPATED IN THIS DISTRIBUTION, SUBMIT THE NASD FREE-RIDING QUESTIONNAIRE VIA COMMSCAN, USING SYNWIRE, OR FAX (212) 509-0806 IN NYC, (800) 221-7790 ELSEWHERE, OR PHONE (212) 248-4592 IN NYC, (800) 221-3277 ELSEWHERE, NO LATER THAN NOVEMBER 7, 1995.

EACH PARTICIPATING FIRM IS RESPONSIBLE FOR ENSURING THAT ITS DISTRIBUTION IS MADE IN ACCORDANCE WITH THE FREE-RIDING AND WITHHOLDING INTERPRETATION. THE ACCURACY OF THE INFORMATION SUPPLIED TO THE NASD WILL BE VERIFIED ON A REGULAR BASIS DURING ROUTINE EXAMINATIONS. THEREFORE, THIS QUESTIONNAIRE SHOULD BE REVIEWED AND AUTHORIZED BY A SENIOR MANAGEMENT OFFICIAL, WHO IS A REGISTERED PRINCIPAL, PRIOR TO SUBMISSION.

CHARLES L. BENNETT
DIRECTOR, CORPORATE FINANCING
Via CommScan
@E

@L
@OS1COM00C
@CNAS_DIR.TPL

SYMBOL DEALER NAME

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Firm: DEALER
Address: ADDRESS

Re: ISSUER.

Offering Date:

INSTRUCTIONS: *Each member is required to complete either Section I or Section II based upon the capacity in which they acted in the distribution of the new issue. Sections III and IV must be completed by all firms for their "confirmed"* securities. It is the executing broker/dealer's responsibility to ensure that securities were distributed in compliance with the Free-Riding and Withholding Interpretation.*

SECTION I. TO BE COMPLETED BY THE MANAGING UNDERWRITER ONLY

- A. Total number of securities offered for public distribution:
 (Include any additional shares received from the issuer as part of any overallotment provision and any shares sold short for the account of the syndicate.) _____
- B. Total number of securities allocated for sale to other underwriters and selling group member: _____
- C. Total number of securities confirmed* by your firm to retail and institutional customers, including all shares billed and delivered on behalf of others, designated orders, group sales, directed sales, etc.: _____

SECTION II. TO BE COMPLETED BY ALL UNDERWRITERS, SELLING GROUP MEMBERS AND OTHER PARTICIPANTS IN THE DISTRIBUTION

- A. Total number of securities confirmed* by your firm to retail and institutional customers. (Do not include shares billed and delivered on your behalf by the managing underwriter, designated orders, group sales, directed sales, etc.): _____
- B. Indicate capacity in which your firm participated in the offering:
 _____ Underwriter
 _____ Selling Group
 _____ Other (Define)

* For purposes of this questionnaire, "confirmed" means the number of new issue securities allocated to the firm for distribution purposes and for which the firm has issued a confirmation/comparison reflecting the full details of such sale to retail customers, institutional accounts, or other broker/dealers. When participating in a distribution of new issue securities, broker/dealers are responsible for ensuring compliance with the Free-Riding and Withholding Interpretation for all securities allocated and confirmed by that broker/dealer.

SECTION III. BREAKDOWN OF SECURITIES DISTRIBUTED BY YOUR FIRM

INSTRUCTIONS: *Indicate total number of securities distributed in each category and, unless otherwise noted, provide detailed information in Section IV, "Sales to Restricted Accounts". This breakdown should contain the final figures after giving effect to all cancellations and reallocations. For additional information regarding categories, please refer to the Board of Governors Interpretation "Free-Riding and Withholding" under Article III, Section 1, of the Rules of Fair Practice.*

1. Securities held in a firm account. _____

2. Sales to any officer, director, general partner, employee or agent of the member or any other broker/dealer, or to person associated with the member or with any other broker/dealer, or to a member of the immediate family of such a person. _____
Indicate the number of shares/units that were sold pursuant to the following provisions:
 - (A) Sales to persons associated with broker/dealers whose business is limited to investment company/variable contract securities or direct participation programs.
Number of shares/units _____

 - (B) Sales to a member of the immediate family of a person associated with a member who is not supported directly or indirectly by that person if the sale is by a broker/dealer other than that employing the restricted person and the restricted person has no ability to control the allocation of the hot issue.
Number of shares/units _____

It is not necessary to complete Section IV for items 2 (A) and (B).

3. Sales to a person who is a finder with respect to the public offering or to any person acting in a fiduciary capacity to the managing underwriter, including among others, attorneys, accountants and financial consultants, or to any other person who is supported directly or indirectly, to a material extent, by any person specified in this paragraph. _____

4. Sales to any senior officer of a bank, savings and loan institution, insurance company investment company, investment advisory firm, or any other institutional type account, (including, but not limited to hedge funds, investment partnerships investment corporations, or investment clubs) domestic or foreign, or to any person in the securities department of, or to any employee or any other person who may influence or whose activities directly or indirectly involve or are related to the function of buying and selling securities for any bank, savings and loan institution, insurance company, investment company, investment advisory firm, or other institutional type account, domestic or foreign, or to any other person who is supported directly or indirectly, to a material extent, by any person specified in this paragraph. _____

5. Sales to any account in which any person specified under paragraphs (2), (3), or (4) has a beneficial interest. _____

6. Sales to other domestic broker/dealers for bona fide public customers, other than those enumerated in paragraphs (2), (3), (4), or (5) above. _____

<u>Name of Broker/Dealer</u>	<u>No. of Shares/Units</u>	<u>Written Representation Received (pursuant to paragraph 6)</u>
-NONE-		

It is not necessary to complete Section IV for item 6.

7. Sales to any domestic bank, domestic branch of a foreign bank, trust company or other conduit for an undisclosed principal. _____

(A) Indicate the number of shares/units that were sold based upon assurances obtained that ultimate purchasers were not restricted persons.
Number of shares/units _____

It is not necessary to complete Section IV for item 7 (A).

8. Sales to a foreign broker/dealer or bank. _____
Indicate the number of shares/units that were sold pursuant to the following conditions.

(A) Sales by a foreign broker/dealer or bank participating in the distribution as an underwriter were made in accordance with provisions of underwriting agreement.
Number of shares/units _____

(B) Affirmative inquiry was obtained that ultimate purchasers were not restricted persons.
Number of shares/units _____

It is not necessary to complete Section IV for items 8 (A) and (B).

9. Sales to an investment partnership or corporation, domestic or foreign (except companies registered under the Investment Company Act of 1940) including but not limited to hedge funds, investment clubs, and other like accounts. _____
Indicate the number of shares/units that were sold pursuant to the following conditions:

(A) "Carve out" mechanism was utilized.
Number of shares/units _____

(B) Determination was made based upon file containing information on all persons having a beneficial interest or the opinion of counsel or accountants was obtained.

Number of shares/units _____

It is not necessary to complete Section IV for items 9 (A) and (B).

10. Sales to public customers. _____

It is not necessary to complete Section IV for item 10.

TOTAL (1 through 10) _____

Please note that the total should be equal to total securities confirmed by your firm as noted in Section I or II.

Indicate the number of shares/units that were originally sold to a restricted account and were subsequently cancelled prior to the end of the first business day after the date on which secondary market trading begins and were reallocated to an unrestricted account.

_____ Not Applicable

Signature of Principal

Title

NOTE: *Questionnaires should be returned to your District Office by the date specified.*

NASD NOTICE TO MEMBERS 96-19

Annual Check List Of NASD Notices To Members

Suggested Routing

- Senior Management
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- Syndicate
- Systems
- Trading
- Training

The NASD® published the following *Notices to Members* during 1995. Duplicate copies are available at \$25 per monthly or special issue. A 2-volume bound-set, indexed reprint of the entire year's Notices, is also available at \$150. Requests, accompanied by a self-addressed mailing label and a check payable to the National Association of Securities Dealers, Inc., or credit card information, should be sent to NASD MediaSourceSM, P.O. Box 9403, Gaithersburg, MD 20898-9403. Credit card telephone orders for bound volumes can be made by telephoning (301) 590-6578, Monday to Friday, 9 a.m. to 5 p.m., Eastern Time.

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NASD NOTICE TO MEMBERS 96-20

The Nasdaq Stock MarketSM and the securities exchanges will be closed on Good Friday, April 5, 1996. "Regular way" transactions made on the business days noted below will be subject to the following schedule:

<u>Trade Date</u>	<u>Settlement Date</u>	<u>Reg. T Date*</u>
Apr. 1	Apr. 4	Apr. 9
2	8	10
3	9	11
4	10	12
5	Markets Closed	—
8	11	15

Good Friday: Trade Date- Settlement Date Schedule

Suggested Routing

- Senior Management
- Advertising
- Corporate Finance
- Government Securities
- Institutional
- Internal Audit
- Legal & Compliance
- Municipal
- Mutual Fund
- Operations
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- Registration
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- Training

*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 five (5) 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."

NASD NOTICE TO MEMBERS 96-21

Nasdaq National Market
Additions, Changes,
And Deletions As Of
February 22, 1996

Suggested Routing

- Senior Management
- Advertising
- Corporate Finance
- Government Securities
- Institutional
- Internal Audit
- Legal & Compliance
- Municipal
- Mutual Fund
- Operations
- Options
- Registration
- Research
- Syndicate
- Systems
- Trading
- Training

As of February 22, 1996, the following 87 issues joined the Nasdaq National Market[®], bringing the total number of issues to 4,023:

Symbol	Company	Entry Date	SOES Execution Level
DHSM	Diagnostic Health Services, Inc.	1/22/96	500
DHSMW	Diagnostic Health Services, Inc. (Wts 6/22/98)	1/22/96	500
RNCO	Alrenco, Inc.	1/23/96	200
FYII	F.Y.I. Incorporated	1/23/96	200
REDB	Red Brick Systems, Inc.	1/23/96	200
MENS	K&G Men's Center, Inc.	1/24/96	200
OTEXF	Open Text Corporation	1/24/96	200
PPDI	Pharmaceutical Product Development, Inc.	1/24/96	200
PHMX	PhyMatrix Corporation	1/24/96	200
SLAB	Sage Laboratories, Inc.	1/24/96	200
WLMR	Wilmar Industries, Inc.	1/24/96	200
ELEX	ELEXSYS International, Inc.	1/25/96	200
ESCMF	ESC Medical Systems, Limited (Ord Shrs)	1/25/96	200
HYBN	Hybridon, Inc.	1/25/96	1000
NICEY	NICE-Systems, Limited (ADR)	1/25/96	1000
PTIX	Performance Technologies, Inc.	1/25/96	200
ALLIF	Alliance Communications Corporation (CI B)	1/26/96	200
MOYC	Moyco Technologies, Inc.	1/26/96	200
OMPT	Omnipoint Corporation	1/26/96	200
PRNIA	Premiere Radio Networks, Inc. (CI A)	1/26/96	200
NMFS	National Medical Financial Services Corp.	1/29/96	200
AATT	Aavid Thermal Technologies, Inc.	1/30/96	200
HTST	Heartstream, Inc.	1/31/96	200
BOATZ	Boatmen's Bancshares, Inc. (Dep Shrs)	2/1/96	200
CPTS	Conceptus, Inc.	2/1/96	200
CNCT	Connective Therapeutics, Inc.	2/1/96	200
IMTN	Iron Mountain Incorporated	2/1/96	200
NWCI	New World Coffee, Inc.	2/1/96	1000
UNDG	Unidigital, Inc.	2/1/96	200
USSB	United States Satellite Broadcasting Company, Inc.	2/1/96	200
CTIM	Childtime Learning Centers, Inc.	2/2/96	200
ITRC	Intercardia, Inc.	2/2/96	200
RACF	RAC Financial Group, Inc.	2/2/96	200
REMC	REMEC, Inc.	2/2/96	200
RLCO	Realco, Inc.	2/2/96	200
RLCOW	Realco, Inc. (Wts 2/1/01)	2/2/96	200
ARTC	ArthroCare Corporation	2/5/96	200
TDGO	3-D Geophysical, Inc.	2/6/96	200
ABAN	American Bancshares, Inc.	2/6/96	200
DGIT	Digital Generation Systems, Inc.	2/6/96	200

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Symbol	Company	Entry Date	SOES Execution Level
DCTM	Documentum, Inc.	2/6/96	200
AIII	Autologic Information International, Inc.	2/7/96	200
EVTI	Endovascular Technologies, Inc.	2/7/96	200
RAPT	Raptor Systems, Inc.	2/7/96	200
RCGI	Renal Care Group, Inc.	2/7/96	500
VOCLF	VocalTec, Limited (Ord Shrs)	2/7/96	200
CVUS	CellularVision USA, Inc.	2/8/96	200
CNRMF	Cinram Limited	2/8/96	200
GLBE	Globe Business Resources, Inc.	2/8/96	500
PMOR	Phar-Mor, Inc.	2/8/96	200
PMORW	Phar-Mor, Inc. (Wts 9/10/02)	2/8/96	200
RCCC	Rural Cellular Corporation	2/8/96	200
TRES	TresCom International, Inc.	2/8/96	200
CBCA	Chancellor Corporation (CI A)	2/9/96	200
CDTX	Colonial Data Technologies Corp.	2/9/96	200
SVRID	Silicon Valley Research Inc.	2/9/96	500
ASIA	Sunbase Asia, Inc.	2/9/96	200
VCSI	Voice Control Systems, Inc.	2/9/96	200
OVBC	Ohio Valley Banc Corporation	2/12/96	200
PHSS	Physician Support Systems, Inc.	2/12/96	200
DCRNZ	Diacrin, Inc. (Uts 12/30/00)	2/13/96	200
MACC	MACC Private Equities Inc.	2/13/96	500
OGNB	Orange National Bancorp	2/13/96	200
COTL	Cotelligent Group, Inc.	2/14/96	200
DPNR	Dignity Partners, Inc.	2/14/96	200
NCSS	NCS HealthCare, Inc. (CI A)	2/14/96	200
OPSI	Optical Sensors Incorporated	2/14/96	200
QZARF	Q-Zar, Inc.	2/14/96	200
SWEBF	SoftQuad International, Inc.	2/14/96	200
VIST	Vista 2000, Inc.	2/14/96	500
VISTW	Vista 2000, Inc. (Wts 10/24/98)	2/14/96	500
VCOM	VitalCom, Inc.	2/14/96	200
XTEL	XeTel Corporation	2/14/96	200
ICGN	ICC Technologies, Inc.	2/15/96	500
CYCH	CyberCash, Inc.	2/15/96	200
ICGN	ICC Technologies, Inc.	2/15/96	500
LNDC	Landec Corporation	2/15/96	200
SCBI	SCB Computer Technology, Inc.	2/15/96	200
CHRI	COHR Inc.	2/16/96	200
CYLK	Cymlink Corporation	2/16/96	200
GNSM	Gensym Corporation	2/16/96	200
IRIX	IRIDEX Corporation	2/16/96	200
KTIE	KTI, Inc.	2/16/96	500
NTEC	Neose Technologies, Inc.	2/16/96	200
ULTD	Ultradata Corporation	2/16/96	200
ANDE	Andersons, Inc. (The)	2/20/96	200
IMPH	Impath, Inc.	2/21/96	200

Nasdaq National Market Symbol And/Or Name Changes

The following changes to the list of Nasdaq National Market securities occurred since January 20, 1996:

New/Old Symbol	New/Old Security	Date Of Change
LPGLY/GOVTY	London Pacific Group, Limited (Spon ADR)/ Govett & Company, Limited (Spon ADR)	1/25/96
PRNI/PRNI	Premiere Radio Networks, Inc. (DE)/ Premiere Radio Networks, Inc. (CA)	1/25/96
PBFI/PBFI	Paris Corporation/Paris Business Forms, Inc.	1/30/96
CELIW/CELIW	Cel-Sci Corporation (Wts 2/6/97)/Cel-Sci Corporation (Wts 2/6/96)	2/2/96
DIIG/DOVT	DII Group, Inc. (The)/DOVatron International, Inc.	2/2/96
EQMD/EQVN	EquiMed, Inc. (DE)/Equivision, Inc. (PA)	2/5/96
PBKB/PBKB	People's Bancshares, Inc./People's Savings Bank of Brockton	2/8/96
BROC/BROC	Brock International, Inc./Brock Control Systems, Inc.	2/12/96
AUGIW/AUGIW	American United Global, Inc. (Wts 2/17/97)/ American United Global, Inc. (Wts 2/17/96)	2/15/96
USFC/TNTF	TNT Freightways Corporation/TNT Freightways Corporation	2/15/96

Nasdaq National Market Deletions

Symbol	Security	Date
ETCO	The Earth Technology Corporation (USA)	1/22/96
HWEC	Hallwood Energy Corporation	1/22/96
EPTK	EP Technologies, Inc.	1/23/96
EFMC	E for M Corporation	1/23/96
NTRSZ	Northern Trust Corp. (Dep Shrs)	1/24/96
INMC	Inmac Corporation	1/26/96
PNDR	Ponder Industries, Inc.	1/26/96
SING	Singing Machine Company, Inc. (The)	1/26/96
SINGW	Singing Machine Company, Inc. (The) (Wts 11/10/99)	1/26/96
CBRA	Cobra Golf Inc.	1/29/96
DYPR	Drypers Corporation	1/29/96
FSBXW	Framingham Savings Bank (Wts 1/31/96)	1/29/96
LAUR	Laurel Bancorp, Inc.	1/29/96
IINT	Information International, Inc.	1/30/96
DPGE	Dial Page, Inc.	1/31/96
FRTH	Fourth Financial Corporation	2/1/96
FRTHZ	Fourth Financial Corporation (Dep Shrs)	2/1/96
MFIN	Metro Financial Corporation	2/1/96
MTEC	Microtec Research, Inc.	2/1/96
SFFD	SFFed Corporation	2/1/96
WSBK	Western Bank	2/1/96
CBKI	Community Banks, Inc.	2/2/96
CONS	Conservative Savings Corp.	2/2/96
ENVG	Envirogen, Inc.	2/2/96
ENVGW	Envirogen, Inc. (Wts 10/12/98)	2/2/96
GWLD	Gaming World International, Ltd.	2/2/96
GWLDW	Gaming World International, Ltd. (Wts A 5/11/99)	2/2/96
CEXCF	Conwest Exploration Company Ltd.	2/5/96
OCOMA	Outlet Communications, Inc. (CI A)	2/5/96
YONK	Younkers, Inc.	2/5/96
PCOR	PSICOR, Inc.	2/7/96

Symbol	Security	Date
SWIS	St. Ives Laboratories, Inc.	2/7/96
CARH	Career Horizons, Inc.	2/8/96
IVFAP	IVF America, Inc. (Pfd A)	2/9/96
MSYS	Medical Technology Systems, Inc.	2/9/96
MSYSZ	Medical Technology Systems, Inc. (Wts 7/9/96)	2/9/96
SOLOQ	Solo Serve Corporation	2/9/96
UTIQE	Unitech Industries, Inc.	2/9/96
FBAI	Foodbrands America, Inc.	2/13/96
GBCT	GBC Technologies, Inc.	2/13/96
ABCI	Allied Bank Capital, Inc.	2/14/96
MIHOW	Miles Homes, Inc. (Wts 4/1/97)	2/14/96
CODA	Coda Energy, Inc.	2/20/96
FRST	FirsTier Financial, Inc.	2/20/96
CNRG	Coastwide Energy Services, Inc.	2/21/96
CHPP	Champps Entertainment, Inc.	2/22/96
DPKG	Dolco Packaging Corp.	2/22/96
MPTR	MedPartners/Mullikin, Inc.	2/22/96

Questions regarding this Notice should be directed to Mark A. Esposito, Nasdaq Market Services Director, Issuer Services, at (202) 496-2536. Questions pertaining to trade-reporting rules should be directed to Bernard Thompson, Assistant Director, NASD Market Surveillance, at (301) 590-6436.

NASD NOTICE TO MEMBERS 96-22

Fixed Income Pricing System Additions, Changes, And Deletions As Of February 28, 1996

Suggested Routing

- Senior Management
- Advertising
- Corporate Finance
- Government Securities
- Institutional
- Internal Audit
- Legal & Compliance
- Municipal
- Mutual Fund
- Operations
- Options
- Registration
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- Systems
- Trading
- Training

As of February 28, 1996, the following bonds were added to the Fixed Income Pricing System (FIPSSM).

Symbol	Name	Coupon	Maturity
FLES.GA	Food 4 Less	10.450	4/14/00
AAPL.GA	Apple Computer Inc	6.500	2/15/04
AMMB.GA	AMRESKO Inc	10.000	1/15/03
AMRD.GA	American Radio Systems Corp	9.000	2/1/06
ELPA.GF	El Paso Electric Company	7.250	2/1/99
ELPA.GG	El Paso Electric Company	7.750	5/1/01
ELPA.GH	El Paso Electric Company	8.250	2/1/03
ELPA.GI	El Paso Electric Company	8.900	2/1/06
ELPA.GJ	El Paso Electric Company	9.400	5/1/11
FBP.GA	First Bank Puerto Rico	7.625	12/20/05
HLR.GA	Hollinger Intl Pubg Inc	9.250	2/1/06
TEXN.GF	Texas New Mexico Power Co	11.250	1/15/97
TEXN.GG	Texas New Mexico Power Co	10.750	9/15/03
ORND.GB	OrNda Health Corp	11.375	8/15/04
AAF.M.GA	AAF-McQuay Inc	8.875	2/12/03
BEV.GB	Beverly Enterprises Inc	9.000	2/15/06
AARC.GA	Alamo Rent-A-Car Inc	11.750	1/31/06
PLAY.GA	Players Int'l Inc	10.875	4/15/05
HTG.GA	Heritage Media Corp	8.750	2/15/06
SLBC.GB	Sullivan Broadcasting Inc	10.250	12/15/05
UH.GB	US Home Corp New	7.950	3/1/01

As of February 28, 1996, the following bonds were deleted from FIPS.

Symbol	Name	Coupon	Maturity
ACT.GA	Actava Group	9.875	3/15/97
ACT.GB	Actava Group	9.500	8/1/98
ACT.GC	Actava Group	10.000	10/1/99
YGBR.GB	Young Broadcasting	10.125	2/15/05
AEN.GA	AMC Entertainment Inc	11.875	8/1/00
RCMI.GA	Rogers Cantel Mobile	10.750	11/1/01
RCMI.GB	Rogers Cantel Mobile	11.125	7/15/02
RCOM.GA	Rogers Communications	10.875	4/15/04
DOHJ.GA	Doehler-Jarvis	11.875	6/1/02
MHS.GA	Marriott Corp	9.625	2/1/96
BRWR.GA	Brewer C & Co Ltd	16.000	12/15/96
MMRN.GA	Miramar Marine Corp	14.000	8/1/98

* FIPS mandatory bond

All bonds listed above are subject to trade-reporting requirements. Questions pertaining to trade-reporting rules should be directed to James C. Dolan, NASD Market Surveillance, at (301)590-6460.

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DISCIPLINARY ACTIONS

Disciplinary Actions Reported For March

The NASD® has taken disciplinary actions against the following firms and individuals for violations of the NASD Rules of Fair Practice; securities laws, rules, and regulations; and the rules of the Municipal Securities Rulemaking Board. Unless otherwise indicated, suspensions will begin with the opening of business on Monday, March 18, 1996. The information relating to matters contained in this Notice is current as of the fifth of this month. Information received subsequent to the fifth is not reflected in this edition.

Firm Expelled, Individuals Sanctioned
Domestic Capital, Inc. (Buffalo, New York), Michael A. Wier (Registered Principal, East Aurora, New York), Michael J. Clark (Registered Principal, Orchard Park, New York), William G. Suchocki (Registered Principal, Springville, New York) and Timothy T. Kraska (Registered Representative, N. Tonawana, New York) submitted an Offer of Settlement pursuant to which the firm was expelled from NASD membership. Wier was fined \$75,000 and barred from association with any NASD member in any capacity with a right to reapply after three years and Clark and Suchocki were each fined \$100,000 and barred from association with any NASD member in any capacity. Kraska was fined \$150,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that the firm, Wier, Clark, Suchocki, and Kraska made fraudulent misrepresentations and price predictions, failed to disclose material facts, and made unsuitable recommendations of securities to public customers. The NASD also found that Clark and Suchocki fabricated and inflated financial information in question-

naires of customers who purchased stock in private offerings to make it appear that the investments were appropriate when, in fact, they were unsuitable. By doing so, Clark and Suchocki caused the firm's books and records to be false and inaccurate. The findings also stated that the firm, acting through Wier and Clark, failed to establish, implement, and enforce reasonable supervisory procedures designed to prevent the sales practice and record keeping violations.

Firms Fined, Individuals Sanctioned
Regency Capital Group, Inc. (Glendale, California) and Cynthia D. Phillips (Registered Principal, Woodland Hills, California). The firm and Phillips were fined \$25,000, and required to disgorge \$4,736, both jointly and severally. Phillips was required to requalify by exam as a general securities principal and as a general securities sales representative. The sanctions were based on findings that the firm, acting through Phillips, effected riskless principal retail transactions with customers in securities when the firm was not a market maker in these securities. The firm was required to confirm these transactions to its customers and disclose in writing the total amount of any markup, markdown, or similar remuneration received. The firm, acting through Phillips, sent confirmations to its customers that failed to comply with the provisions of Securities and Exchange Commission (SEC) Rule 10b-10(a)(8)(i)(A) and effected transactions at prices that were unfair and excessive in that the total prices charged to customers ranged from 6.74 to 9.69 percent above the firm's contemporaneous cost for these securities. The firm, acting through Phillips, effected securities transactions without complying with the requirements of SEC Rule 15g. The firm, acting through Phillips, also failed to maintain ade-

quate written supervisory procedures and failed to respond to NASD requests for information within the time periods requested and without showing good cause for failure to provide the requested information in a timely manner.

Sovereign Equity Management Corp. (Boca Raton, Florida) and Glen T. Vittor (Registered Principal, Boca Raton, Florida) submitted a Letter of Acceptance, Waiver and Consent pursuant to which they were fined \$15,926, which includes disgorgement of commissions totaling \$5,926. In addition, Vittor was suspended from association with any NASD member in any capacity for 10 business days. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that the firm, acting through Vittor, sold shares of stock that traded at a premium in the immediate aftermarket to restricted persons.

The Wellington Group, Inc. (New York, New York) and Kevin Henry Kading (Registered Principal, Staten Island, New York) submitted a Letter of Acceptance, Waiver and Consent pursuant to which they were fined \$40,000, jointly and severally. Kading was required to requalify by exam as a general securities principal, suspended from association with any NASD member in any principal capacity for two years, suspended from recommending transactions in designated securities for two years, and suspended from serving as an officer or director of or maintaining ownership (including partial ownership) or control of a brokerage firm whose business includes servicing retail customers for two years (excluding institutional investors as defined by SEC Rule 15a-6(b)(7)). Without admitting or denying the allegations, the respondents consented to the described sanctions and to

the entry of findings that the firm, acting through Kading, failed to comply with its restriction agreement, in that the firm solicited the receipt of customer funds, did not comply with its inventory limitations, and failed to maintain at all times a qualified financial and operations principal.

The findings also stated that the firm, acting through Kading, conducted a securities business while failing to maintain the required minimum net capital, computed inaccurate capital computations due to the firm's understatement of its minimum net capital requirement, and calculated inaccurate blockage and haircut charges. The NASD found that the firm, acting through Kading, failed to comply with the Penny-Stock Rules (SEC Rule 15g) in that 90 transactions were effected without obtaining the appropriate documentation and providing the required disclosures. The NASD also determined that the firm, acting through Kading, failed to evidence its supervision of transactions and the firm's written supervisory procedures did not adequately or accurately set forth the supervisory system to supervise the activities of registered representatives and associated persons, nor did it accurately include the titles, registration status, and locations of the required supervisory personnel and the responsibilities of each supervisory person as these relate to the types of business engaged in, applicable securities laws and regulations, and the NASD Rules.

**Firm And Individuals Fined
Spencer Trask Securities, Inc. (New York, New York), Robert P. DiVenere (Registered Principal, Old Greenwich, Connecticut), and Robert J. Hume, III (Registered Principal, Ossining, New York)** submitted a Letter of Acceptance, Waiver and Consent pursuant to which they were fined \$10,000, joint-

ly and severally, and ordered to pay \$3,948 in restitution. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that the firm, acting through DiVenere and Hume, failed to comply with the Penny-Stock Rules (SEC Rule 15g) in that the firm failed to furnish customers who were deemed to be nonexempt under the rule the requisite risk disclosure statements, suitability documents, and written agreements before they purchased the penny stock. The NASD also found that the firm did not furnish the customers the requisite disclosures on these transactions as well as the requisite account statements.

Firm Fined

Investors Associates, Inc. (Hackensack, New Jersey), Donna M. Silverman (Registered Principal, New York, New York), and Alexander N. Cherepakhov (Registered Principal, New York, New York) submitted Letters of Acceptance, Waiver and Consent pursuant to which the firm was fined \$10,000. Silverman and Cherepakhov were fined \$40,000, jointly and severally, and required to disgorge \$35,000 in commissions to the NASD. Silverman was suspended from association with any NASD member in any capacity for 30 days and ordered to requalify by exam as a general securities principal. Cherepakhov was suspended from association with any NASD member in any principal capacity for 90 days and ordered to requalify by exam as a general securities principal. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that the firm, acting through Silverman and Cherepakhov, permitted and facilitated two individuals to function as registered representatives at a branch office of the firm without being registered with the NASD.

Individuals Barred Or Suspended
David A. Andriacco (Registered Representative, Loveland, Ohio)

submitted an Offer of Settlement pursuant to which he was fined \$7,500 and suspended from association with any NASD member in any capacity for 10 business days. Without admitting or denying the allegations, Andriacco consented to the described sanctions and to the entry of findings that he performed financial planning services, sold insurance, and serviced pension plans for a nonmember of the NASD and failed and neglected to give prompt written notice of this outside employment to his member firm. The findings also stated that Andriacco engaged in securities transactions on a private basis without prior written notice to and approval from his member firm.

John J. Balkovec (Registered Representative, Pittsburgh, Pennsylvania)

submitted an Offer of Settlement pursuant to which he was fined \$150,000, barred from association with any NASD member in any capacity, and required to pay \$54,000 plus interest in restitution to a member firm. Without admitting or denying the allegations, Balkovec consented to the described sanctions and to the entry of findings that he received from a public customer \$50,000 for investment purposes. The NASD found that, without the customer's authorization, Balkovec established an account in the customer's name and withdrew and used funds for his personal purposes. The findings also stated that Balkovec falsified a document purporting to be a confirmation by his member firm of the purchase of the stock, falsified documents purporting to be statements of account issued by his member firm to the customer, and submitted such documents to the customer.

Jon R. Butzen (Registered Representative, Lakemoor, Illinois) was fined \$12,500 and barred from association with any NASD member in

any capacity. The SEC affirmed the sanctions following appeal of a March 1995 National Business Conduct Committee (NBCC) decision. The sanctions were based on findings that Butzen failed to disclose on his Uniform Application for Securities Industry Registration or Transfer (Form U-4) that he was the subject of a pending NASD complaint. Butzen also executed unauthorized transactions in the account of a public customer without the customer's knowledge, consent, or authorization to exercise discretion in the account. Butzen also failed to respond timely to NASD requests for information.

Paul McCulloch Byatt (Registered Representative, Irving, Texas)

was fined \$1,000, suspended from association with any NASD member in any capacity for 30 days, and required to requalify by exam. The sanctions were based on findings that Byatt failed to respond timely to NASD requests for information about his financial transactions with a public customer.

Matthew L. Carragher (Registered Representative, San Diego, California)

was fined \$72,500, barred from association with any NASD member in any capacity, and ordered to reimburse his member firm \$9,500. The sanctions were based on findings that Carragher received from public customers checks totaling \$10,500 for investment purposes. Carragher cashed the checks; however, the customers never received confirmations or account statements referencing these purchases and Carragher forwarded a falsified statement to one of the customers. Carragher failed to purchase the shares or to return the money to the customers and converted the funds for his own use. Carragher also failed to respond to NASD requests for information.

Andrew P. Cinman (Registered Principal, Atlanta, Georgia) was

fined \$50,000 and barred from association with any NASD member in any capacity with the right to reapply in nonsupervisory or nonproprietary capacities after three months. The SEC affirmed the sanctions following appeal of a May 1995 NBCC decision. The sanctions were based on findings that Cinman effected transactions in his personal securities account at his member firm that were beyond his financial means, resulting in violations of the margin requirements set for in Regulation T of the Federal Reserve Board and the NASD Rules of Fair Practice.

David R. Clark (Registered Representative, St. Clairsville, Ohio)

submitted an Offer of Settlement pursuant to which he was fined \$35,000, barred from association with any NASD member in any capacity, and ordered to pay \$2,902.51 in restitution. Without admitting or denying the allegations, Clark consented to the described sanctions and to the entry of findings that he received from public customers checks totaling \$2,902.51 for a life insurance premium. According to the findings, Clark did not use these funds for their intended purpose, but for some purpose other than for the benefit of the customers. The NASD also determined that Clark failed to respond to NASD requests for information.

John DePalo (Registered Representative, Pleasantville, New York)

was fined \$28,750, barred from association with any NASD member in any capacity, and ordered to pay \$3,750 in restitution to customers. The sanctions were based on findings that DePalo received from public customers \$3,750 in checks from public customers to purchase a common stock, failed to deliver the stock to the customers, and retained the payments received for the purchases. DePalo also engaged in private securities transactions, and failed to pro-

vide written notice to his member firm of the described transactions, his proposed role in the transactions, and whether he was receiving compensation in connection with the transactions.

Rosemary Eskridge (Associated Person, South Pasadena, California) was fined \$41,312.50, barred from association with any NASD member in any capacity, and ordered to reimburse a public customer \$4,262.50. The sanctions were based on findings that Eskridge solicited a customer to purchase shares of stock and instructed the customer to mail her a \$4,262.50 check to purchase the stock. The customer agreed and mailed the check to Eskridge. Eskridge told the customer that she had not received the check, instructed the customer to deliver \$4,262.50 cash to her to consummate the purchase transaction, and told the customer that she would return the check to him as soon as she had received it. Eskridge converted the cash for her own use and subsequently received the check but did not return it to the customer. Eskridge also failed to respond to NASD requests for information.

Jody M. Felterman (Registered Representative, Patterson, Louisiana) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$220,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Felterman consented to the described sanctions and to the entry of findings that he received from public customers \$6,235,123 for investment purposes and failed and neglected to make the investments. The NASD found that Felterman converted a portion of the funds to his own use and benefit without the customer's knowledge or consent. The NASD also determined that, in connection with the afore-

mentioned activities, Felterman made material misrepresentations to the customers to induce the purchase of securities. The findings also stated that, in connection with a check-kiting scheme, Felterman failed and neglected to deposit funds timely into securities accounts, deposits which he caused to be reflected on his firm's cash receipts blotter and customer ledgers, thus causing his member firm's books and records to be inaccurate. Felterman also failed to respond to NASD requests for information

Anatoly V. Finkel (Registered Representative, Cincinnati, Ohio) was fined \$20,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Finkel failed to respond to NASD requests for information regarding a customer complaint.

Francis W. Giampa (Registered Representative, Ambler, Pennsylvania) was fined \$20,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Giampa failed to respond to NASD requests for information.

Alexander Godelman (Registered Representative, Paramus, New Jersey) was fined \$40,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Godelman received from public customers for mutual fund purchases a \$10,000 check payable to a company he owned and controlled. Instead, Godelman deposited these funds into the company's bank account and commingled them with other funds. Godelman also failed to respond to an NASD request for information.

Peter M. Harrington (Registered Representative, Clarence, New York) was fined \$150,000, barred from association with any NASD

member in any capacity, and ordered to pay \$125,412.01 in restitution to customers. The sanctions were based on findings that Harrington failed to deliver liquidation proceed checks totaling \$75,412.01 to public customers, but, instead, endorsed the customers' names on the checks and used the funds for some purpose other than for the benefit of the customers. Harrington also obtained \$50,000 from a public customer to purchase a certificate of deposit, and, without the knowledge or consent of the customer, he retained the funds for his own use and benefit. Harrington engaged in the aforementioned transactions in the absence of written or oral discretionary authority in the customers' accounts and without their knowledge or consent.

Michael S. Lerner (Registered Principal, Woodland Hills, California) was fined \$20,000 and barred from association with any NASD member. The sanctions were based on findings that Lerner failed to respond to NASD requests for information concerning its investigation of certain sales scripts used in connection with the sale of a limited partnership offering.

Garnet M. Marcotte (Registered Representative, Oxford, Massachusetts) submitted an Offer of Settlement pursuant to which he was fined \$20,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Marcotte consented to the described sanctions and to the entry of findings that he failed to respond to NASD requests for information about a customer complaint.

John M. Mayberry (Registered Principal, Oklahoma City, Oklahoma) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$5,000 and suspended from association with any

NASD member in any capacity for two weeks. Without admitting or denying the allegations, Mayberry consented to the described sanctions and to the entry of findings that he issued sales literature to public customers without obtaining prior written authorization from his member firm. The NASD also found that, in connection with the sales literature, Mayberry omitted certain material facts.

Robert Neal McWilliams (Registered Representative, Dallas, Texas) was barred from association with any NASD member in any capacity. The sanction was based on findings that McWilliams, during the Series 7 exam, failed to adhere to PROCTOR® Certification and Training center instructions in that he made use of handwritten notes relating to the exam's subject matter.

Robert L. Miller (Registered Representative, Chicago, Illinois) was fined \$30,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Miller received from a public customer \$164.99 in cash with instructions to use \$64.99 towards an insurance premium payment and \$100.00 toward a loan repayment. Miller failed to follow the customer's instruction and used the funds for some purpose other than for the benefit of the customer. Miller also failed to respond to NASD requests for information.

Melissa Ann Myers (Registered Representative, Houston, Texas) was fined \$42,630 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Myers instructed her member firm to issue a \$4,526 check to her from her account. After requesting the check, Myers requested that the funds be wired to her bank account. Subsequent to the wire transfer, Myers received a \$4,526 check from her

member firm, cashed it, and converted the funds for her own use and benefit. Myers also failed to respond to NASD requests for information.

Long Duc "Michael" Nguyen (Registered Representative, Westwood, California) was fined \$80,000, barred from association with any NASD member in any capacity, and ordered to reimburse a public customer \$2,000. The sanctions were based on findings that Nguyen received from a public customer \$2,000 to purchase stock and submitted a falsified account statement to the customer showing that he deposited \$2,000 and purchased shares of stock for \$1,687.50. Nguyen failed to purchase the shares of stock or return the money to the customer and converted the funds for his own use. Nguyen also falsified a customer's signature on a subscription agreement and a pension administrator transfer form. Nguyen then forwarded the documents to his member firm to authorize the withdrawal of \$80,000 from a public customer's IRA account and the purchase of shares of a restricted stock to obtain \$6,800 in commissions without the customer's knowledge or consent. Nguyen also failed to respond to NASD requests for information.

Jeffrey J. Norminton (Associated Person, Newport Beach, California) was fined \$70,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Norminton caused \$95,000 to be transferred from the securities account of an institutional customer at his member firm to another member firm without the customer's knowledge or consent. Norminton also failed to respond to NASD requests for information.

James Geoffrey Osborne (Registered Principal, Oshkosh, Wisconsin) was fined \$20,000 and suspended from association with any NASD member in any capacity for two months. The NBCC imposed the sanctions following appeal of a Chicago District Business Conduct Committee (DBCC) decision. The sanctions were based on findings that Osborne obtained from a public customer a \$20,000 check to purchase a limited partnership interest. Instead of using the funds as instructed by the customer and without the customer's knowledge or consent, Osborne deposited the check in the account of a business entity in which he had an interest or controlled and retained the funds for the use and benefit of the entity until a later date. Osborne also recommended the purchase of securities to a public customer without having reasonable grounds for believing that such recommendations were suitable for the customer based on the facts disclosed to him by the customer relating to her investment objectives, financial situation, and needs.

Kirk Moore Rogers (Registered Representative, Elon College, North Carolina) submitted an Offer of Settlement pursuant to which he was fined \$14,551.80 and suspended from association with any NASD member in any capacity for 30 days. Without admitting or denying the allegations, Rogers consented to the described sanctions and to the entry of findings that he solicited for compensation investors who purchased \$191,036 in promissory notes outside the scope of his employment with his member firm without giving prior written notice to or receiving written approval from his member firm.

John A. Stedman (Registered Representative, San Diego, California) was fined \$90,000, barred from association with any NASD member in any capacity, and ordered to reimburse a public customer \$14,000. The sanctions were based on findings

that Stedman received from a public customer a \$14,000 check for investment purposes. Stedman did not purchase the stock for the customer, but, instead, cashed the check and converted the funds for his own use. Stedman also failed to respond to NASD requests for information.

Aldyth Stika (Registered Representative, Laguna Beach, California) was fined \$20,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Stika failed to respond to NASD requests for information regarding its investigation of unauthorized trading.

Robert T. Stout (Associated Person, Easton, Pennsylvania) submitted an Offer of Settlement pursuant to which he was fined \$5,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Stout consented to the described sanctions and to the entry of findings that he received from insurance customers premium payments totaling \$120.72 that he failed to remit to his member firm. The NASD found that Stout retained the funds for his own use and benefit.

Steven W. Taylor (Registered Representative, Longmont, Colorado) was suspended from association with any NASD member in any capacity for 90 days and required to requalify by exam in any capacity in which he seeks to act in the securities industry. The sanctions were based on findings that Taylor caused purchases of securities to be effected in the accounts of public customers for the sole benefit of another customer who paid for the securities and was the sole beneficial owner of these securities when the customer's account had been restricted by Taylor's member firm in accordance with Regulation T of the Federal Reserve Board. Taylor failed to notify his member firm or other-

wise caused his member firm's records to reflect that the customer was the beneficial owner of the securities purchased in the account of the customers. Taylor also failed to cause his ownership of this account to be reflected on the firm's books and records.

Gibrahn W. A. Verdult (Registered Representative, San Juan Capistrano, California) was fined \$20,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Verdult failed to respond to NASD requests for information about an NASD investigation regarding the possible mishandling of a customer's account.

David L. Weintraub (Registered Principal, Tampa, Florida) submitted an Offer of Settlement pursuant to which he was fined \$15,000 and suspended from association with any NASD member in any capacity for 30 days. Without admitting or denying the allegations, Weintraub consented to the described sanctions and to the entry of findings that he recommended the purchase of a common stock to a public customer without having a reasonable basis for believing that said transaction was suitable for the customer. The NASD also found that Weintraub sold shares of common stock to public customers at unfair prices with markups of 20.6 percent over his firm's contemporaneous costs. The findings also stated that Weintraub filed false and inaccurate Form U-4s with the NASD.

Robert Dean White (Registered Principal, Excelsior, Minnesota) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$5,000 and barred from association with any NASD member as a financial and operations principal. Without admitting or denying the allegations, White consented to the described sanctions and to the

entry of findings that a member firm, acting through White, conducted a securities business while failing to maintain its minimum required net capital. The findings also stated that White, acting on behalf of the firm, failed to prepare certain books and records accurately.

Individuals Fined

William Norris Herred (Registered Representative, Santa Barbara, California) submitted a Letter of Acceptance, Waiver and Consent pursuant to which he was fined \$5,000 and ordered to reimburse customers \$22,427.14. Without admitting or denying the allegations, Herred consented to the described sanctions and to the entry of findings that he charged retail securities customers more than a fair markup, taking into consideration all relevant circumstances, including market conditions with respect to such security at the time of the transaction, the expense of executing the order, and the value of any service he may have rendered. Herred also failed to disclose to the customers that the markups were unfair.

Leonard John Ialeggio (Registered Representative, Danville, California) was fined \$15,000 and ordered to requalify by exam as a general securities representative. The NBCC affirmed the sanctions following the appeal of a San Francisco DBCC decision. The sanctions were based on findings that Ialeggio submitted expense vouchers to his member firm's parent company and received payment for travel expenses totaling \$9,868.50 to which he was not entitled. Ialeggio also induced the company to pay \$35,000 for his country club dues, a payment to which he was not entitled.

This action has been appealed to the SEC and the sanctions are not in effect pending consideration of the appeal.

Firms Expelled For Failure To Pay Fines, Costs, And/Or Provide Proof Of Restitution In Connection With Violations

Northland Securities, Newton, Massachusetts

Windsor Reynolds Securities, Inc., New York, New York

Firm Suspended Pursuant To Article VI Section 2 Of The NASD Code Of Procedures For Failure To Pay An Arbitration Award

The date the suspension began is listed after the entry.

Wilshire Discount Securities, Riverside, California (February 12, 1996)

Individuals Whose Registrations Were Revoked For Failure To Pay Fines, Costs And/Or Provide Proof Of Restitution In Connection With Violations

Robert A. Amato, New Orleans, Louisiana

Hans A. Linders, Phoenix, Arizona

Peer Jens Nuesken, Pekin, Illinois

Individuals Whose Registrations Were Canceled/Suspended Pursuant To Article VI, Section 2 Of The NASD Code Of Procedures For Failure To Pay An Arbitration Award

The date the suspensions began is listed after each entry.

Marc Canatella, Buffalo, New York (February 7, 1996)

Dominick Schina, Voorhees, New Jersey (February 1, 1996)

Hibbard Brown & Co., Inc., Fined \$10 Million And Expelled From Membership

The NASD announced that it has expelled Hibbard Brown & Co., Inc. (Hibbard Brown), levied a fine of \$10 million, and imposed other sanctions against Hibbard Brown, Richard P. Brown (Brown), its president, and DeJuan Stroud (Stroud), its compliance officer for defrauding retail customers in the sale of the securities of two public companies.

Pursuant to the disciplinary action taken by the NASD Market Surveillance Committee, respondents Hibbard Brown (which is currently in Chapter 11 bankruptcy), Brown and Stroud submitted an Offer of Settlement in which they consented to findings of facts and violations while neither admitted nor denied the allegations in the Complaint. Sanctions imposed against Hibbard Brown include a censure, expulsion from membership in the Association and a fine of \$10 million.

Stroud is censured, barred from association with any member in any principal capacity, suspended from association with any member of the Association in any capacity for one year, and fined \$25,000.

Brown is censured, barred from association with any member in any capacity, barred from directly or indirectly owning more than 5 percent interest in any Nasdaq[®] company or serving as an officer, director or control person of a Nasdaq company, and is fined \$300,000.

All of the funds recovered from regulatory fines assessed by the NASD against Hibbard Brown, Brown, and Stroud will be deposited into a spe-

cial settlement pool, administered through the bankruptcy proceeding, that will be used to compensate investors.

Hibbard Brown and Brown consented to findings that during the period September through October 1990, Hibbard Brown, Brown and others, directly or indirectly, willfully or recklessly, engaged in a manipulative, fraudulent, and deceptive scheme in connection with transactions in the common stock of First National Realty Associates, Inc. (FNRA). During this same period Hibbard Brown, Brown and others sold FNRA stock to customers in approximately 6,305 principal transactions at unfair prices that were not reasonably related to the prevailing market price for the securities, and failed to disclose to customers such facts. Such excessive charges to customers were 100 percent to 145 percent over the prevailing market price of these securities.

Hibbard Brown and Brown also consented to findings that during the period January 17 through February 15, 1990, Hibbard Brown, acting through Brown and/or other persons associated with Hibbard Brown sold the common stock of Linkon Corporation (LKON) in 3,551 principal transactions to customers at fraudulently excessive prices that were not reasonably related to the prevailing market price and failed to disclose to customers such facts. Customers were charged excessive markups of 140 percent over the prevailing market price of the securities.

Hibbard Brown and Stroud consented to findings that Hibbard Brown failed to make filings with the SEC as required by Securities Exchange

Act Rule 13d-1(b)(1) when Hibbard Brown had ownership of securities exceeding 10 percent of the outstanding shares of FNRA. Stroud was responsible for reviewing the firm's trading positions to determine if such filings were required.

Hibbard Brown, Brown, and Stroud also consented to findings that they failed to establish, maintain, and enforce written supervisory procedures to detect and deter the conduct alleged in the other causes of the complaint.

Additionally, Hibbard Brown consented to findings that it failed to disclose to its customers that it controlled or was under common control with FNRA; that its representatives expressly or impliedly represented to customers that FNRA and LKON common stock was being offered "at the market" when Hibbard Brown dominated and controlled the market for both stocks and had no reasonable grounds to believe that a market existed for either FNRA and LKON other than those made, created or controlled by Hib-

bard Brown. Further, Hibbard Brown consented to findings that it sold FNRA and LKON common stock, underlying FNRA and LKON warrants, prior to FNRA and LKON updating post-effective amendments registering those securities; that it failed to preserve and maintain records related to commission payments to its representatives; and, that Hibbard Brown permitted an individual that was not active in its investment banking or securities business to remain in a registered capacity.

As part of the settlement agreement, Hibbard Brown and Brown also agree to withdraw their appeals in the U.S. Court of Appeals for the Third Circuit of an SEC Administrative proceeding. In this case, the SEC affirmed a 1994 NASD disciplinary action that expelled Hibbard Brown as an NASD member, ordered it to pay \$8.7 million in restitution to defrauded customers and barred Brown in all capacities.

"This enforcement action by the NASD is a victory for every investor who is defrauded by Hibbard

Brown," said John E. Pinto, Executive Vice President, Regulation. "The interests of the investing public have been well served by the severe sanctions imposed in this matter. And although the firm is now under the protection of the bankruptcy court, this fine increases the portion of the bankruptcy proceeds that will be used to pay investors."

This matter was investigated by the Market Surveillance Department and the NASD District 10 Office in New York City. This disciplinary action was taken by the NASD Market Surveillance Committee, which consists of professionals from securities firms around the country. The Committee is responsible for maintaining the integrity of The Nasdaq Stock Market and over-the-counter markets and for disciplining NASD members and their associated persons who fail to comply with market-related securities laws.

FOR YOUR INFORMATION

Treasury's Wire Transfer Recordkeeping Requirements Are Effective April 1, 1996

The Department of the Treasury's (Treasury's) final rule amendments to the Bank Secrecy Act (BSA) regarding wire transfers are effective April 1, 1996. The amendments, which require broker/dealers to comply with additional recordkeeping requirements for funds transfers/transmittals, will facilitate the tracing of funds through the wire-transfer process.

Members are urged to review these changes and may refer to *Notices to Members 95-69* (August 1995) and *95-88* (October 1995). Questions about these Notices may be directed to Susan Lang, NASD Compliance Department, at (202) 728-6969.

NASD Manual Revision Conversion Guides Coming Soon

Members are encouraged to review the NASD *Manual* revision conversion guides, which will be distributed in a *Notice to Members* next month (April 1996). Each of these guides ("new-to-old" and "old-to-new") outlines the reorganized *Manual* and indicates where the relocated material appeared in the old *Manual*. The fully revised NASD *Manual* will be published in May 1996 and it will be disseminated through Commerce Clearing House, Inc.

SPECIAL NASD NOTICE TO MEMBERS 96-23

Treasury Issues Updated List Of Specially Designated Nationals And Blocked Persons

Suggested Routing

- Senior Management
- Advertising
- Corporate Finance
- Government Securities
- Institutional
- Internal Audit
- Legal & Compliance
- Municipal
- Mutual Fund
- Operations
- Options
- Registration
- Research
- Syndicate
- Systems
- Trading
- Training

Executive Summary

The Department of Treasury (Treasury) recently asked the NASD to provide members with the Office of Foreign Assets Control's (OFAC) latest list of persons and entities identified as "Specially Designated Nationals and Blocked Persons." In addition to the list, the NASD has included a summary of OFAC's regulations governing the activities of financial institutions that have such persons or entities as customers. These regulations require broker/dealers to block¹ accounts and other assets of countries identified as threats to national security by the President of the United States and prohibit broker/dealers from engaging in unlicensed trade and financial transactions with such countries. OFAC is authorized to impose significant monetary fines for violations of these regulations.

Background

The U.S. government mandates that all financial institutions located in the United States, overseas branches of these institutions and, in certain instances, overseas subsidiaries of the institutions comply with OFAC regulations governing economic sanctions and embargo programs regarding the accounts and other assets of countries identified as threats to national security by the President of the United States. This always involves accounts and assets of the sanctioned countries' governments, and it may also involve the accounts and assets of individual nationals of the sanctioned countries. Also, these regulations prohibit unlicensed trade and financial transactions with such countries.

Under these regulations, financial institutions must block identified assets and accounts when such property is located in the United States, is held by U.S. individuals or entities, or comes into the possession or control of U.S. individuals or entities.

The definition of assets and property is very broad and covers direct, indirect, present, future, and contingent interests. In addition, Treasury identifies certain individuals and entities located worldwide that are acting on behalf of sanctioned governments, and these must be treated as if they are part of the sanctioned governments.

OFAC may impose criminal or civil penalties for violations of these regulations. Criminal violations may result in corporate fines of up to \$500,000 and personal fines of up to \$250,000 and 10 years in jail; civil penalties of up to \$10,000 per violation also may be imposed. To ensure compliance, OFAC enlists the cooperation of various regulatory organizations and recently asked the NASD to remind its members about these regulations.

Foreign Assets Control Regulations

OFAC currently administers sanctions and embargo programs against Libya, Iran, Iraq, the Federal Republic of Yugoslavia (Serbia and Montenegro), Serb-controlled areas of Bosnia and Herzegovina and Bosnian Serb military and civilian leaders, North Korea, and Cuba. In addition, it prohibits certain exports to the UNITA faction in Angola and prohibits transactions with terrorists threatening to disrupt the Middle East peace process.

Broker/dealers cannot deal in securities issued from these target countries

¹ Blocking, which also may be called freezing, is a form of controlling assets under U.S. jurisdiction. While title to blocked property remains with the designated country or national, the exercise of the powers and privileges normally associated with ownership is prohibited without authorization from OFAC. Blocking immediately imposes an across-the-board prohibition against transfers or transactions of any kind with respect to the property.

and governments and must block or freeze accounts, assets, and obligations of blocked entities and individuals when this property is in their possession or control.

According to OFAC, broker/dealers need to establish internal compliance programs to monitor these regulations. OFAC urges broker/dealers to review their existing customer accounts and the securities in their custody to ensure that any accounts or securities blocked by existing sanctions are being treated properly. Broker/dealers also should review any other securities that may represent obligations of, or ownership interests in, entities owned or controlled by blocked commercial or government entities identified by OFAC.

Broker/dealers must report blockings within 10 days by fax to OFAC Compliance Division at (202) 622-1657. Firms are prohibited from making debits to blocked customer accounts, although credits are authorized. Blocked securities may not be paid, withdrawn, transferred (even by book transfer), endorsed, guaranteed, or otherwise dealt in.

OFAC has issued general licenses authorizing continued trading on the national securities exchanges on behalf of blocked Cuban and North Korean customer accounts under conditions preserving the blocking of resulting assets and proceeds. Secondary market trading with respect to certain Yugoslav debt securities issued pursuant to the "New Financing Agreement" of September 20, 1988, also are authorized; however, certain restrictions and reporting requirements apply.

List Of Sanctioned Governments And Individuals

Whenever there is an update to its regulations, an addition or removal of a specifically designated national, or any other pertinent announcement, OFAC makes the information available electronically on the U.S. Council on International Banking's INTERCOM Bulletin Board in New York and the International Banking Operations Association's Bulletin Board in Miami. The information also is immediately uploaded onto Treasury's Electronic Library (TEL) on the FedWorld Bulletin Board network. In addition, the information is

available through several other government services provided free of charge to the general public.

NASD members are urged to review their procedures to ensure compliance with OFAC regulations.

The NASD urges its members to review the attached list of 138 blocked persons and 60 blocked entities designated by the President of the United States for their significant role in international narcotics trafficking centered in Columbia, or have been determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, to have materially assisted in or provided financial or technological support for, or goods or services in support of, the narcotics trafficking activities of other blocked persons on the list, or to be owned or controlled by, or to act for or on behalf of, other blocked persons on the list.

Questions concerning this Notice may be directed to OFAC at (202) 622-2490. For additional information, refer to *Notice to Members 95-97*.

■ **INTRODUCTION** On October 21, 1995, President Clinton signed Executive Order 12978 entitled "Blocking Assets and Prohibiting Transactions with Significant Narcotics Traffickers" (the "Order").

The Order blocks all property subject to U.S. jurisdiction in which there is any interest of four principal figures in the Cali drug cartel who are listed in the annex to the Order. Those four individuals are named as "Principal Individuals" below. In addition, the Order blocks the property and interests in property of foreign persons determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, (a) to play a significant role in international narcotics trafficking centered in Colombia, or (b) to materially assist in or provide financial or technological support for, or goods or services in support of, persons designated in or pursuant to the Order. In addition, the Order blocks all property and interests in property subject to U.S. jurisdiction of persons determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, to be owned or controlled by, or to act for or on behalf of, persons designated in or pursuant to the Order (collectively "Specially Designated Narcotics Traffickers" or "SDNTs"). Listed below are additional foreign entities and individuals

designated by the Office of Foreign Assets Control as SDNTs pursuant to the Order.

The Order further prohibits any transaction or dealing by a United States person or within the United States in property or interests in property of SDNTs, and any transaction that evades or avoids, has the purpose of evading or avoiding, or attempts to violate, the prohibitions contained in the Order. This obviously impacts trade transactions (involving, for example, letters of credit) as well as accounts and other assets.

Designations of persons blocked pursuant to the Order are effective upon the date of determination by the Director of the Office of Foreign Assets Control, acting under authority delegated by the Secretary of the Treasury. Public notice of blocking is effective upon the date of filing with the Federal Register, or upon prior actual notice.

Corporate criminal penalties for violations of the International Emergency Economic Powers Act range up to \$500,000; individual penalties range up to \$250,000 and 10 years in jail. Civil penalties of up to \$10,000 may also be imposed administratively.

Office of Foreign Assets Control**List of Specially Designated Narcotics Traffickers; Additional Designations**

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Notice of blocking.

SUMMARY: The Treasury Department is adding the names of 138 additional individuals and 60 entities and revising information for 8 individuals on the list of blocked persons contained in the notices published on November 29, 1995, and October 24, 1995, who have been determined to play a significant role in international narcotics trafficking centered in Colombia or have been determined to be owned or controlled by, or to act for or on behalf of, other blocked persons on the list.

EFFECTIVE DATE: March 5, 1996, or upon prior actual notice.

FOR FURTHER INFORMATION: Office of Foreign Assets Control, Department of the Treasury, 1500 Pennsylvania Ave., N.W., Washington, DC 20220; Tel.: (202) 622-2420.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document is available as an electronic file on *The Federal Bulletin Board* the day of publication in the Federal Register. By modem, dial 202/512-1387 and type "/GO FAC," or call 202/512-1530 for disks or paper copies. This file is available for downloading without charge in WordPerfect, ASCII, and Adobe Acrobat™ readable (*.PDF) formats. The document is also accessible for downloading without charge in ASCII format from Treasury's Electronic Library ("TEL") in the "Business, Trade and Labor Mall" of the FedWorld bulletin board. By modem dial 703/321-3339, and select the appropriate self-expanding file in TEL. For Internet access, use one of the following protocols: Telnet = fedworld.gov (192.239.93.3); World Wide Web (Home Page) = <http://www.fedworld.gov>; FTP = ftp.fedworld.gov (192.239.92.205).

Background

On October 21, 1995, President Clinton signed Executive Order 12978, "Blocking Assets and Prohibiting Transactions with Significant Narcotics Traffickers" (the "Order").

The Order blocks all property subject to U.S. jurisdiction in which there is any interest of four principal figures in the Cali drug cartel who are listed in the annex to the Order. In addition, the Order blocks the property and interests in property of foreign persons

determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, (a) to play a significant role in international narcotics trafficking centered in Colombia, or (b) to materially assist in or provide financial or technological support for, or goods or services in support of, persons designated in or pursuant to the Order. In addition, the Order blocks all property and interests in property subject to U.S. jurisdiction of persons determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, to be owned or controlled by, or to act for or on behalf of, persons designated in or pursuant to the Order (collectively "Specially Designated Narcotics Traffickers" or "SDNTs"). On October 24, 1995, 76 additional names were published in the Federal Register that were determined to meet one or more of these criteria (60 FR 54582, October 24, 1995). On November 29, 1995, 4 additional names were published in the Federal Register (60 FR 61288, November 29, 1995).

The Order further prohibits any transaction or dealing by a United States person or within the United States in property or interests in property of SDNTs, and any transaction that evades or avoids, has the purpose of evading or avoiding, or attempts to violate, the prohibitions contained in the Order.

This notice adds the names of 138 additional individuals and 60 entities designated pursuant to the criteria contained in the Order. The notice also contains additional information concerning eight individuals previously designated.

Designations of foreign persons blocked pursuant to the Order are effective upon the date of determination by the Director of the Office of Foreign Assets Control, acting under authority delegated by the Secretary of the Treasury. Public notice of blocking is effective upon the date of filing with the Federal Register, or upon prior actual notice.

Additional Entities:

AGRICOLA HUMYAMI LTDA., Apartado Aéreo 30352, Cali, Colombia.
AGROPECUARIA BETANIA LTDA., Calle 70N No. 14-31, Cali, Colombia; Carrera 61 No. 11-58, Cali, Colombia.
AGROPECUARIA Y REFORESTADORA HERREBE LTDA., Avenida 2N No. 7N-55 of. 501, Cali, Colombia.
ALFA PHARMA S.A., Diagonal 17 No. 28A-80, Bogotá, Colombia.
AMPARO RODRIGUEZ DE GIL Y CIA. S. EN C., Avenida 4N No. 5N-20, Cali, Colombia.

ANDINA DE CONSTRUCCIONES S.A., Cali, Colombia.
ASESORIAS COSMOS LTDA., Carrera 40 No. 6-50 apt. 13-01, Cali, Colombia.
ASPOIR DEL PACIFICO Y CIA. LTDA., Cali, Colombia.
BLANCO PHARMA S.A., (A.K.A. LABORATORIOS BLANCO PHARMA S.A.), Carrera 99 y 100 No. 46A-10, Bodega 4, Bogotá, Colombia.
COLOR 89.5 FM STEREO, Calle 15N No. 6N-34 piso 15, Edificio Alcazar, Cali, Colombia; Calle 19N No. 2N-29, Cali, Colombia.
COMERCIALIZADORA DE CARNES DEL PACIFICO LTDA., Calle 25 No. 8-54, Cali, Colombia.
COMERCIALIZADORA OROBANCA, (A.K.A. SOCIR S.A.), Calle 36A No. 3GN-07 of. 302, Edificio El Parque, Cali, Colombia; Calle 22N No. 5A-75 of. 702, Edificio Via Veneto, Cali, Colombia.
COMPAX LTDA., (A.K.A. INVERSIONES Y DISTRIBUCIONES COMPAX LTDA.), Calle 10 No. 4-47 piso 19, Cali, Colombia.
CONCRETOS CALI S.A., Calle 7 No. 82-65, Cali, Colombia.
CONSTRUCTORA DIMISA LTDA., Calle 70N No. 14-31, Cali, Colombia.
CONSTRUCTORA GOPEVA LTDA., Avenida 3A No. 51-15, Cali, Colombia.
CONSTRUCTORA TREMI LTDA., Carrera 1A Oeste No. 68-75, Cali, Colombia.
CONSTRUEXITO S.A., (A.K.A. CONE S.A.), Avenida 2N No. 7N-55 of. 501, Cali, Colombia.
CREACIONES DEPORTIVAS WILLINGTON LTDA., Cosmocentro, Local 130, Cali, Colombia; Calle 5 No. 25-65, Cali, Colombia.
DEPÓSITO POPULAR DE DROGAS S.A., Carrera 6 No. 24-77, Cali, Colombia.
DERECHO INTEGRAL Y CIA. LTDA., Calle 22N No. 5A-75 piso 5, Cali, Colombia.
DISTRIBUIDORA MYRAMIREZ S.A., Calle 33BN No. 2BN-49 apt. 503A, Cali, Colombia; Carrera 69A No. 49A-49, Bogotá, Colombia.
EXPORT CAFE LTDA., Carrera 7 No. 11-22 of. 413, Cali, Colombia.
FARALLONES STEREO 91.5 FM, Calle 15N No. 6N-34 piso 15, Edificio Alcazar, Cali, Colombia.
FARMATODO S.A., Diagonal 17 No. 28A-39, Bogotá, Colombia; Diagonal 17 No. 28A-80, Bogotá, Colombia.
HAYDEE DE MUÑOZ Y CIA. S. EN C., Avenida 6N No. 23DN-16, Cali, Colombia; Avenida 4N No. 5N-20, Cali, Colombia.
INDUSTRIA AVÍCOLA PALMASECA S.A., Carrera 61 No. 11-58, Cali, Colombia; Carretera Central via Aeropuerto Palmaseca, Colombia.
INMOBILIARIA BOLIVAR S.A., (A.K.A. ADMINISTRACIÓN INMOBILIARIA BOLIVAR S.A.), Calle 17N No. 6N-28, Cali, Colombia.
INMOBILIARIA U.M.V. S.A., Carrera 83 No. 6-50, Edificio Alqueria, Torre C, of. 302, Cali, Colombia.
INVERSIONES BETANIA LTDA., Avenida 2N No. 7N-55 of. 501, Cali, Colombia; Carrera 53 No. 13-55 apt. 102B, Cali, Colombia.
INVERSIONES CAMINO REAL S.A., Calle 10 No. 4-47 piso 19, Cali, Colombia.
INVERSIONES EL PEÑÓN S.A., Avenida 2N, Cali, Colombia.
INVERSIONES GEELE LTDA., Calle 17A No. 28A-23, Bogotá, Colombia.

INVERSIONES GÉMINIS S.A., Carrera 40 No. 6-24 of. 402B, Cali, Colombia.
INVERSIONES HERREBE LTDA., Avenida 2N No. 7N-55 of. 501, Cali, Colombia; Carrera 25 No. 4-65, Cali, Colombia.
INVERSIONES INVERVALLE S.A., (A.K.A. INVERVALLE), Avenida 2N No. 7N-55 of. 501, Cali, Colombia; Calle 70N No. 14-31, Cali, Colombia.
INVERSIONES LA SEXTA LTDA., Calle 10 No. 4-47 piso 19, Cali, Colombia.
INVERSIONES MOMPAX LTDA., (A.K.A. MOMPAX LTDA.), Calle 10 No. 4-47 piso 19, Cali, Colombia.
INVERSIONES RODRIGUEZ ARBELAEZ Y CIA. S. EN C., Avenida 4N No. 5N-20, Cali, Colombia; Avenida 6N No. 23D-16 of. 402, Cali, Colombia.
INVERSIONES RODRIGUEZ MORENO Y CIA. S. EN C., Calle 10 No. 4-47, Cali, Colombia.
INVERSIONES RODRIGUEZ RAMIREZ Y CIA. S.C.S.S., Calle 10 No. 4-47 piso 19, Cali, Colombia.
INVERSIONES Y CONSTRUCCIONES VALLE S.A., (A.K.A. INCOVALLE), Avenida 2N No. 7N-55 of. 501, Cali, Colombia.
LABORATORIOS GENERICOS VETERINARIOS DE COLOMBIA S.A., Carrera 71 No. 57-07, Bogotá, Colombia.
MARIELA DE RODRIGUEZ Y CIA. S. EN C., Cali, Colombia.
MAXITIENDAS TODO EN UNO, Avenida Guadalupe con Avenida Simon Bolivar, Cali, Colombia.
M. RODRIGUEZ O. Y CIA. S. EN C.S., Cali, Colombia.
MUÑOZ Y RODRIGUEZ Y CIA. LTDA., Avenida 6N No. 23DN-26, Cali, Colombia.
PENTA PHARMA DE COLOMBIA S.A., Calle 17A No. 28A-23, Bogotá, Colombia; Calle 17A No. 28A-43, Bogotá, Colombia.
PLASTICOS CONDOR LTDA., Carrera 13 No. 16-62, Cali, Colombia.
RADIO UNIDAS FM S.A., Calle 15N No. 6N-34 piso 15, Edificio Alcazar, Cali, Colombia; Calle 19N No. 2N-29 piso 10 Sur, Cali, Colombia.
REVISTA DEL AMERICA LTDA., Calle 23AN No. 5AN-19, Cali, Colombia.
RIONAP COMERCIO Y REPRESENTACIONES S.A., Quito, Ecuador.
SERVICIOS INMOBILIARIOS LTDA., Carrera 65 No. 13-82, Cali, Colombia; Avenida 2N No. 7N-55 of. 605, Cali, Colombia.
SERVICIOS SOCIALES LTDA., Barranquilla, Colombia.
SOCOVALLE LTDA., (A.K.A. SOCIEDAD CONSTRUCTORA Y ADMINISTRADORA DEL VALLE LTDA.), Avenida 2N No. 7N-55 of. 601-602, Cali, Colombia.
TOBOGON, Avenida Guadalupe con Avenida Simon Bolivar, Cali, Colombia.
VALLE COMUNICACIONES LTDA., (A.K.A. VALLECOM), Carrera 60 No. 2A-107, Cali, Colombia.
VALORES MOBILIARIOS DE OCCIDENTE S.A., Bogotá, Colombia.
VIAJES MERCURIO LTDA., Carrera 3 No. 10-02 Local 113, Cali, Colombia.
W. HERRERA Y CIA. S. EN C., Avenida 2N 7N-55 of. 501, Cali, Colombia.

Additional Individuals:

- ACEVEDO P., FRANCISCO LUIS**, Cédula No. 71660070 (Colombia); Carrera 1 No. 18-52 Cali, Colombia; c/o INVERSIONES INVERVALLE S.A., Cali, Colombia.
- AGUILERA QUIJANO, HAROLD**, Cédula No. 16594227 (Colombia); c/o ASESORIAS COSMOS LTDA., Cali, Colombia.
- ALVAREZ GAVIRIA, JAIME ANTONIO**, Cédula No. 10060853 (Colombia); c/o EXPORT CAFE LTDA., Cali, Colombia.
- AMAYA OROZCO, LUIS ALBERTO**, Cédula No. 4882167 (Colombia); Calle 18N No. 9-46, Cali, Colombia; c/o COMERCIALIZADORA DE CARNES DEL PACIFICO LTDA., Cali, Colombia.
- AMEZQUITA MENESES, SALUSTIO**, Cédula No. 14943885 (Colombia); c/o INMOBILIARIA U.M.V. S.A., Cali, Colombia.
- ANDRADE QUINTERO, ANCIZAR**, Cédula No. 16672464 (Colombia); c/o INMOBILIARIA BOLIVAR LTDA., Cali, Colombia; c/o INMOBILIARIA U.M.V. S.A., Cali, Colombia; c/o SERVICIOS INMOBILIARIAS LTDA., Cali, Colombia.
- ANGULO OROBIO, JOSÉ FRANCISCO**, Cédula No. 16706561 (Colombia); Avenida 4N No. 17-43 apt. 801, Cali, Colombia; c/o INVERSIONES Y CONSTRUCCIONES VALLE S.A., Cali, Colombia.
- ARBELAEZ ALZATE, RAFAEL**, c/o SERVICIOS INMOBILIARIOS LTDA., Cali, Colombia.
- ARBELAEZ GALLON, GLADYS**, Cédula No. 31858038 (Colombia); c/o SERVICIOS INMOBILIARIOS LTDA., Cali, Colombia.
- ARBOLEDA, JULIO**, Cédula No. 16205508 (Colombia); c/o INVERSIONES BETANIA LTDA., Cali, Colombia; c/o INVERSIONES EL PEÑÓN S.A., Cali, Colombia.
- ARBOLEDA A., PEDRO NICHOLAS (NICOLAS)**, Cédula No. 16602372 (Colombia); c/o DEPOSITO POPULAR DE DROGAS S.A., Cali, Colombia; c/o DISTRIBUIDORA DE DROGAS CONDOR LTDA., Bogotá, Colombia.
- ARISTIZABAL ATEHORTUA, JAIME ALBERTO**, Cédula No. 16756325 (Colombia); c/o COLOR 89.5 FM STEREO, Cali, Colombia; c/o DERECHO INTEGRAL Y CIA. LTDA., Cali, Colombia; c/o INVERSIONES MIGUEL RODRIGUEZ E HIJO, Cali, Colombia; c/o RADIO UNIDAS FM S.A., Cali, Colombia; c/o REVISTA DEL AMERICA LTDA., Cali, Colombia.
- ARJONA ALVARADO, RAFAEL**, Cédula No. 19442698 (Colombia); c/o ALPHA PHARMA S.A., Bogotá, Colombia; c/o FARMATODO S.A., Bogotá, Colombia; c/o LABORATORIOS BLAIMAR, Bogotá, Colombia.
- AVENDAÑO GUTIERREZ, FRANCISCO EDUARDO**, Cédula No. 16645182 (Colombia); Carrera 8 No. 66-21 apt. 204, Bogotá, Colombia; Transversal 1A No. 69-54 apt. 502, Bogotá, Colombia; c/o LABORATORIOS GENERICOS VETERINARIOS, Bogotá, Colombia.
- AVILA DE MONDRAGON, ANA DOLORES**, Cédula No. 29183223 (Colombia); c/o COMPAX LTDA., Cali, Colombia.
- BAEZA MOLINA, CARLOS ALBERTO**, Cédula No. 16621765 (Colombia); c/o DERECHO INTEGRAL Y CIA. LTDA., Cali, Colombia; c/o INVERSIONES MIGUEL RODRIGUEZ E HIJO, Cali, Colombia.
- BECHARA SIMANCA, SALIM**, DOB: 26 July 1950; Cédula No. 19163957 (Colombia); c/o SOCOVALLE, Cali, Colombia.
- BENITEZ CASTELLANOS, CESAR TULIO**, c/o DROGAS LA REBAJA, Cali, Colombia; c/o RIONAP COMERCIOS Y REPRESENTACIONES S.A., Quito, Ecuador.
- BUITRAGO, SULAY, (A.K.A. HERRERA BUITRAGO, SULAY)**, c/o AGROPECUARIA Y REFORESTADORA HERREBE LTDA., Cali, Colombia; c/o CONSTRUEXITO S.A., Cali, Colombia; c/o INDUSTRIA AVICOLA PALMASECA S.A., Cali, Colombia; c/o INVERSIONES HERREBE LTDA., Cali, Colombia.
- BUITRAGO DE HERRERA, LUZ MERY**, Cédula No. 29641219 (Colombia); c/o AGROPECUARIA BETANIA LTDA., Cali, Colombia; c/o AGROPECUARIA Y REFORESTADORA HERREBE LTDA., Cali, Colombia; c/o CONSTRUEXITO S.A., Cali, Colombia; c/o INVERSIONES BETANIA LTDA., Cali, Colombia; c/o INVERSIONES GÉMINIS S.A., Cali, Colombia; c/o INVERSIONES HERREBE LTDA., Cali, Colombia; c/o INVERSIONES INVERVALLE S.A., Cali, Colombia; c/o SOCOVALLE, Cali, Colombia.
- BUITRAGO MARIN, ADIELA**, Cédula No. 31137617 (Colombia); c/o CONSTRUEXITO S.A., Cali, Colombia; c/o INDUSTRIA AVICOLA PALMASECA S.A., Cali, Colombia.
- BUITRAGO MARIN, NUBIA**, Cédula No. 31132922 (Colombia); c/o INMOBILIARIA U.M.V. S.A., Cali, Colombia.
- CARMONA, JUAN MANUEL**, c/o INVERSIONES ARA LTDA., Cali, Colombia; c/o INVERSIONES RODRIGUEZ ARBELAEZ, Cali, Colombia; c/o INVERSIONES RODRIGUEZ MORENO, Cali, Colombia.
- CARRILLO SILVA, ARMANDO**, Cédula No. 16242828 (Colombia); c/o DROGAS LA REBAJA, Cali, Colombia; c/o INVERSIONES CAMINO REAL S.A., Cali, Colombia.
- CASQUETE VARGAS, ORLANDO**, Cédula No. 19270159 (Colombia); c/o ALFA PHARMA S.A., Bogotá, Colombia; c/o LABORATORIOS GENERICOS VETERINARIOS, Bogotá, Colombia; c/o LABORATORIOS KRESSFOR, Bogotá, Colombia; c/o PENTA PHARMA DE COLOMBIA S.A., Bogotá, Colombia.
- CASTAÑO ARANGO, FERNANDO**, Cédula No. 14953602 (Colombia); c/o INDUSTRIA AVICOLA PALMASECA S.A., Cali, Colombia.
- CHANG BARRERO, PEDRO ANTONIO**, Cédula No. 14960909 (Colombia); c/o DISTRIBUIDORA MIGIL LTDA., Cali, Colombia; c/o RADIO UNIDAS FM S.A., Cali, Colombia.
- CORTEZ, OLIVERIO ABRIL**, Cédula No. 3002003 (Colombia); c/o CONSTRUCTORA DIMISA LTDA., Cali, Colombia; c/o INVERSIONES GÉMINIS S.A., Cali, Colombia.
- CUARTES MORALES, JUAN CARLOS**, Cédula No. 16757375 (Colombia); c/o INVERSIONES Y CONSTRUCCIONES VALLE S.A., Cali, Colombia.
- DAZA RIVERA, PABLO EMILIO**, Cédula No. 4904545 (Colombia); c/o BLANCO PHARMA S.A., Bogotá, Colombia; c/o COLOR 89.5 FM STEREO, Cali, Colombia; c/o DROGAS LA REBAJA, Cali, Colombia; c/o LABORATORIOS KRESSFOR, Bogotá, Colombia; c/o RIONAP COMERCIO Y REPRESENTACIONES S.A., Quito, Ecuador.
- DELGADO, JORGE ARMANDO**, Cédula No. 19354318 (Colombia); c/o ALFA PHARMA S.A., Bogotá, Colombia; c/o DISTRIBUIDORA MYRAMIREZ S.A., Bogotá, Colombia; c/o FARMATODO S.A., Bogotá, Colombia.
- DIAZ SANCHEZ, ALBERTO**, DOB: January 1956; Cédula No. 16259623 (Colombia); Carrera 66 No. 5-23, Cali, Colombia; c/o CONCRETOS CALI S.A., Cali, Colombia; c/o CONSTRUCTORA DIMISA LTDA., Cali, Colombia; c/o INMOBILIARIA U.M.V. S.A., Cali, Colombia.
- DOMINGUEZ GARIBELLO, FREDDY ORLANDO**, Cédula No. 16659634 (Colombia); c/o INDUSTRIA AVICOLA PALMASECA S.A., Cali, Colombia.
- ECHEVERRY TRUJILLO, MARTHA LUCIA**, Cédula No. 31151067 (Colombia); c/o REVISTA DEL AMERICA LTDA., Cali, Colombia.
- ECHEVERRY TRUJILLO, OSCAR ALBERTO**, Avenida 4N No. 17-23 piso 1, Cali, Colombia; Calle 43N No. 4-05, Cali, Colombia; c/o COLOR 89.5 FM STEREO, Cali, Colombia.
- ESCOBAR BUITRAGO, WALTER**, c/o INMOBILIARIA BOLIVAR LTDA., Cali, Colombia.
- GALINDO, GILMER ANTONIO, (A.K.A. GUZMAN TRUJILLO, CARLOS ARTURO)**, Cédula No. 16245188 (Colombia); Carrera 4C No. 53-40 apt. 307, Cali, Colombia; c/o CONSTRUEXITO S.A., Cali, Colombia; c/o INDUSTRIA AVICOLA PALMASECA S.A., Cali, Colombia.
- GALINDO HERRERA, DIANA PAOLA**, c/o AGROPECUARIA Y REFORESTADORA HERREBE LTDA., Cali, Colombia; c/o CONSTRUEXITO S.A., Cali, Colombia; c/o INDUSTRIA AVICOLA PALMASECA S.A., Cali, Colombia; c/o INVERSIONES HERREBE LTDA., Cali, Colombia.
- GALINDO HERRERA, DIEGO ALEXANDER**, c/o AGROPECUARIA Y REFORESTADORA HERREBE LTDA., Cali, Colombia; c/o CONSTRUEXITO S.A., Cali, Colombia; c/o INDUSTRIA AVICOLA PALMASECA S.A., Cali, Colombia; c/o INVERSIONES HERREBE LTDA., Cali, Colombia.
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- GARCIA MONTILLA, EDGAR ALBERTO, (A.K.A. GARCIA MANTILLA, EDGAR ALBERTO; A.K.A. GARCIA MONTELLA, EDGAR ALBERTO; A.K.A. GARCIA MOGAR, EDGAR);** DOB: 28 November 1946; Passports AC365457 (Colombia), PE008603 (Colombia), PO564495 (Colombia), AA294885 (Colombia); Cédula No. 14936775 (Colombia); c/o REVISTA DEL AMERICA LTDA., Cali, Colombia.
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- GARZÓN RESTREPO, JUAN LEONARDO**, DOB: 14 January 1962; Cédula No. 16663709 (Colombia); Carrera 7P No. 76-90, Cali, Diagonal 53 No. 38A-20 apt. 103, Bogotá c/o BLANCO PHARMA S.A., Bogotá, Colombia; c/o DISTRIBUIDORA MYRAMIREZ S.A., Cali, Colombia; c/o DROGAS LA REBAJA, Cali, Colombia; c/o FARMATODO S.A., Bogotá, Colombia; c/o LABORATORIOS GENERICOS VETERINARIOS, Bogotá, Colombia; c/o LABORATORIOS KRESSFOR, Bogotá, Colombia; c/o PENTA PHARMA DE COLOMBIA S.A., Bogotá, Colombia; c/o VALORES MOBILIARIOS DE OCCIDENTE S.A., Bogotá, Colombia.
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- GÓMEZ BERRIO, OLMES (HOLMES) DE JESÚS**, Cédula No. 73105133 (Colombia); Carrera 1 No. 18-52, Cali, Colombia; c/o INVERSIONES INVERVALLE S.A., Cali, Colombia; c/o INVERSIONES Y CONSTRUCCIONES VALLE S.A., Cali, Colombia.
- GÓMEZ GALINDO, OMAIRA**, Cédula No. 31299825 (Colombia); Apartado Aéreo 38028, Cali, Colombia; Avenida 6N No. 38-90, Cali, Colombia; c/o CONSTRUCTORA GOPEVA LTDA., Cali, Colombia.
- GÓMEZ J., LUIS FERNANDO**, Cédula No. 16716914 (Colombia); c/o INMOBILIARIA U.M.V. S.A., Cali, Colombia.
- GÓMEZ LOPEZ, DIEGO FERNANDO**, c/o CONSTRUCTORA DIMISA LTDA., Cali, Colombia.
- GÓMEZ MORA, RICARDO**, Cédula No. 3249673 (Colombia); c/o INVERSIONES GEELE LTDA., Bogotá, Colombia; c/o LABORATORIOS GENERICOS VETERINARIOS, Bogotá, Colombia.
- GONZÁLEZ ROBLEDO, JULIO CESAR**, Cédula No. 2905977 (Colombia); c/o LABORATORIOS GENERICOS VETERINARIOS, Bogotá, Colombia.
- GUTIÉRREZ ARDILA, EDUARDO**, DOB: 8 August 1958; Cédula No. 16642433 (Colombia); c/o EXPORT CAFE LTDA., Cali, Colombia.
- HENAO LOPEZ, ALBERTO, (A.K.A. HENAO, ALBERTO LOPEZ)**, Cédula No. 2630951 (Colombia); c/o ALFA PHARMA S.A., Bogotá, Colombia.
- HENAO DE SANCHEZ, HORTENSIA**, Cédula No. 29013554 (Colombia); c/o ALFA PHARMA S.A., Bogotá, Colombia.
- HENAO VDA. DE BOTERO, MARIA YOLANDA**, Cédula No. 29070489 (Colombia); c/o ALFA PHARMA S.A., Bogotá, Colombia.
- HERNÁNDEZ C., HECTOR FABIO**, Cédula No. 16615804 (Colombia); c/o INVERSIONES BETANIA LTDA., Cali, Colombia; c/o INVERSIONES EL PEÑÓN S.A., Cali, Colombia.
- HERRERA BUITRAGO, ALVARO**, DOB: 10 October 1955; Cédula No. 16258303 (Colombia); Avenida 6N No. 25-14, Cali, Colombia; c/o INDUSTRIA AVÍCOLA PALMASECA S.A., Cali, Colombia.
- HERRERA BUITRAGO, STELLA**, DOB: 7 October (Year unknown); Cédula No. 31143871 (Colombia); Avenida 1B Oeste No. 1-44 apt. 602, Medeira Building, Cali, Colombia; c/o AGROPECUARIA Y REFORESTADORA HERREBE LTDA., Cali, Colombia; c/o CONCRETOS CALI S.A., Cali, Colombia; c/o CONSTRUCTORA DIMISA LTDA., Cali, Colombia; c/o INDUSTRIA AVÍCOLA PALMASECA S.A., Cali, Colombia; c/o INVERSIONES GEMINIS S.A., Cali, Colombia; c/o INVERSIONES HERREBE LTDA., Cali, Colombia; c/o SOCOVALLE LTDA., Cali, Colombia.
- HERRERA INFANTE, ALBERTO**, Cédula No. 16637518 (Colombia); c/o CONSTRUCTORA DIMISA LTDA., Cali, Colombia; c/o INDUSTRIA AVÍCOLA PALMASECA S.A., Cali, Colombia.
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- HERRERA RAMÍREZ, LINDA NICOLLE**, c/o INDUSTRIA AVÍCOLA PALMASECA S.A., Cali, Colombia.
- HERRERA TOBÓN, MARIA CECILIA**, Cédula No. 31397821 (Colombia); c/o LABORATORIOS GENERICOS VETERINARIOS, Bogotá, Colombia.
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- LARRANAGA CALVACHE, JUAN CARLOS**, Cédula No. 12982064 (Colombia); c/o INMOBILIARIA BOLIVAR LTDA., Cali, Colombia.
- LIBREROS DIEZ, ORLANDO**, Cédula No. 16651068 (Colombia); c/o CONSTRUCTORA DIMISA LTDA., Cali, Colombia. c/o INDUSTRIA AVÍCOLA PALMASECA S.A., Cali, Colombia; c/o VALLE COMUNICACIONES LTDA., Cali, Colombia.
- LINARES REYES, JOSÉ RICARDO, (A.K.A. LLENARES REYES, RICARDO JOSÉ)**, DOB: 8 March 1955; Passport PO466638 (Colombia); Cédula No. 14440139 (Colombia); KM 11, No. 58-57, Cali, Colombia; c/o CONSTRUEXITO S.A., Cali, Colombia; c/o INMOBILIARIA BOLIVAR S.A., Cali, Colombia; c/o INVERSIONES BETANIA LTDA., Cali, Colombia; c/o INVERSIONES EL PEÑÓN S.A., Cali, Colombia; c/o INVERSIONES HERREBE LTDA., Cali, Colombia; c/o INVERSIONES INVERVALLE S.A., Cali, Colombia; c/o INVERSIONES Y CONSTRUCCIONES VALLE S.A., Cali, Colombia; c/o VIAJES MERCURIO LTDA., Cali, Colombia.
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- LUGO VILLAFANE, JESÚS ALBERTO**, Cédula No. 14977685 (Colombia); Calle 70N No. 14-31, Cali, Colombia; c/o CONCRETOS CALI S.A., Cali, Colombia. c/o INVERSIONES Y CONSTRUCCIONES VALLE S.A., Cali, Colombia.
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- MUÑOZ PAZ, ADRIANA DEL SOCORRO**, Cédula No. 31950689 (Colombia); c/o INVERSIONES Y CONSTRUCCIONES VALLE S.A., Cali, Colombia.
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- OSORIO CADAVID, MARIA VICTORIA**, Cédula No. 31932294 (Colombia); c/o COLOR 89.5 FM STEREO, Cali, Colombia; c/o DERECHO INTEGRAL Y CIA. LTDA., Cali, Colombia.
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- PEREZ VARELA, JAIME DIEGO**, Cédula No. 2895666 (Colombia); c/o CONSTRUCTORA GOPEVA LTDA., Cali, Colombia.
- PRADO CUERO, SALOMÓN, (A.K.A. "CHALO")**, DOB: 1 August 1948; Avenida 26 No. 42B-89 Bogotá, Colombia; Carrera 101B No. 11B-50 Cali, Colombia; c/o COLOR 89.5 FM STEREO, Cali, Colombia.
- QUINTERO SALAZAR, LISÍMACO**, c/o INMOBILIARIA U.M.V. S.A., Cali, Colombia.
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- RAMIREZ CORTES, DELIA NHORA (NORA)**, DOB: 20 January 1959; Cédula No. 38943729 (Colombia); c/o AGROPECUARIA Y REFORESTADORA HERREBE LTDA., Cali, Colombia; c/o CONSTRUXITO S.A., Cali, Colombia; c/o INDUSTRIA AVÍCOLA PALMASECA S.A., Cali, Colombia; c/o INMOBILIARIA BOLIVAR S.A., Cali, Colombia; c/o INVERSIONES GEMINIS S.A., Cali, Colombia; c/o INVERSIONES HERREBE LTDA., Cali, Colombia; c/o INVERSIONES INVERVALLE S.A., Cali, Colombia; c/o SOCOVALLE LTDA., Cali, Colombia; c/o VIAJES MERCURIO LTDA., Cali, Colombia.
- RAMIREZ M., OSCAR**, c/o INVERSIONES ARA LTDA., Cali, Colombia; c/o VALORES MOBILIARIOS DE OCCIDENTE S.A., Bogotá, Colombia; c/o RIONAP COMERCIO Y REPRESENTACIONES S.A., Quito, Ecuador.
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- RODRIGUEZ MORENO, JUAN PABLO**, DOB: 30 July 1980; Carrera 65 647, Cali, Colombia; c/o INVERSIONES RODRIGUEZ MORENO, Cali, Colombia.
- RODRIGUEZ MORENO, MIGUEL ANDRÉS**, DOB: 14 July 1977; Passport No. AD253939 (Colombia); Cédula No. 94328841 (Colombia); Carrera 65 No. 6-47, Cali, Colombia; Carrera 66 No. 6-47, Cali, Colombia; c/o INVERSIONES RODRIGUEZ MORENO, Cali, Colombia.
- RODRIGUEZ MORENO, STEPHANIE (STETHANINE)**, c/o INVERSIONES RODRIGUEZ MORENO, Cali, Colombia.
- ROJAS MEJIA, HERNAN**, DOB: 28 August 1948; Cédula No. 16242661 (Colombia); Calle 2A Oeste No. 24B-45 apt. 503A, Cali, Colombia; Calle 6A No. 9N-34, Cali, Colombia; c/o COLOR 89.5 FM STEREO, Cali, Colombia.
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- RUIZ HERNANDEZ, GREGORIO RAFAEL**, DOB: 20 May 1963; Cédula No. 16823501 (Colombia); c/o COMERCIALIZADORA OROBANCA, Cali, Colombia.
- SAAVEDRA RESTREPO, JESÚS MARIA**, DOB: 10 July 1958; Cédula No. 16603482 (Colombia); Calle 5 No. 46-83 Local 119, Cali, Colombia; c/o CONCRETOS CALI S.A., Cali, Colombia; c/o CONSTRUCTORA DIMISA LTDA., Cali, Colombia; c/o INMOBILIARIA U.M.V. S.A., Cali, Colombia.
- SALCEDO R., NHORA CLEMENCIA**, Cédula No. 31273613 (Colombia); c/o INMOBILIARIA BOLIVAR S.A., Cali, Colombia.
- SALCEDO RAMIREZ, JAIME**, Cédula No. 16706222 (Colombia); c/o INMOBILIARIA U.M.V. S.A., Cali, Colombia.
- SALDARRIAGA ACEVEDO, CARLOS OMAR**, DOB: 16 Jan 1954; Cédula No. 14998632 (Colombia); Calle 9B No. 50-100 apt. 102, Cali, Colombia; c/o RADIO UNIDAS FM S.A., Cali, Colombia.
- SANCHEZ DE VALENCIA, DORA GLADYS**, DOB: 7 August 1955; Cédula No. 31273248 (Colombia); c/o INMOBILIARIA U.M.V. S.A., Cali, Colombia.

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- TRIANA TEJADA, LUIS HUMBERTO**, Cédula No. 4916206 (Colombia); c/o COMERCIALIZADORA DE CARNES DEL PACIFICO LTDA., Cali, Colombia.
- TRUJILLO CAICEDO, FRANCISCO JAVIER (PACHO)**; DOB: 23 November 1960; Cédula No. 16264395 (Colombia); Calle 8 Oeste No. 24C-75 apt. 1501, Cali, Colombia; Calle 13C No. 75-95 piso 2, Cali, Colombia; Carrera 76A No. 6-34 apt. 107, Cali, Colombia; c/o COLOR 89.5 FM STEREO, Cali, Colombia.
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- VICTORIA, MERCEDES**, c/o COLOR 89.5 FM STEREO, Cali, Colombia; c/o COMPAX LTDA., Cali, Colombia; c/o INVERSIONES GEELE LTDA., Bogotá, Colombia; c/o LABORATORIOS KRESSFOR, Bogotá, Colombia.
- VICTORIA POTES, NESTOR RAUL**, Cédula No. 16247701 (Colombia); Calle 70N No. 14-31, AA 26397, Cali, Colombia; c/o AGROPECUARIA BETANIA LTDA., Cali, Colombia; c/o INDUSTRIA AVÍCOLA PALMASECA S.A., Cali, Colombia; c/o INMOBILIARIA BOLIVAR S.A., Cali, Colombia.
- VILLEGAS ARIAS, MARIA DEISY (DEICY)**, Cédula No. 31200371 (Colombia); Calle 66 No. 1A-6 51, Cali, Colombia; c/o CONSTRUEXITO S.A., Cali, Colombia; c/o CONCRETOS CALI S.A., Cali, Colombia; c/o SOCOVALLE LTDA., Cali, Colombia.
- VILLEGAS BOLAÑOS, SILVER AMADO**, Cédula No. 10480869 (Colombia); c/o CONCRETOS CALI S.A., Cali, Colombia; c/o INMOBILIARIA BOLIVAR S.A., Cali, Colombia.
- ZÚÑIGA OSORIO, MARCO FIDEL**, c/o LABORATORIOS BLANCO PHARMA, Bogotá, Colombia.
- RODRIGUEZ ARBELAEZ, MARIA FERNANDA**, DOB: 28 November 1973; alternate DOB: 28 August 1973; Passport: AC568974 (Colombia); Cédula No. 66860965 (Colombia); c/o DISTRIBUIDORA DE DROGAS LA REBAJA S.A., Bogotá, Colombia.
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Dated: March 4, 1996.

R. Richard Newcomb,
Director, Office of Foreign Assets Control.

Approved: March 4, 1996.

John P. Simpson,
Deputy Assistant Secretary (Regulatory, Tariff & Law Enforcement).

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