

CRD/PD Bulletin



A PUBLICATION OF THE NASD REGULATION CRD/PUBLIC DISCLOSURE DEPARTMENT

VOLUME 7/NO.2

From The Desk Of . . .

Countdown To Web CRD: 60 Days To Go!

By now you have received two “countdown” postcards from our Department alerting you to important timeframes, helpful hints, and friendly reminders about the deployment of the Web Central Registration Depository (CRDSM) system as its implementation draws near. They’re part of our “countdown” communications campaign—our commitment to provide you with the most complete and up-to-date information as we approach August 16 to ensure a smooth transition to our new Web-based system.

We also plan to send you one more issue of the *CRD/PD Bulletin* before Web CRD becomes operational to describe more fully some of the scenarios you may encounter. Since both pre-implementation issues of the *CRD/PD Bulletin* will focus entirely on Web CRD topics, we have incorporated the *Web CRD Update* into the *Bulletin* for both issues. Keep in mind that each issue of our *Bulletin*, as well as all of our countdown postcards, will be posted on the NASD Regulation Web Site (www.nasdr.com) for your convenience and reference.

I’m delighted to report to you that our Web CRD Conferences were an overwhelming success and sold out at each of our five locations: Los Angeles, Atlanta, Washington, DC, New York, and Chicago. Targeted to registration and licensing personnel who will be using Web CRD, the one and one-half day programs offered an overview of the new system as well as detailed workshops on Web CRD applications, such as form filing, registration management, accounting, and entitlement/account administration. The questions you asked provided us with invaluable feedback. I can assure you that we are using this information as we continue to roll out Web CRD. Thank you for your support and for this critical feedback. For your convenience, the questions and answers from all five conferences have been consolidated and will be posted on our Web Site under “Frequently Asked Questions.”

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JUNE 1999



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Start Today to Prepare for Your New Electronic Form BD Refile: What all of our member firms need to know to refile their Forms BD. Because we recognize that this may be a significant undertaking for some of our firms, we are committed to providing you as much lead time as possible.

New Firm Queues Replace Blue Sheets and Promise to Deliver Quick and Timely Access to Registration Information: Read about the new way you will be able to access “online” registration information in Web CRD.



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For those of you who did not have an opportunity to attend our conferences, I am pleased to announce the availability of a videotape cassette version of our New York conference. The cassette will be available beginning early July. To order a copy, please call NASD MediaSourceSM at (301) 590-6142 or visit the NASDR Web Site at www.nasdr.com over the next few weeks.

With our countdown less than 60 days away, I would like to remind you that Web CRD will support *all* existing functions of the Legacy system and deliver *enhanced* regulatory and registration capabilities. I hope you'll think of Web CRD as an *improved* tool to help you streamline your processes and simplify your filings. We believe you'll be just as enthusiastic as we are once you begin to use it.

Sincerely,

Barbara Z. Sweeney

Director

CRD/Public Disclosure Department



Navigate Your Way Through Web CRD With Our New Tutorial

To help you learn how to navigate your way through our Web CRD system, NASDR is pleased to announce the availability of a new Web CRD Tutorial. The Tutorial is accessible right now through our NASDR Web Site and will be integrated into the Web CRD system once it becomes operational. The Tutorial provides an overview of the following functions of Web CRD available to NASD member firms and other non-member broker/dealers that will be using Web CRD:

- ⌘ **Navigating the System**
Navigation & System Functionality
- ⌘ **Account Administration**
Entitlement Overview

- ⌘ **Filing Forms**
Provides authorized users with the capability to file Forms U-4, U-5, U-6, BD, & BDW
- ⌘ **Registration Management**
 - **Individual Query:** Provides CRD users with the capability of viewing an individual's information on Web CRD
 - **Individual Queues:** Provides the mechanism for CRD to notify firms about processing information for all individuals in your firm
 - **Organization Query:** Provides CRD users with the capability of viewing information about an organization

- **Organization Queues:** Provides the mechanism for CRD to notify firms about their current deficiencies, outstanding disclosure letters, and registration withdrawal or termination
- **Regulator Queues:** Provides the mechanism for Web CRD to notify a regulator and provide processing information

⌘ **CRD Accounting**

Provides firms with access to detailed information on their CRD accounts

The Tutorial will also provide an overview of the capabilities Web CRD will provide to regulators.

We hope you'll try our new Web CRD Tutorial. To get there, visit our Web Site at www.nasdr.com. Navigate your way now to ensure a smooth transition to the new system for you and your firm.

What's The System Transition Period And How Will It Affect My Firm? *A System Transition Period Overview*

As many of you know by now, the System Transition Period refers to the time period prior to the implementation of Web CRD when Legacy CRD is shut down and Web CRD is not yet available. Why do we need a two-week shutdown? The reason is twofold.


First, we need that amount of time to fully load Web CRD with data and perform all data conversions, both manual and automated, to become ready for business on its first day of implementation. CRD contains a huge amount of data representing 2.5 million individuals, five million employments, 13 million registrations, and three million exams! All of this data must be converted from the Legacy CRD system to Web CRD before implementation.

Second, we will introduce new uniform forms when Web CRD is implemented: Forms U-4, U-5, BD, and BDW. The System Transition Period will give us the time we need to capture and review the final form filings submitted by member firms on the Interim Forms and the time we, and other regulators, need to make licensing decisions based on those filings before Web CRD and the new forms are implemented.

The CRD/Public Disclosure Department (CRD/PD) will work seven days a week during the two-week period to reduce the overall outage time for the industry, following this timeline:

System Transition Period Timeline*

July 15, 1999	Last day to execute a mass transfer	<p>* Includes weekends to reduce overall outage</p> <p>** Assumes overnight delivery</p> <p>*** Except for full Forms BDW and full Forms U-5 that must be filed on the new forms (on paper) during the System Transition Period</p>
July 28, 1999**	Last forms mailed by firms overnight to the NASD	
July 29, 1999***	Final forms and deposits received by the NASD	
July 30, 1999	Data capture of last forms performed	
July 30, 1999	Last Electronic Filing Transfer (EFT) received	
July 31 - Aug. 1, 1999	Final disclosure reviews performed by CRD/PD	
Aug. 2, 1999	Final State and SRO Acceptance/approvals	
Aug. 3 - 15, 1999	Data Conversions—manual and automated	
Aug. 16, 1999	Web CRD "live"	



How will the System Transition Period affect your firm and your registration-related activities?

First, ***your new registration requests cannot be filed after July 29.*** NASD Regulation will return any filings received after July 29. Your firm must hold all registration requests, including requests for additional states, after that date until August 16 when Web CRD is implemented. Your firm may file your registrations electronically beginning August 16. Outstanding TAT (Temporary Agent Transfers) “conditional approvals” on the Legacy system will be terminated at the start of the System Transition Period if we have not received the non-deficient TAT Form U-4 as of that date.

Second, ***your firm will not be able to schedule exam windows during the System Transition Period.*** Exams scheduled before the System Transition Period can be taken; however, exam results will not be posted to Web CRD prior to the completion of the transition period. This means that even if an individual takes and passes an exam during the System Transition Period, he/she will not be able to work in that capacity until after August 16 when Web CRD is implemented, updated with exam results, and requested registrations are approved.


Third, ***registration requests for individuals with either a “data” or “form” deficiency, including “fingerprint,” i.e., fingerprint cards have not been received, that are not satisfied and still outstanding by the start of the Transition Period, will be purged.*** You will need to re-request the purged registration requests associated with those deficiencies once Web CRD is implemented. If your firm is concerned that it may have individuals who fall within those parameters and would like to identify them to eliminate the deficiencies before implementation of Web CRD, you may order a roster from CRD/PD’s Research Unit. To order, call the Gateway Call Center at (301) 869-6699 or fax your request on company letterhead to CRD/PD Research at (301) 212-9158. The roster is available at a reduced price of \$25 plus \$.15 per page. ***All other registration deficiencies will be converted to Web CRD.***

Firms can continue to request TATs for individuals.

During the System Transition Period, CRD/PD will accept Transition TAT Requests for registration in participating jurisdictions, for individuals who have left their previous employer within the last seven days and who have **no** reportable disclosure information. You may submit these requests, via fax, to CRD/PD, which will validate that the individual is eligible for TAT, and call the firm the same day to confirm. The submitting firm will then be required to submit an electronic Form U-4 filing via Web CRD within 21 days from the date the TAT was requested, not 21 days from the day Web CRD becomes operational. Therefore, if a firm requests a Transition TAT on August 1, it would only have until August 21 to file its electronic Form U-4. CRD/PD will track Transition TAT information in a database during the System Transition Period. TAT information will be entered into Web CRD by the NASD, SROs, and states when the new system is implemented. Your firm will receive detailed information about the Transition TAT program and copies of the associated request forms in the mail before the System Transition Period begins.

What if an individual comes due for a scheduled Continuing Education session during the System Transition Period? ***Individuals who must fulfill their Continuing Education requirements during the System Transition Period will still be able to do so.*** No individuals will become inactive during this time because NASDR will grant an extension to the affected individuals until August 16, the day that Web CRD is implemented. Individuals who are scheduled to sit for their session during the two-week System Transition Period should do so; the NASD-authorized exam centers will be open for business. The session results will be posted to Web CRD once the system is implemented.

While Transition TAT filings are optional, firms must perform certain registration activities during the transition period. ***Firms are required to report terminated individuals on Form U-5 within 30 days of termination. If such reporting period would end during the transition period, the firm must file a hard copy***



new Form U-5 (full Form U-5) to the NASD. Once Web CRD is implemented, the NASD will enter the **new** Forms U-5 into Web CRD, on behalf of the submitting firm, using the actual date that we received your hard copy Form U-5.

Firms which cease to do business during this time frame should file a hard copy full Form BDW with the NASD using the new Form BDW that becomes effective August 1, 1999.

It is important that everyone in your firm who could be affected by the System Transition Period become familiar with and plan accordingly for the System Transition Period so that the two-week shut down of both systems causes the least amount of disruption to your routine business activities. If you have any questions about the System Transition Period, please contact the Gateway Call Center at (301) 869-6699.

New Firm Queues To Streamline Access To Registration Information

Firm Queues, the new way you will access “online” registration information in Web CRD, will deliver up-to-the-minute, organized registration information to your firm. You currently receive this information in the “blue and yellow sheets.”

There are six categories of Firm Queues, each of which contains several individual queues. The six categories are:

- ⌘ **Registrations:** Includes Pending Individual Registrations, Approved Individual Registrations, Current Individual Deficiencies, Denied Individual Registrations, and Purged Individual Registrations Queues.

***Reminder:** Monitor carefully the Current Individual Deficiencies Queue to ensure that the registration deficiencies are cleared before the registration is purged.*

- ⌘ **Disclosure:** Includes Disclosure Review Queue, which will contain notices of disclosure events that have been received for individuals registered with your firm, and Outstanding Disclosure Letters Queue, which will notify your firm when NASDR needs more information about a disclosure event.

***Reminder:** Pay attention to the Outstanding Disclosure Letters Queue which will give you the information you need about disclosure deficiencies.*

- ⌘ **Fingerprint:** Includes Inactive Registrations Due to Missing Fingerprint Cards, Notices of Undelivered Fingerprint Cards, and Fingerprint Status Received from FBI Queues.

***Reminder:** Take special note of the Inactive Registrations Due to Missing Fingerprint Cards and Notices of Undelivered Fingerprint Card Queues. The Undelivered Fingerprint Card Queues will list all recently registered individuals for whom Web CRD has not received a fingerprint card. If a bar code was entered on the Form U-4 filing and the card is not received within 30 days of receipt of the electronic Form U-4, these individuals will appear in the Inactive Registrations due to Missing Fingerprint Cards Queue and will incur an Inactive Prints status with the NASD. (See “New Fingerprint Card Bar Codes to Provide Quicker Approvals” on page 14 for more details on fingerprint processing.)*

- ⌘ **Exams:** Includes Scheduled Exams, Completed Exams, and Exams that Need to be Rescheduled Queues. The Completed Exams Queue will contain a list of individuals who have completed and passed the exams; the Exams that Need to be Rescheduled Queue will list individuals who have failed an exam or whose exam windows have expired.

Reminder: Remember to monitor daily the Exams that Need to be Rescheduled Queue for failed exams and exams that have been withdrawn.

- ⌘ **Continuing Education (CE):** Includes Approaching CE Requirement, CE Required, CE Inactive, Recently CE Satisfied, and Currently 2-Year CE Termed Queues.

Reminder: These queues replace the yellow sheets! Pay special attention to the CE Inactive Queue which will list all individuals who have failed to complete their CE requirement. These individuals will have an Inactive—CE Status with all SRO registrations.

- ⌘ **Termination:** Includes Form U-5, Termination, Form U-5 Late Fees, Form U-5 Required, Temporary Registration Cancellation, and Manual Termination Queues.

Reminder: Please note that the Temporary Registration Cancellation Queue will list all the temporary registrations that have been withdrawn by a regulator. The Form U-5 Required Queue will list individuals for whom the firm must file Forms U-5. Notices in this queue are generated when Web CRD receives a Relicensing filing requesting registration with another firm for an individual currently registered with your firm. If the Form U-5 is not received within 30 days, a late fee will be charged to your firm and a notice will appear in the Form U-5 Late Fees Queue.

Each individual queue will have a sort/filter screen that your firm may use to designate the items it wishes to see in the queue. The sort and filter choices vary from queue to queue, but all sort by date and all filter by individual CRD# and billing code. In addition, your firm can limit the number of rows that will be returned to the queue. You can return a maximum of 500 rows to the queue, but you can limit the number of rows to retrieve data more quickly.

Each category will also contain a Queue Totals screen that will list the total number of items in each of the queues within that category. Your firm can use this screen to help determine which queues have information and need to be worked.

“Firm Queues, the new way you will access ‘online’ registration information in Web CRD, will deliver up-to-the-minute, organized registration information to your firm.”

After you have seen a notice, you can remove the notice from the queue. All entitled firm users will be able to mark an item for removal and then click on the Remove Selected button to remove the individually selected items from the queue. In addition, the firm can entitle certain users to “Remove All” items from queues, which will give the user the ability to remove all items from the queue without individually marking each item for removal.

In response to suggestions you made at our Web CRD Conferences, we have added an “Alert” page which, at a glance, will alert you to items in the most sensitive queues on one page.

We believe you’ll find our new Firm Queues a useful, informative, and time-saving tool when Web CRD becomes operational this August.



New Electronic Forms Debut With Web CRD Implementation

Our new electronic Forms U-4 and U-5 will debut when Web CRD becomes operational on August 16. The new electronic forms will replace the existing hard-copy “Interim Forms” you currently use. We believe you’ll find the new forms easier to use because they have been redesigned to simplify the registration process, reduce errors, and give you the means to provide us with more complete disclosure information the first time you submit the forms to us.

Though not yet approved for use by the Securities and Exchange Commission (SEC), the proposed revisions to the forms consist of formatting and technical changes to make the forms consistent with the Web-based approach of Web CRD along with changes to specific disclosure questions. The new forms incorporate Disclosure Reporting Pages (DRPs) customized to illicit information relevant to a particular type of disclosure event. While there are more DRPs on the new forms than on

the current forms, you don’t need to complete them all. You simply complete the DRPs that are applicable and ignore the DRPs that do not apply. We expect that the new electronic forms, both because of the reformatting and the completeness checks in Web CRD, will help reduce the number of times we need to come back to you to request additional information.

We encourage you to become acquainted with the new electronic forms by visiting our Web Site at www.nasdr.com over the next several weeks before you are required to begin using them in August.

You may also refer to *NASD Notice to Members 98-101* for more details about the proposed changes to the new forms currently under review by the SEC. Additional information also is available in the *Federal Register Volume 64, No. 83, (April 30, 1999)*.

Start Now To Prepare For Your New Electronic Forms BD

The SEC is adopting a new Form BD to be implemented when Web CRD is deployed. The proposed new Form BD is discussed in SEA Release 41351, which may be found on the SEC Web Site (www.sec.gov). All of our member firms will be required to refile on this new Form BD when Web CRD is implemented. While NASDR will be able to convert some Form BD information from the Legacy CRD system to the new Form BD, you must prepare and electronically submit the information described below. Because we recognize that this may be a significant undertaking for some of our firms, we are committed to providing you as much lead time and flexibility as possible.

The proposed new electronic Form BD is similar to the Form BD you currently use; however, the changes are similar to the technical and conforming changes being made to the proposed Forms U-4 and U-5. Data that you will need to refile include:

- ⌘ Disclosure (Schedule DRP, using DRPs that are customized for each disclosure category)
- ⌘ Direct/Indirect Owners (Schedule A/B)
- ⌘ Control/financial information
- ⌘ Industry arrangements
- ⌘ Affiliated firms

As you prepare to complete your Form BD refile, you will need to review and validate all Form BD information that is converted to Web CRD and update any invalid information.

Forms BD must be refiled no later than December 15, 1999. The refiling obligation will be triggered earlier, however, if you need to submit any amendments to your Form BD. For example, if a change occurs that requires an amendment to your Form BD on August 16, you must submit your entire Form BD refile with the amendment. The SEC has proposed, and NASDR supports, granting



a full 30 days to submit such an amendment because it will trigger the refiling requirement. Accordingly, if a broker/dealer is required to file a Form BD amendment because of an event that occurs on August 23, that broker/dealer has until September 22 to complete the Form BD refile and file the amendment. The SEC Division of Market Regulation has discussed this position on amendments that trigger the BD refile in SEA Release 41351 (cited on the previous page). We encourage you to read that Release for additional details.

We also encourage you to review the proposed new Form BD on our Web Site at www.nasdr.com and **begin collecting your information now**. You have almost two months to gather the information you need to include in the new form. If you begin now, the Form BD refile will not impede you from making timely amendments as required.

CRD/PD also plans to provide another tool to help you manage the Form BD refile: a template that you can use to gather, complete, and save in an electronic file the information you'll need to prepare your refile. Check our Web Site at www.nasdr.com for more information on the new template as it becomes available.

“We encourage you to review the proposed new Form BD on our Web Site at www.nasdr.com and begin collecting your information now.”

Converting The Status Of Your Registrations To Web CRD

Many of you attending our conferences asked us how the status of your registrations will be converted to Web CRD.

While “approved,” “pending,” and “termed” registrations for your firm’s registered representatives will be converted “as is” to the new system, registration requests that are “deficient” will be converted differently. The table on the next page explains the conversion process for deficient registrations.

In general, form- and data-deficient registrations will be purged rather than converted to Web CRD. That’s because the new system, with its “completeness check”

features, will not allow a filing to be deficient because of missing information.

To avoid the time and costs involved in re-requesting registrations that will be purged, we are encouraging firms to make a special effort to resolve these deficiencies as soon as possible. **Remember that CRD/PD will not accept any old form paper filings after July 29.** If you have any questions about or wish to order form- or data-deficient agent registrations, call the Gateway Call Center at (301) 869-6699 or fax your request on company letterhead to CRD/PD Research at (301) 212-9158. The cost of a roster is \$25 plus \$.15 per page.



Conversion Process For Deficient Registrations

The table below maps every Legacy CRD deficiency to its corresponding conversion status in Web CRD.

DEFICIENT CONDITION	“BLUE SHEET” CODE	WILL BE CONVERTED AS
Funds	\$	Funds
Data	D(01) – Date of Birth Missing D(02) – SSN Missing D(03) – Current Address Missing D(04) – Gaps in Employment History D(05) – Gaps in Residential History ¹	Purged
Disclosure Review	S	Disclosure Review
Dual Registration	2	Dual
Form	F(23) – Firm’s Signature or Date Missing/ Not Original/Page One F(28) – RR’s Signature or Date Missing/ Not Original/Page Four F(29) – Firm’s Signature or Date Missing/ Not Original/Page Four F(37) – Fingerprint Card Missing F(42) – Question 22 Not Answered ²	Purged
NASD (for state registration requests where agent’s NASD status is not yet approved)	NASD	NASD
Pending Firm (firm registration not yet approved in a jurisdiction)	PFIRM	Pending Firm Approval
Exam not passed	SXX (where XX is an exam number, i.e., S7)	Exam
Training period (for NYSE/ASE registration requests only)	T	Training Period
Prerequisite license approval not yet obtained	YY (where YY is a classification code signifying the license, i.e., GS)	Prerequisite Position
Foreign regulator approval authorization not yet obtained	FOR	Foreign

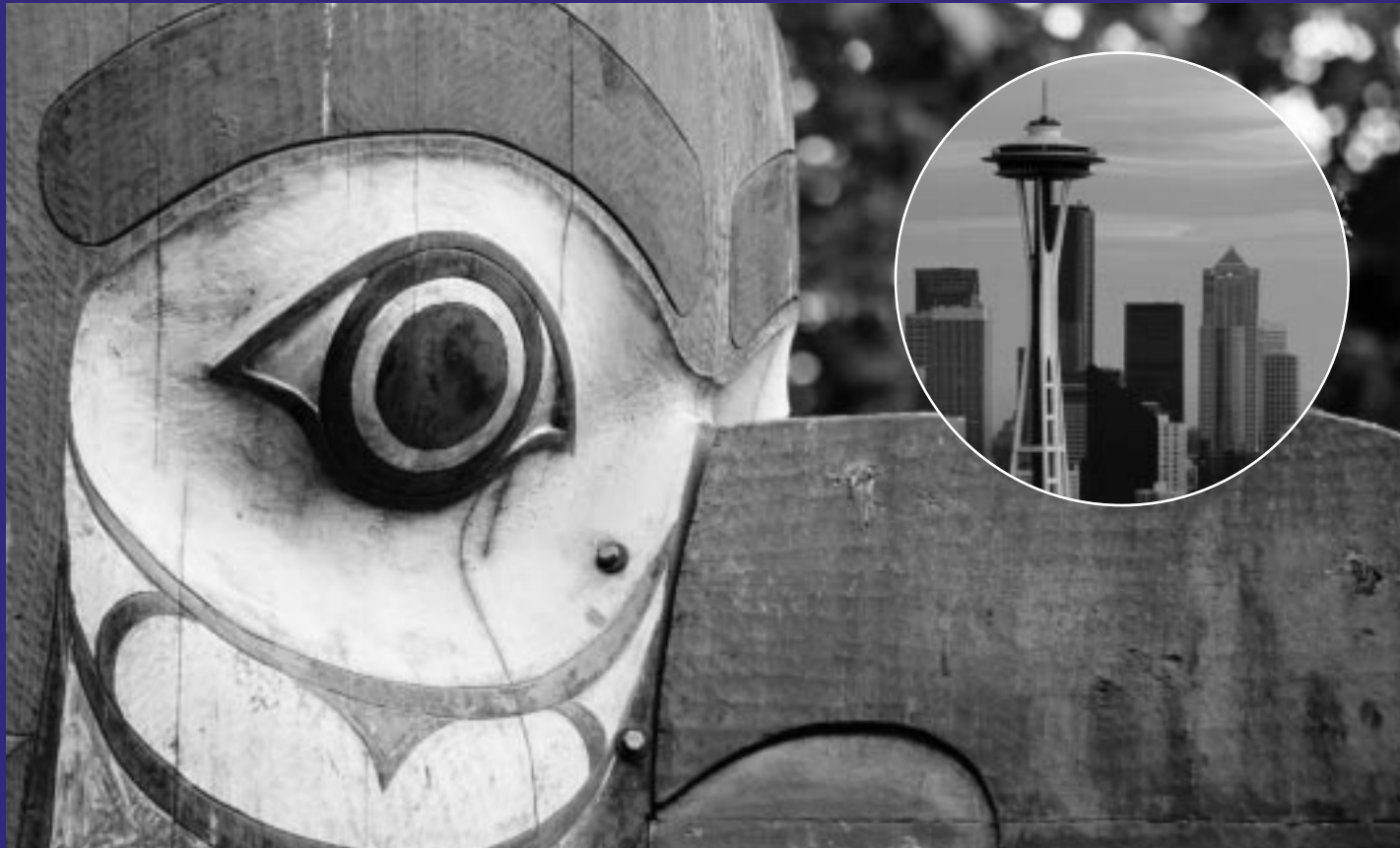
¹ The following “blue sheet” codes indicate a data error which does NOT rise to the level of a data deficiency:

- D(06) - Residential Address Error
- D(07) - Sex Missing
- D(08) - Height Missing
- D(09) - Weight Missing
- D(10) - Color of Hair Missing
- D(11) - Color of Eyes Missing
- D(20) - Error in Employment History

² The following “blue sheet” codes indicate a form error or an amendment (rather than an initial or transfer U-4 filing) which does NOT result in a form-deficient registration request:

- | | |
|--|--|
| F(25) - Firm’s Signature or Date Missing/Not Original/
Page Two | F(40) - Dual Registration/Firm Contact Missing or in Error |
| F(26) - Firm’s Signature or Date Missing/Not Original/
Page Three | F(41) - Other Business Missing or Incomplete |

Join Us For The 1999 Fall Securities Conference.



At this event, you will learn about and discuss the latest developments in the securities industry. Also you will hear from industry experts and NASD Regulation leadership, explore regulatory issues, and much more.

Watch your mail for a conference brochure and registration materials. Questions? Call the NASD at (202) 728-8383 or visit the NASD Regulation Web Site.

1999 NASD Regulation Fall Securities Conference

October 20 - October 22
Sheraton Seattle
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Web CRD Eliminates Need For Blue Sheets

When Web CRD becomes operational on August 16, you can bid farewell to the “blue sheets,” or Central Registration Depository Advisory Sheets as they are formally called. Just as forms will be filed electronically, Web CRD has incorporated electronic mailboxes, or Firm Queues, to notify firms about the form filing processing results and/or updates currently contained on blue sheets.

While most firms will breathe a sigh of relief, some firms who also do insurance licensing have raised some concerns. Currently, some state insurance departments require an actual “blue sheet” containing examination grades as one of the prerequisites for insurance licensing. When the blue sheets are discontinued, insurance licensing firms question how they will fulfill this requirement going forward.

To meet that challenge, the NASD is continuing to work closely with the National Association of Insurance Commissioners (NAIC) to develop solutions to address insurance licensing-related processes and reach consensus on best practices for validating exam grades or registration statuses once Web CRD is deployed.

In the meantime, what can be done to ensure that the Departments of Insurance obtain the information necessary to make a licensing decision? The NASD offers three recommendations:

- ⌘ The state Departments of Insurance can view registration approvals from NASDR’s Public Disclosure Program, available through the Internet at *www.nasdr.com* or our NASDR telephone information line, (800) 289-9999.
- ⌘ The state securities departments can, by assigning specific Web CRD entitlements, give their respective Departments of Insurance access to perform queries and view examination information for NASD-registered individuals.
- ⌘ The firm can query Web CRD for an individual’s examination information, print the information, sign it, and submit it to the Department of Insurance.

To ensure that all regulatory communities remain well-informed about Web CRD and the impacts of its electronic filing environment, NASDR continues to work closely with the SEC, North American Securities Administrators Association (NASAA), and the SROs, as well as NAIC and the Society of Insurance Licensing Administrators (SILA). To further ensure that the state Departments of Insurance are fully apprised about the implications of Web CRD, NASDR will notify each, in writing, about the discontinuation of the blue sheets with the retirement of Legacy CRD and offer them the above-outlined process alternatives.

CRD/PD Processing Of Virginia Investment Adviser Filings Comes To An End

When Web CRD is implemented, CRD/PD will no longer process Investment Adviser filings for the Commonwealth of Virginia. Instead, the Commonwealth of Virginia will resume full processing of these filings.

Since July 1988, CRD/PD has processed Investment Adviser representative filings (Forms U-4 and U-5) for the Commonwealth of Virginia as a “pilot” in the Legacy CRD system. While NASDR is working with the SEC and NASAA on an Investment Adviser registration system, no Investment Adviser system will be available

when Web CRD is deployed. Accordingly, with the retirement of Legacy CRD, we must transition the full processing of these filings back to Virginia.

CRD/PD has been working closely with the Virginia Securities Commission on how to make this transition as smooth as possible for both the industry and the Commonwealth. We regret that we can no longer provide this service and apologize in advance for any inconvenience it may cause.



Here's how the transition will impact filers:

- ⌘ We are targeting mid-July as the effective date of this transition and the date for filings to be sent directly to the Commonwealth of Virginia. Virginia will announce the actual date shortly.
- ⌘ Mail your filings to: Virginia Division of Securities & Retail Franchising, PO Box 1197, Richmond, VA 23218.
- ⌘ Make your checks payable to the Treasurer of Virginia. The Virginia agent registration fee cost is \$30.
- ⌘ CRD/PD will forward filings received after the effective date to the Commonwealth of Virginia for two weeks. Thereafter, we will return the filings to the submitting firm.

- ⌘ All filings must be a complete Form U-4 or U-5. The practice of filing a Page 1 to affect registration for individuals who have a current Form U-4 on file with CRD for your firm will no longer be acceptable.
- ⌘ Members may request the Series 65 or 66 via their Form U-4 filing made with CRD and the exam results will be relayed to Virginia. Non-members must file a Form U-10 to request these exams. Likewise, their exam results will be relayed to the state.

As more information becomes available about the transition of this program to the Commonwealth of Virginia, we will make it available to you via our Web Site at www.nasdr.com and through additional written materials.

Web CRD Entitlement Process On Track

The CRD/PD Entitlement Group has already received approximately 4,200 Member Firm User Account Acknowledgment Forms (UAAF). These Member Firm User Accounts have been created and the Account Administrator's entitlement privileges set.

The UAAF and Account Administrator Entitlement Form for:

- ⌘ Regulators was sent March 7, 1999.
- ⌘ Non-NASD firms will be sent by the end of this month.

Please note that Web CRD will be available to all entitled organization users on Tuesdays, Wednesdays, and Thursdays of each week during the month of July. To ensure access for all users on Web CRD's first day of implementation, August 16, the Account Administrator using the Admin Tool application will be able to entitle the appropriate privileges to each of their users prior to the System Transition Period that begins August 1, 1999.

Visit our Web Site for the most up-to-date information you'll need to prepare for Web CRD at www.nasdr.com. Then click onto "Members Check Here." Next click onto "Central Registration Depository." You'll reach our CRD/PD Department Home Page for the latest news and information on Web CRD—including our new Web CRD Tutorial, our navigation and functional guides, ordering instructions for our Web CRD conference video, and conference slide presentations.

The Web CRD Admin Tool application is structured to create an Entitlement role hierarchy as follows:

Role of CRD/PD Entitlement Group:

- ⌘ Create initial user accounts for the Account Administrator and additional users
- ⌘ Maintain Account Administrators' user accounts
 - *Set or change Account Administrators' privileges*
 - *Reset password for Account Administrators*
 - *Unlock Account Administrators' user accounts*
- ⌘ Disable accounts when necessary
- ⌘ Process online requests for additional users
- ⌘ Delete accounts
- ⌘ Maintain broadcast message

Role of Account Administrators:

- ⌘ Maintain the user accounts
 - *Provide user names and initial password*
 - *Set or change privileges*
 - *Reset passwords*
 - *Unlock user accounts*
 - *Disable user accounts when necessary*
- ⌘ Request online user accounts

Role of Additional Users:

- ⌘ Reset their own password

Change In Fax Number For Submission Of Web CRD Entitlement Forms

Important Note: The fax number included in all materials about submitting completed entitlement forms is no longer operable. Please fax completed forms to (301) 212-2670.

Frequently Asked Questions About Entitlement

Q: Can my organization have more than one Account Administrator?

A: Yes. An additional Account Administrator may be requested through the Admin Tools application.

Q: Can an Account Administrator change other firm users' privileges within the firm whenever necessary?

A: Yes. The Account Administrator can access a user's account at any time and modify the user's privileges.

Q: What if the Admin Tool does not work properly once I am in Web CRD?

A: You may be using a non-supported Web browser. The Admin Tool application requires the recommended Web browser specifications: Internet Explorer 4.01 SP1 or Netscape 4.05.

Q: Does the Account Administrator need to be a person with technical expertise?

A: No. The Account Administrator is working in the Admin Tools application which is user-friendly.

Q: Can an Account Administrator access his/her user account screen?

A: No. Only CRD/PD can access the Account Administrator's account.

Q: How quickly can a user be disabled? By whom?

A: Each Account Administrator has the capability of accessing a specific user's account, marking the Disable box and clicking the Save button. Once saved, the user account is disabled and the user no longer has access to Web CRD. CRD/PD will disable Account Administrators in this same way.

If you have additional questions about Entitlement or Access in Web CRD, call the Gateway Call Center at (301) 212-8181.



New Fingerprint Card Bar Codes To Provide Quicker Approvals

CRD/PD is implementing a new process for submitting fingerprint cards when Web CRD becomes operational. While you will be able to file your Forms U-4 electronically through Web CRD, you will continue to send the fingerprint cards to CRD/PD by mail. After Web CRD is deployed, your fingerprint card must have a bar code on it.

When you complete the electronic Form U-4, you will enter the bar code from the fingerprint card onto a specified field in Web CRD before you mail the card to us. This will allow individuals to begin doing business immediately without having to wait until CRD/PD receives the fingerprint cards. The individual will receive an “approve pending print” status on Web CRD.

Your firm has 30 days to send CRD/PD the fingerprint card. You can monitor the Notice of Undelivered Fingerprint Cards Queue to identify those individuals for whom we have not received cards. The queue will provide you with the ability to filter the queue for individuals who only have 10 or five days left until the 30-day time limit has been reached. If we do not receive the fingerprint card within 30 days, that individual’s registration status will change to “inactive print” and the individual must stop doing business. Messages notifying you of an inactive status will be sent electronically. The firm must still submit the fingerprint card containing the bar code it entered with the filing and send it to the attention of Manager Document Processing.

Firms will follow a similar process on Web CRD for the submission of fingerprint cards for back office individuals. They will input base record information for the back office person, along with the fingerprint card bar code, and submit this electronically before mailing.

Once we receive the fingerprint card, we submit it to the FBI. Results are posted to Web CRD and available to you via Fingerprint Status Received from the FBI Queue. In the event that the FBI returns the fingerprint card the first time because it is illegible, CRD/PD will update the record with “illegible” status and return the card to your firm. Your firm should then submit to CRD/PD a second fingerprint card with the original card attached to it. We will update the record again and submit both cards to the FBI. ***Please note that you only need to submit a bar code via Web CRD with the first fingerprint card submission.***

PROTECT YOUR OFFICE PC!

Please remember that Web CRD will provide a secure environment between our server and your office PC. However, you’ll need to be responsible for protecting the information on your office PC. Our advice: Don’t walk away from your desk with your Web browser up and running. You should also password-protect your screen saver to keep the information in your PC secure.

Continued on page 16

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If the FBI returns the fingerprint card a second time because it is illegible, we will update the record again with an “illegible” status and return both cards to your firm. Your firm should then submit a third fingerprint card (no attachments required) to CRD/PD and we will forward it to the FBI. If the FBI declares the fingerprint card illegible a third time, that individual will become exempt from the fingerprint requirement as long as the individual remains with the same firm and we will update Web CRD record accordingly.

You should continue to mail your fingerprint cards to:

CRD/PD
PO Box 9495
Gaithersburg, MD 20850-9495

Fees for each fingerprint submission remain the same:

1st	fingerprint submission:	\$32
2nd	fingerprint submission:	\$10
3rd	fingerprint submission:	\$32

If your fingerprint cards do not have bar codes, you can order bar code stickers to attach to your cards by contacting NASD MediaSource at the same address. You may also call (301) 590-6201; or fax your order to (301) 590-6209. There is no charge for the stickers.

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